

# *Oriental Aromatics Ltd.*

Annual Report 2021-22



Years of  
Sensing your Needs

Creators & Manufacturers of Flavours | Fragrances | Speciality 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

Mr. Bhadreshkumar A. Pandya  
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

## 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

Link Intime India Private Limited  
C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai - 400083.

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 Ltd.

HDFC Bank Ltd.

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

### Mahad

(Unit of Oriental Aromatics & Sons Limited)

Plot No. FS-43 & 37, Additional MIDC Mahad,  
Raigad-402309, Maharashtra.

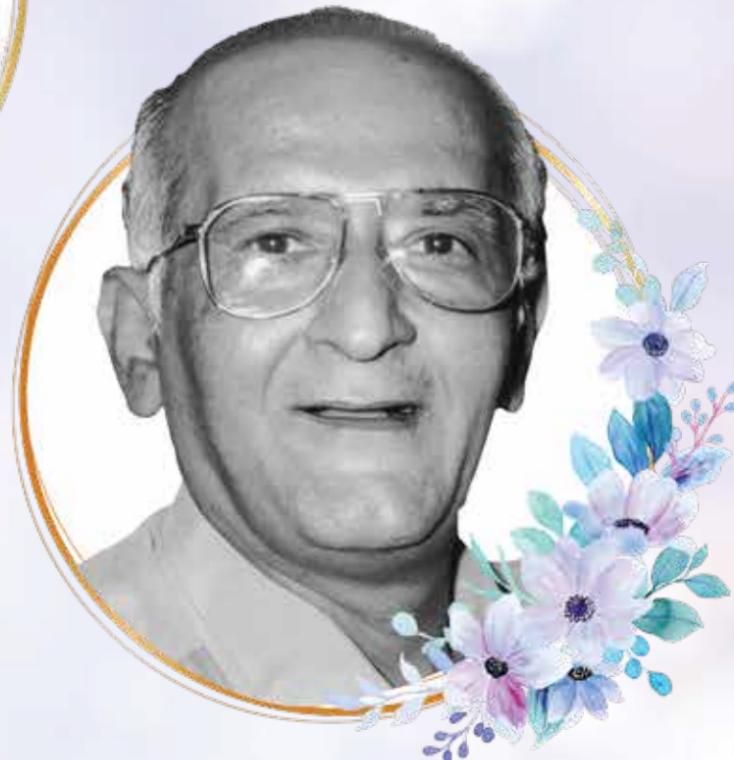
Tel: 022-49186270

Fax: 022-49186060

## Remembering our Founders



**Late Shri Keshavlal V. Bodani**



**Late Shri Anil K. Bodani**

**“Memories  
that incorporate smell  
are the strongest.”**

A tribute to our Founders,  
Shri. Keshavlal V. Bodani and Shri. Anil K. Bodani.  
Your vision remains an inspiration and guiding light for us  
at Oriental Aromatics.

Shri. Keshavlal V. Bodani founded Oriental Aromatics in 1955  
to create fine fragrances with his own unique essence.  
Being a visionary with an exceptional entrepreneurial spirit,  
Shri. Anil K Bodani expanded their Flavour & Fragrance business to  
Camphor, Speciality Aroma Ingredients  
and Terpene Chemicals.

The Company has been nurtured by three generations  
of the Bodanis – evolving, innovating and  
keeping the dream alive.

Bodani Family, Staff & Management at

*Oriental Aromatics*

## Message from the Chairman and Managing Director



### Dear Shareholders,

I would like to welcome you all to the Fiftieth Annual General Meeting of Oriental Aromatics. A milestone year has arrived for Oriental Aromatics, 2022, the year in which we celebrate our "Golden Jubilee".

Today is a very special day for Oriental Aromatics. On this occasion, I recall with gratitude the contributions of my Grandfather, Mr. Keshavlal V. Bodani who founded the Fragrance & Flavours business and my father Mr. Anil K. Bodani who further expanded the Fragrance

& Flavours business to Camphor, Speciality Aroma ingredients and Terpene Chemicals. Under their stewardship the business grew in leaps and bounds. Their vision remains an inspiration and guiding light for us.

Today, we have become a leading fully integrated global company manufacturing Flavours, Fragrances, Speciality Aroma Chemicals and Camphor. We have achieved this through a robust product development strategy, focus on innovation and sustainability as well as strategic acquisitions and amalgamation done through the years.

I am sure we will continue to build on this and take your Company to greater heights.

What makes us even more proud is the positive impact we had on our traders, suppliers, customers and society as a whole. Such things can only be achieved when you have a passionate team working incessantly behind the scene to understand the client needs, innovate and explore every possible combination to deliver that one perfect formulation. I take this opportunity to thank our team for their dedication and exemplary performance.

### Delivering in tough times

Coming to our performance in FY 2021-22, I think we have done a commendable job considering external factors. Our topline grew 22.6% to ₹ 8,688 million led by a steady demand across all categories. We added several new customers and witnessed increased buying from existing ones on the back of our quality products and relations. I am happy to report that with healthy growth, our production and sales volumes across all plants are now back to the pre-pandemic levels. In terms of realisation, we registered improvement across all categories barring Camphor. We were able to maintain superior control on the payment cycle, which provided us with the cushion of healthy cash flows in uncertain times.

On the business front, we launched several new products in the Speciality Aroma Chemicals space. The initial reception of these products has been good and we expect steady business in due course. In the Flavours

and Fragrances business, we are witnessing good traction for our products across global markets and this year we have added several new and prestigious customers. We see immense growth prospects in this business and have strengthened our Flavours team to capture opportunities.

One of the major challenges this year and which all of you are aware of, has been the input cost pressure. Geopolitical developments in Europe and supply chain disruptions arising from various lockdowns in China have resulted in the prices of most raw materials either significantly increasing or showing signs of increase. This impacted our profitability.

EBITDA declined by nearly 40.4% to ₹ 925 million and PAT was lower by 47.7% to ₹ 533 million for FY 2021-22. This was though a universal trend across most companies. That said, we have undertaken proactive measures around new customer acquisition, new product launches and efficient and sustainable supply chain management. We are confident of reverting back to normal levels across all segments as the situation stabilises.

### Focussing on long-term priorities

On the completion of 50 years, I am proud that Oriental Aromatics has established a solid foundation and is well-positioned for an exciting journey ahead.

Our focus for the coming decade is driving green and sustainable innovation and aggressively penetrating global markets.

Innovation has always been key to our success. Our long-term innovation strategy centres around developing new products, reengineering existing ones and progressing towards green chemistry. In Flavours and Fragrances, we will continue to develop new and winning solutions which can create substantial value for our customers and enable them to create winning brands of their FMCG products. In Speciality Aroma Chemicals, we focus on launching new generic ingredients on a regular basis and reengineering existing products to improve our global position. We are also proactively investing in making our products more sustainable.

On our global ambitions, I am glad to inform you that your Company is on a path to establish itself as a global supplier in all operational areas. We hold substantial global share in all products of operation, and this step was a logical way forward. We are strengthening our global network to reach closer to customers. We are also actively engaging with them to understand and deliver on their needs and build deeper relations.

### Summing up

I thank all our stakeholders for being a part of our value creating journey. I also take this opportunity to extend my heartfelt felicitations to the Board of Directors for their invaluable guidance and directions. I am pleased that across all these years, we have consistently delivered higher value proposition to our customers with the unwavering support of our productive employees and shareholders. This Golden Jubilee year has provided us with a great platform to exhibit our competency as we delivered a

"On the completion of 50 years, I am proud that Oriental Aromatics has established a solid foundation"

healthy performance amidst challenges. The Board, taking cognizance of the same had recommended an interim dividend of ₹ 1.5/- per share (i.e. 30%) in FY 2021-22.

Going forward, I am confident that your Company is well on track to grow sustainably and deliver long-term value. We seek your continued support and trust.

Warm regards,

**Dharmil A. Bodani**  
Chairman and Managing Director

# Letter to our Shareholders



**"We manufacture a wide portfolio of speciality aroma chemicals which form the building blocks of modern flavours and fragrances and are an important part of everyday essential products".**

the national market but also in the international market and becoming a preferred partner to several leading brands globally, in the perfume, FMCG, Food & Beverages and Religious Industry having contributed to their product success.

Those of you that already know us, are aware that OAL is a company that never forgets its roots and the long road travelled to the point in which we find ourselves now. On this road, all our stakeholders and OAL team, our family have been an essential part. That is why we want to celebrate the 50<sup>th</sup> Anniversary with all of you.

We manufacture a wide portfolio of speciality aroma chemicals which form the building blocks of modern flavours and fragrances and are an important part of everyday essential products. Further, camphor is used for religious purposes and has applications in the pharmaceutical industry. To conclude, due to the essential nature of the business, we do not anticipate any dent on the demand going ahead as well.

At OAL, we are proud of the line of work developed ever since our grandfather established the business of Flavours & Fragrances. Although we celebrate the Golden Jubilee of Oriental Aromatics Limited today, the humble beginning of getting into the business started way back in the year 1955. Since then, the Company has been evolving, adapting and improving with every milestone.

Thanks to the knowledge gained by decades of experience not only in

**Dear Shareholders,**

At the outset, I would like to congratulate all our stakeholders and our team at OAL for achieving 50 Years of Excellence, Our "Golden Jubilee".

- 50 years at the service of our customers which remains our top priority.
- 50 years of commitment with innovation.
- 50 years of effort, perseverance, and versatility.
- 50 years of eyes set on the present and the future.

**Banking on an opportunity called India**

While we emphasise on global markets, we are not losing sight of the domestic market, especially with India being set on a path of hyper growth.

We have been busy preparing for this. Last year, we had mentioned about embarking on a 3-year expansion plan – 1000 Day Program – aimed at fuelling growth and capturing market share. In line with this, I am happy to report that in FY 2021-22, we have successively commissioned dedicated Speciality Aroma Chemical plant in Vadodara in November 2021 and expanded the capacity of the Terpeneol plant at Bareilly in January 2022. The other capex programs for augmenting Camphor and Speciality Aroma Ingredients capacities at our Baroda, Bareilly and Mahad plants are ongoing. We expect moderate delays due to challenges around supply chain disruptions from COVID-19 tailwinds, rising steel prices and geo-political tensions. Our teams are tracking the external context to take necessary actions as required.

Oriental Aromatics Limited recognises its responsibility as an important stakeholder in the society and works as a socially responsible entity. Education is a core part of the Company's mission to help resolve the community's toughest problems. We continue to empower children who find themselves challenged by mainstream educational practices through "Keshavlal V. Bodani Education Foundation", an extended arm of Oriental Aromatics Limited Your Company also made contribution to

various other educational institutions near our plants. This includes Dampara School in Vadodara, Gujarat, Kasturba Gandhi Balika Vidyalaya School, Bareilly, Uttar Pradesh, and Zillah Parishad School (ZPS), Bohonoli, Ambernath. We supported the betterment of the overall infrastructure of classrooms and schools to facilitate holistic education of children.

With the onset of COVID-19 pandemic to combat the virus spread, your Company also spent towards promotion of Health Care, disaster management through contribution to Nandesari Industries Association situated at Vadodara and to Global Hospitals, Mumbai and Krishna Institute of Medical Science.

**Sustainability stewardship**

We are mindful that sustainability, green chemistry and engineering is the only way forward. It is also a critical element of our global vision, whereby we would be required to adhere to stringent global standards and good governance practices. Therefore, we have embedded it as a core philosophy in all our growth initiatives.

As mentioned earlier, we have directed our innovation efforts towards re-engineering product processes to make them sustainable and alongside we are undertaking various green chemistry and green factories projects. Additionally, we are emphasising on efforts around reducing water consumption and procuring raw materials from diversified resources to prevent stress on ecology of any single region.

We maintain the highest standards of health and safety at our plants. We have adopted benchmarked safety standards and are continually undertaking safety training and studies to ensure zero incidents.

On the governance side, your Company is committed to ethical business conduct. We have a balanced mix of Independent Directors on Board which ensures high standards of governance and protects the interests of all stakeholders.

To conclude, on behalf of the Oriental family, I would like to assure you that the Company will strive to achieve greater heights each year towards building long-term sustainable profitability for our shareholders.

Warm regards,

**Shyamal A. Bodani**  
Executive Director

# Board of Directors



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

Audit Committee

Stakeholders Relationship Committee



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

Corporate Social Responsibility Committee - *Chairman*

Risk Management Committee



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



**Mr. Bhadreshkumar A. Pandya**  
Executive Director - Operations



**Ms. Amruda V. Nair**  
Non-Executive & Independent Director

Audit Committee

Corporate Social Responsibility Committee



**Mr. Ranjit A. Puranik**  
Non-Executive & Independent Director

Audit Committee

Nomination & Remuneration Committee

Stakeholders Relationship Committee



**Mr. Prakash V. Mehta**  
Non-Executive & Independent Director

Audit Committee

Nomination & Remuneration Committee

Risk Management Committee - *Chairman*



**Mr. Harshvardhan A. Piramal**  
Non-Executive & Independent Director

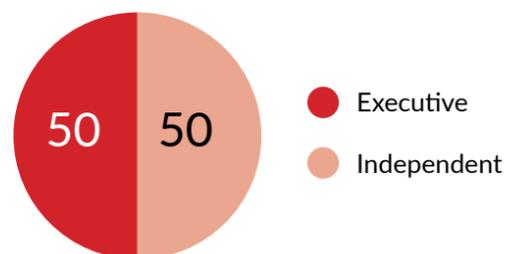
Audit Committee - *Chairman*

Corporate Social Responsibility Committee

Nomination & Remuneration Committee - *Chairman*

Stakeholders Relationship Committee - *Chairman*

Board Independence (%)



## A Heritage of Experience in Flavours, Fragrances, Speciality Aroma Chemicals and Camphor

We have 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.

We, at Oriental Aromatics, are dedicated to delighting the senses and making every moment more vibrant, bringing back the fondest of memories and igniting a spark for a wondrous future.

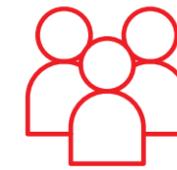
For over 50 years, our creative, high-performance and differentiated products have been playing a crucial role in delivering sensorial delight and memorable experiences to consumers. From delighting smell senses across multiple everyday products to delivering delicious flavour and taste experiences; and from promoting better health to spreading divinity in a religious India that is an emblem of tradition, culture and spirituality, our products have been doing it all.



We have a manufacturing capacity of **6,000 MT** of Fragrances & Flavours annually at our Ambernath facility (near Mumbai)



We have a manufacturing capacity of **14,100 MT** of Camphor, Terpene Chemicals and Speciality Aroma Chemicals at our Vadodara (Gujarat) and Bareilly (Uttar Pradesh) plants



**1383**  
Employees



**₹ 23,749 Lakh\***  
Market capitalisation  
\*As on March 31, 2022



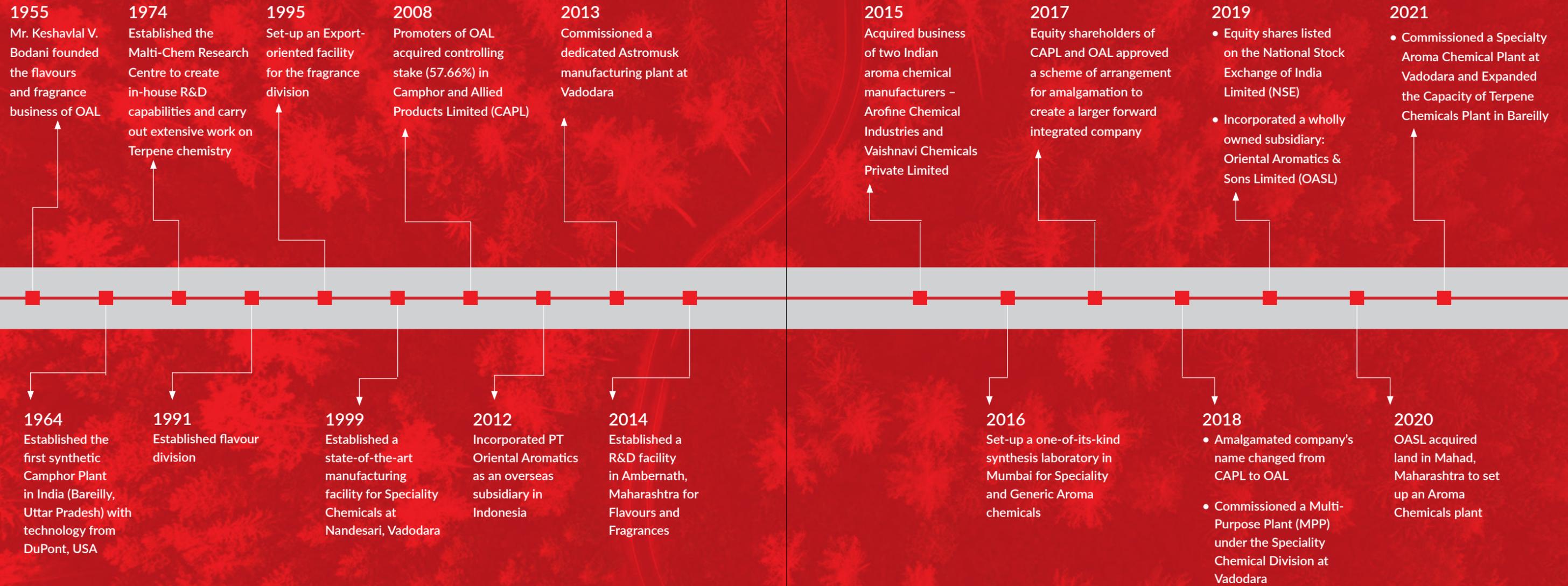
**1,000+**  
Customers



Years of Sensing your Needs and delivering the **WOW Experience!**

Today, we rank amongst the top few fully integrated manufacturers of flavours, fragrance as well as speciality aroma chemicals companies globally. We are a preferred partner to several leading brands globally in the perfume, FMCG, food and beverages and religious industries, having contributed to their product success. We are smell and taste experts who work towards crafting the perfect essence for brands and ensuring their commercial success. We also bring in our expertise in pharmaceutical grade camphor to promote better health and imbue positive spirit with its aroma.

## Our Evoking Journey



### Major achievements in our 50 years journey



### First in India

to licence Camphor manufacturing technology from DuPont, USA



### Distinction

of manufacturing 150 aroma ingredients using 28 chemistries



### Global

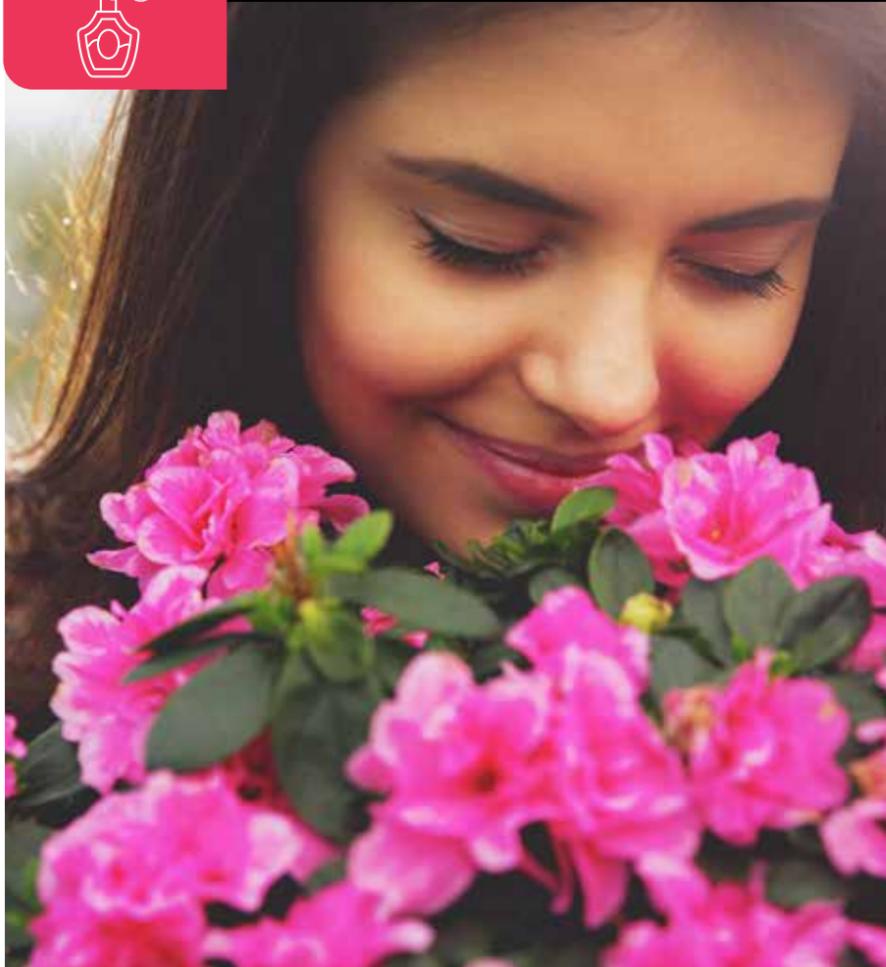
Producer of USFDA / WHO-GMP camphor

## Our Integrated and Diversified Offerings

Driven by passion and creativity, we have evolved into a comprehensive manufacturing conglomerate having a unique combination of Creativity & Expertise. Our high creativity helps us to create winning Flavours & Fragrances and expertise in unique chemistries in chemical engineering enable us to manufacture Speciality Aroma Ingredients, Camphor and Terpene Chemicals.

“ We combine expertise, ingenuity and sustainable practices to create solutions that help our partners craft memorable products. ”

Fragrance
Delighting senses and creating memorable experience



- Generational relationship with customers / FMCG companies
- Ability to partner with diverse companies and convert ideas into products
- Deep consumer insight, backward integration and technical know-how in product, market and perfumes
- Diverse range of products having perfumery applications

Application

 Fine fragrances	 Incense sticks
 Candles	 Soaps & Shampoos
 Hair oils	 Detergents

Flavour
Making foods and beverages delicious



- In the evergrowing food & nutrition market, OAL inspires to be a leading player in the flavour segment
- Ability to create winning flavours in wide applications like sweets, processed food, beverages, etc.
- Bringing moments of delight with delicious flavour and taste experiences

Application

 Beverages	 Sweets
 Oral Hygiene	 Dairy Products
 Instant Foods	 Pharma

Speciality Aroma Chemicals
Making unique flavours and fragrances possible



- Uniquely positioned with capability to manufacture one of the widest ranges of complex Speciality Aroma Ingredient
- Interesting basket of sustainable and biodegradable Speciality Aroma Ingredient aligned to market requirement

Application

 Flavours	 Fragrances
 Essential Oils	

Camphor
Spreading divinity and better healthcare



- Pioneer in manufacturing of synthetic camphor
- One of the oldest and largest manufacturers of Camphor in India
- USFDA / WHO-GMP approved camphor grade
- Products vastly used in the religious ceremonies and has long enjoyed a prominent place in medicinal uses

Application



Medicinal purposes



Religious purposes



## Establishing Operational Excellence

At Oriental Aromatics, we have invested in state-of-the-art facilities, better technologies, integration and manpower capacity to facilitate faster product development. This provides us the advantage of faster turnaround time, sustained supplies and cost efficiencies across our product lines of Flavour and Fragrances, Speciality Aroma Chemicals, Camphor and Terpene Chemicals.

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 enables seamless operations.

### State-of-the-art facilities



Bareilly, Uttar Pradesh

- First Synthetic Camphor plant in India with technology from DuPont
- Pharma Grade accreditation with WHO-GMP and USFDA certifications
- State-of-the-art catalyst plant for camphor and terpene chemical process chemicals

**Capacity:**  
7,900 MTPA

**Product range:**  
Synthetic Camphor (all grades), Terpeneol, Pine Oils, Isobornyl Acetate, Terpene Resins



Vadodara, Gujarat

- A state-of-the-art manufacturing with a modular design and having four plants producing wide range of products
- 75% of the Annual Production is exported all over the world.

**Capacity:**  
6,200 MTPA

**Product range:**  
Generic speciality aroma ingredients from Pinene, Petrochem and other raw material sources



Ambernath, Maharashtra

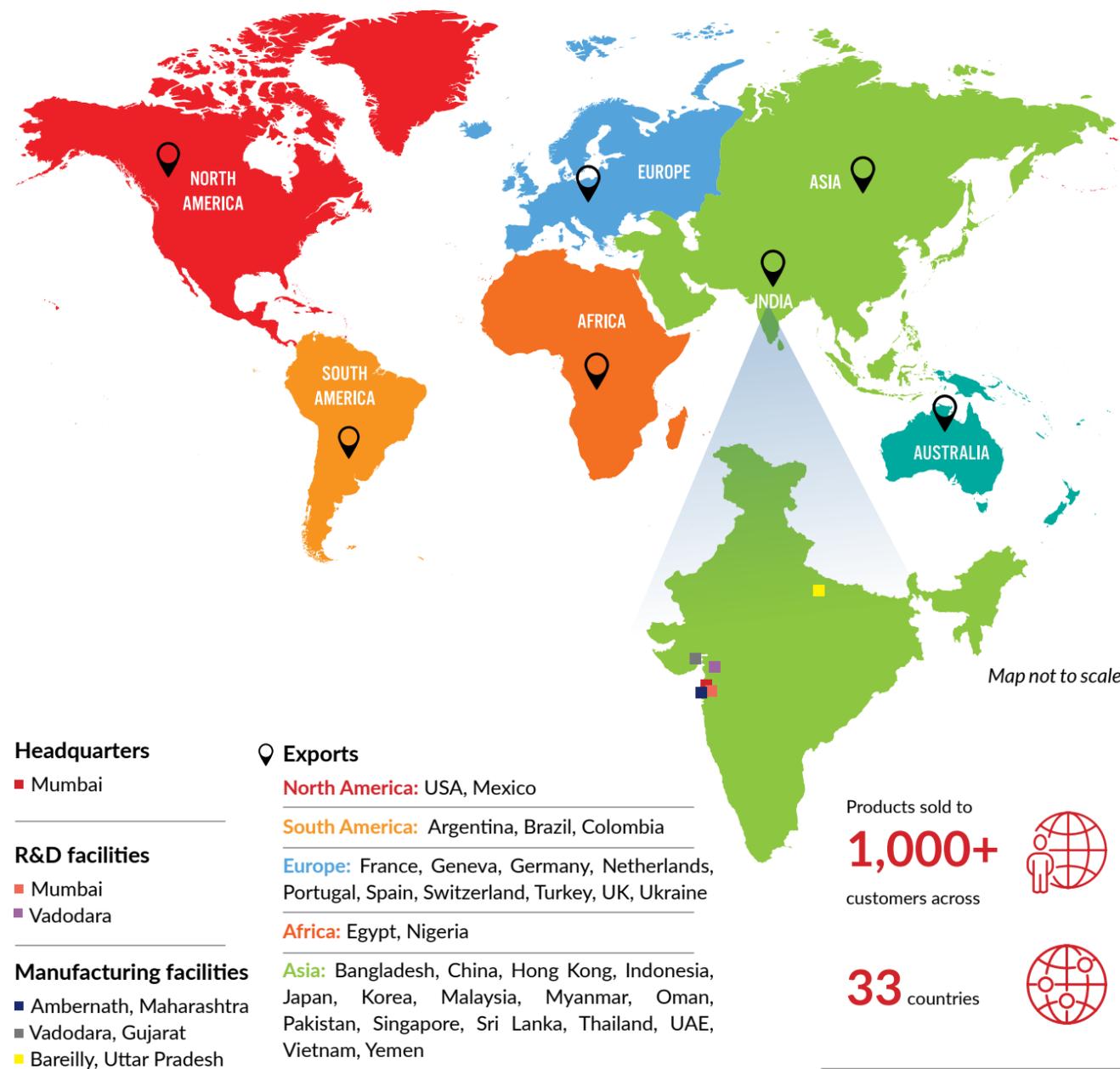
- A versatile state-of-the-art manufacturing facility for fragrances and flavours
- Equipped with R&D, creative and quality assurance infrastructure

**Capacity:**  
6,000 MTPA

**Product range:**  
Fragrances and Flavours

## Taking the Excellence on the Global Arena

Our ability to provide quality and affordable products as well as understand and deliver as per the needs of our customers across the globe makes us a preferred partner. Playing a critical role in contributing to their products success, we are increasingly finding greater acceptance from new and existing customers globally.



## What Makes Us a Reliable Partner



### Unmatched Excellence in Chemical Ingredients

Ability to offer more than 150 different aroma ingredients which are manufactured using 28 different and complex chemistries

Amongst the very few non-aligned manufacturers of Speciality Aroma Ingredients globally

Deep focus on Industry 4.0, sustainable and green chemistries

Sustainable supplier of Camphor and generic Speciality Aroma Ingredients over the past 50 years to more than 500 active customers globally



### Expertise in Flavours and Fragrances

Generational relationship with FMCG companies

Team of category experts and evaluators to provide the best solutions based on the consumer insights, trends, and market intelligence

Ability to create powerful fragrances in line with the need of Global F&F customers



### Heritage of Experience

- Strong management team with diverse skills and experience
- Over six decades of experience
- Trusted supplier to leading customers across the globe



### Deep Environmental, Social, and Governance focus

- Environmentally and socially sustainable operations
- Creation of shareholder value through a profitable and responsible business growth
- Ethical business practices ensuring value-driven growth for the future



### Research & Innovation

- A robust 25-member R&D team
- Creative and passionate team along with innovation-driven culture to create differentiated solutions that delivers superior experiences



### Robust Supply Chain

- Efficient supply chain management right from raw materials to final products
- Sustainable raw material sourcing policy
- Presence in over 33 countries across five continents



### Manufacturing Excellence

- Modern, automated facilities with multi-product development capability

## Exploration, Innovation and Creativity

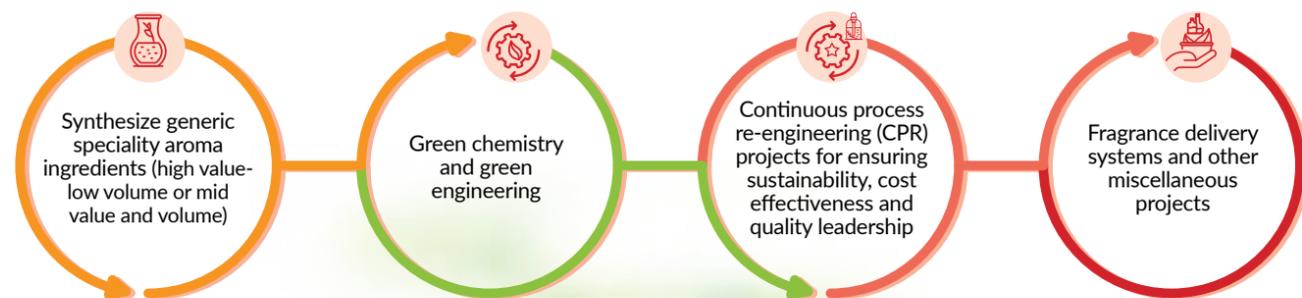
Creative freedom is an indispensable element at Oriental Aromatics. A value-based, research-driven philosophy along with a dedicated and efficient team of scientists focused on new technologies and innovation enable us to continually build on our competitive edge. We are also increasingly focusing on green chemistry to strengthen our reputation in sustainability.

We have an R&D centre at Powai, Mumbai and a process re-engineering lab at Vadodara facility in Gujarat, both recognised by Department of Scientific & Industrial Research (DSIR). They act as incubators for ensuring commercial success of all new and existing products. Together, they have enabled commercialisation of more than 150 different aroma ingredients which are manufactured using 28 different and complex chemistries.

The R&D centre has an excellent team of more than 25 research associates working in product development, regulatory, analytical chemicals, green chemistry etc. Over the years, it has developed several molecules of Aroma Chemicals and

scaled them up to commercialisation. The Vadodara lab carries out high pressure reactions and various lab scale fractionating columns for separation. It has successfully developed several new products of Turpentine chemicals.

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 enables seamless operations.



## Championing a Better and Sustainable World

Oriental Aromatics being strong proponent of operating in a responsible and environmentally sustainable way, green engineering is at the centre of all that we do. We are continually undertaking efforts towards protecting ecology and conserving natural resources. Our sustainable operations contribute to a better planet as well as strengthens our reputation as a preferred partner. That is why green engineering is at the centre of everything we do at OAL.



### Water and waste management

Water is one of the key resources used in our manufacturing and we are undertaking multiple initiatives to reduce its consumption. We have installed two reverse osmosis plants which removes contaminants and facilitates in reusing 70-80% of water.



### Reducing carbon footprint

We are continually investing in better and green technologies which are much efficient and sustainable. During the year, we undertook boiler system upgrade at our Bareilly plant to enhance its efficiencies and minimise emission. Our inhouse access to a wide range of sustainable aroma ingredients help us to lower our carbon footprint.



### Sustainable business practices

We follow a sustainable sourcing policy for procuring key raw materials of turpentine oil and alpha-pinene. We have also invested in technologies that allows use of turpentine oil derived from diverse source from anywhere in the world, making us amongst the few globally to do so. This reduces dependence on a single region, thus preventing stress on local pine trees and allowing it to regenerate naturally.

### Recognised sustainability practices



Silver medal from the ECOVADIS



We participate in CDP every year and have received a 'B-'band in FY 2021-22, it helps progress towards environmental stewardship and improving our climate governance

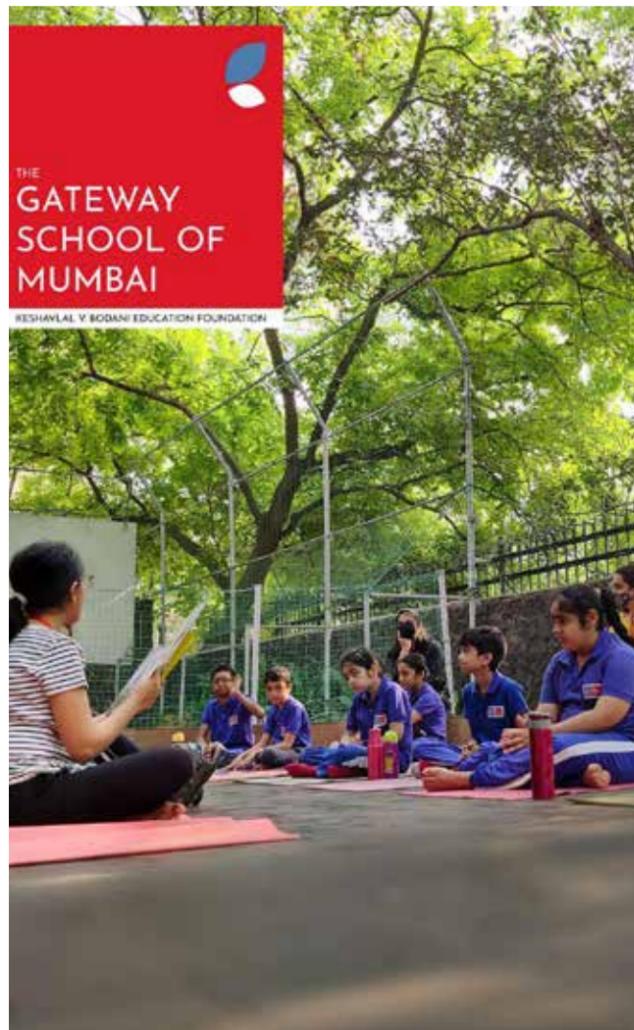
We plan to achieve zero liquid discharge at our aroma ingredients facilities by 2023.



# Empowering Communities

As a socially conscious organisation, we, at Oriental Aromatics, remain consistently focussed on fostering inclusive growth of the communities in which we operate. We strive to facilitate holistic development of the marginalised and underprivileged masses through regular initiatives and investments in their growth, development, and welfare.

Our CSR activities cover the areas of enhancing education and promoting healthcare. We ensure to regularly undertake internal tracking mechanisms, monthly reports, follow-up visits, and telephonic and e-mail communications to monitor the CSR activities.

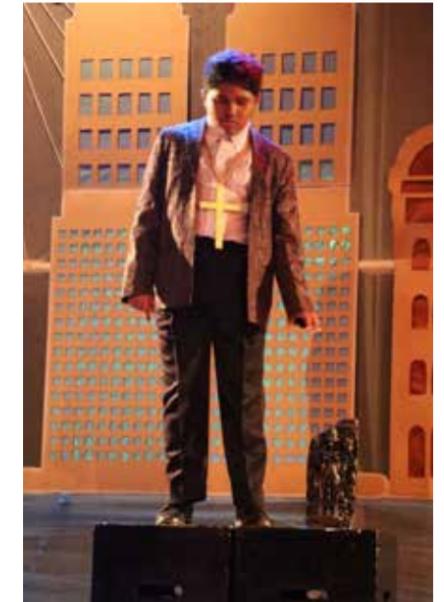


### Building brighter future with education

Education is a core part of our mission to help resolve the community's challenges. Through our wide-ranging initiatives, we strive to promote education for girl children and those having learning disabilities.

Keshavlal V. Bodani Education Foundation is the extended arm of the Company. The Foundation has established the Gateway School of Mumbai in association with the Gateway School of New York in 2010 and has been operating the school thereafter. Its aim is to empower children who find themselves constrained by mainstream educational practices. The school helps students develop the skills, knowledge, understanding, and attitude required for improved livelihoods as independent and successful individuals who actively contribute to society.

The school has also been recognised as Ashoka Changemaker school since April 2016.



During FY 2021-22, in addition to making contribution to Keshavlal V. Bodani Education Foundation, your Company also made contribution to various other educational institutions near our plants. This included Dampara School in Vadodara, Gujarat, Kasturba Gandhi Balika Vidyalaya School, Bareilly, Uttar Pradesh and Zillah Parishad School (ZPS), Bohonoli, Ambernath. We supported the betterment of the overall infrastructure of classrooms and schools to facilitate holistic education of children.

At Kasturba Gandhi Balika Vidyalay School, we also undertook tree plantation and infrastructural development like installing water cooler, RO water purifier, stabiliser, desert cooler, exhaust fan and dining chairs. We further supported by providing desktop computers and distributing shoes and sanitary pads among students. At Ambernath ZPS, we undertook repairing of classrooms and at Dampara School uniforms were distributed to students.

Our interventions benefited 85 students from the Gateway School of Mumbai and a total of 250, 100, and 58 students from Vadodara, Bareilly, and Ambernath, respectively.



Our interventions benefited **85 students** from the Gateway School of Mumbai and a total of **250, 100, and 58 students** from Vadodara, Bareilly, and Ambernath, respectively.



### Reinforcing healthcare

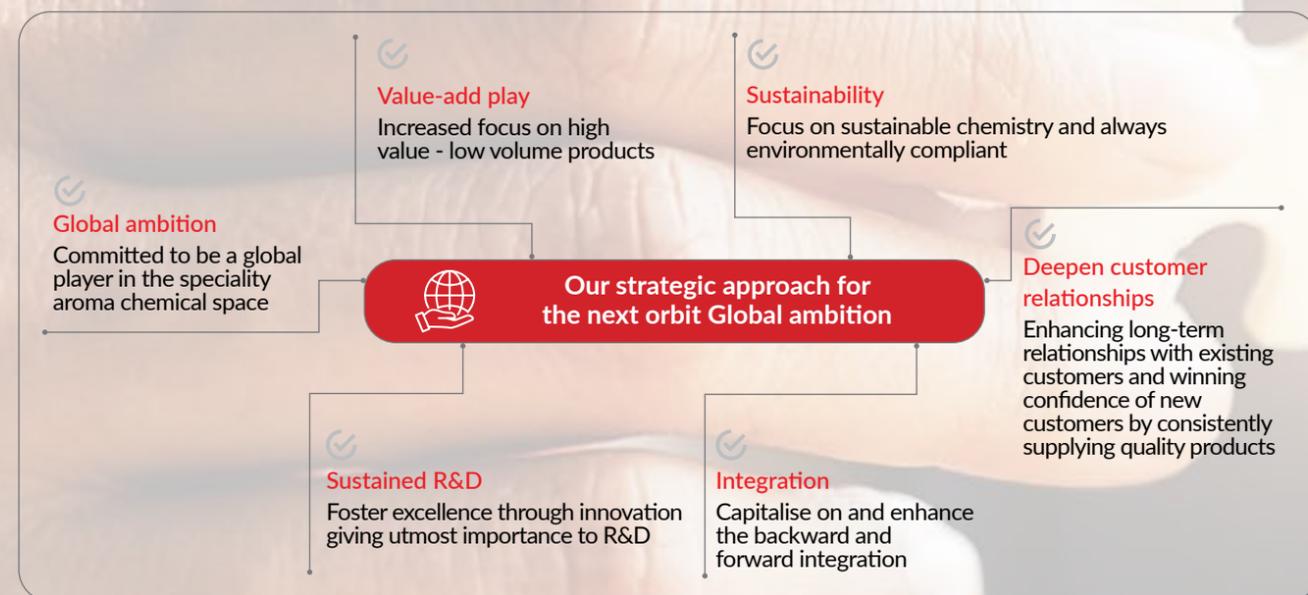
With the onset of COVID-19 pandemic to combat the virus spread, your Company also spent towards promotion of Health Care, Disaster Management through contribution to Nandesari Industries Association situated at Vadodara and to Global Hospitals, Mumbai and Krishna Institute of Medical Science.

## Consolidating and Moving Ahead

In our 50 years journey, we have consistently innovated, expanded portfolio and successfully catered to the evolving needs of customers while winning their appreciation.

### This is just the beginning of our ambitious journey.

We see ahead tremendous opportunities for growth. We are focused on consolidating our experience and expertise to reach the next orbit and create value for all stakeholders.



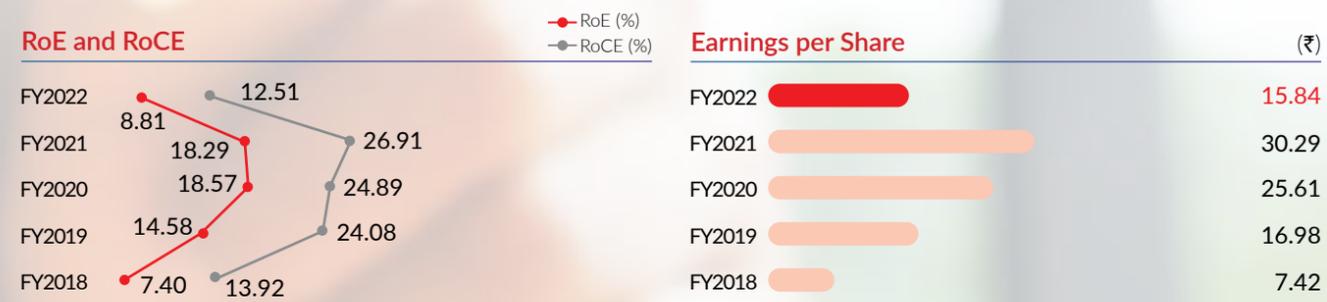
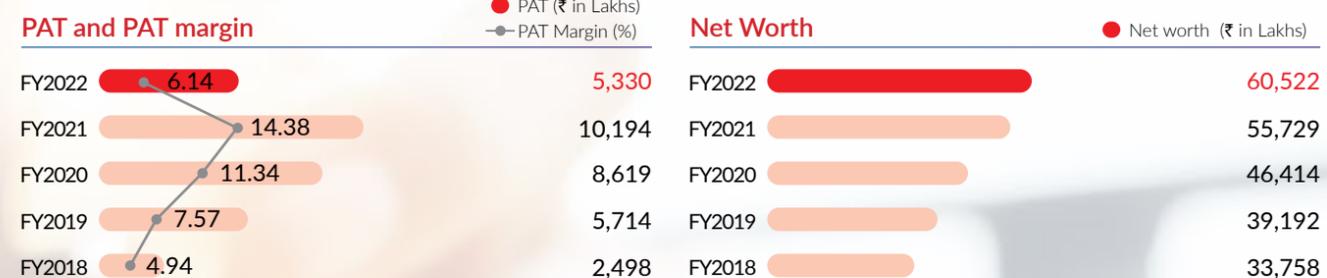
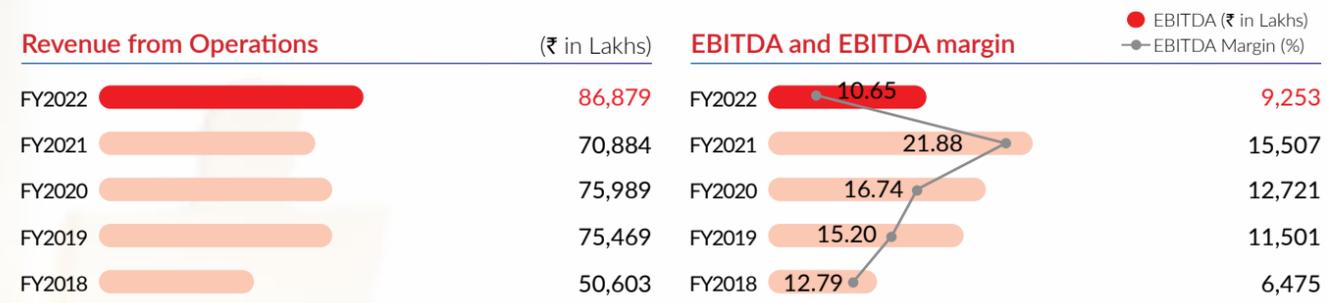
### Building capacities

The Company has a planned capital expenditure of ₹ 35,000- ₹ 40,000 Lakhs for the next 3-5 years.

Capex detail	Product	Investment	Expected year of commissioning
Brownfield expansion of the MPP at Vadodara	Aroma Chemicals	₹ 1,000 Lakhs	Completed in FY 2021
Dedicated aroma chemical plant at Vadodara	Speciality Aroma Chemicals	₹ 2,000-2,500 Lakhs	Completed in FY 2022
Hydrogenation Plant at Vadodara	Speciality Aroma Chemicals	₹ 15,000 Lakhs	H2 FY 2023
Mahad	Aroma Chemicals	₹ 15,000-20,000 Lakhs	First Phase: H1 FY 2024

## Going Strong at 50

### Financial Performance Highlights( On Consolidated Basis)



## Awarded and Recognised for Excellence

### Awards



First Prize at State Export Award, Uttar Pradesh 2019-20 for outstanding performance in Exports (Chemical, Pharmaceutical and Cosmetic products category) by the Department of MSME & Export Promotion, Government of Uttar Pradesh

Silver medal in recognition of sustainability achievement from the ECOVADIS, a global sustainability CSR evaluation platform

### Our globally recognised quality and excellence practices



We have a deep understanding of the global regulatory ecosystems to ensure meeting regulatory requirements led by a dedicated team. Our products are ISO HACCP, WHO-GMP, Halal, and Kosher certified and REACH registered. All our fragrances comply with latest IFRA guidelines. We are the global producer of USFDA approved Camphor.



# Statutory Reports

# Management Discussion and Analysis

## Economic overview

### Global economy

In 2021, the world economy grew 6.1% and was on a path to recovery from the severe impact of COVID-19 related restrictions in economies around the world, with increased debt levels, severe damage to human lives and disruption in global supply chain. However, 2022 started on a challenging note with the Russia-Ukraine conflict, and frequent and wider-ranging lockdowns in China, which led to significant economic damage to global growth. Global growth is projected to slow to 3.6% in 2022 and 2023. If they persist for a longer duration, these could cause new bottlenecks in global supply chains and add to inflation.

A severe double-digit drop in Ukraine's GDP and a large contraction in Russia are more than likely, along with worldwide spillovers through commodity markets, trade and financial channels. The growth in advanced economies is expected to slow from 5.2% in 2021 to 3.3% in 2022 and 2.4% in 2023. Scarring effects are expected to be much larger in emerging market and developing economies (EMDEs) than in advanced economies, reflecting more limited policy support and generally slower vaccination, with output expected to remain below the pre-pandemic trend. The growth in EMDEs is expected to slow from 6.8% in 2021 to 3.8% in 2022 and 4.4% in 2023.

The Russia-Ukraine conflict has increased the probability of wider social tensions because of higher food and energy prices. Inflation is expected to remain elevated for a long time driven by war-induced commodity price increases and broadening price pressures. A gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected, easing price inflation eventually. Although bottlenecks are expected to eventually ease as production elsewhere responds to higher prices and new capacity becomes operational, supply shortages in some sectors are expected to last into 2023.

Source: World Economic Outlook April 2022, IMF

### Indian economy

As India marches on a high-growth trajectory, the country is set to remain one of the fastest growing economies in the world. The Economic Survey 2021-22 had estimated India's GDP growth at 9.2% in FY 2021-22. The last quarter of FY 2021-22 witnessed the impact of the third wave caused by the Omicron variant and geopolitical conflicts between Russia and Ukraine. In 2022 rising international commodity prices remain the biggest risk emanating from the conflict, as Russia and Ukraine are global suppliers of key commodities. India is passing through an inflationary trend as the retail inflation touched 6.95%, the highest in 17 months, and the wholesale price index (WPI) hit 14.55% in March 2022 amid surging fuel and food costs. Besides inflation, the marginal cost of funds lending rate is rising with interest rate tightening. Meanwhile, Indian exports continue to rise, particularly the agriculture exports. India's agri-exports reached USD 50 Billion for FY 2021-22, despite challenges posed by the COVID-19 pandemic in the form of high freight rates, container shortages, etc.

It is expected that consumption and demand will pick up pace once the uncertainty and anxiety due to Covid-19 pandemic and Russia-Ukraine conflict recede. This will, in turn, facilitate the private sector to inject investments to augment production to meet the rising demand. In FY 2022-23, as per IMF, the economic growth rate is expected at 8.2%, making it the fastest-growing major economy in the world, almost twice faster than China's 4.4%.

**“As India marches on a high-growth trajectory, the country is set to remain one of the fastest growing economies in the world. The Economic Survey 2021-22 had estimated India's GDP growth at 9.2% in FY 2021-22.”**

## Industry overview

### Global chemical industry overview

The global chemical industry has faced a multipronged challenge of rising costs and shortages of raw materials, transportation and shipping delays, restrictions on movement and plant shutdowns since the onset of the pandemic in 2020. In 2022, the emergence of the Omicron strain has brought uncertainty to the development of the global economy and chemical industry, recovery is still on the cards as the post-pandemic recovery continues and the impact of supply chain disruptions and extreme weather eases.

The global chemical production is expected to slow in most regions, though some regions will continue to witness accelerated production, North America expected to reach 4.5%, Africa and the Middle East expected to accelerate to 3.3%, and Latin America to witness slowdown to 2.4%, Western Europe to slow to 1.6%, Eastern Europe to slow to 3.6%, and Asia Pacific to slow to 4.3% with China growth expected to be significantly impacted.

Production growth in all sub-sectors of the global chemical industry in 2022 is estimated to be lower than in 2021, with agrochemicals slowing from 3% in 2021 to 2.3% in 2022, basic chemicals to 4% from 6.1%, inorganic chemicals to 3.9% from 6.6%, bulk petrochemicals and organic chemicals to 3.8% from 5.8%, plastic resins will slow to 4.3% from 6%, synthetic rubber will slow to 6.3% from 7.6%, and speciality chemicals will slow to 4% from 5.2%. The sharp rise in energy prices and the continuation of supply chain disruptions have brought significant downside risks to the chemical industry development.

The global Chemicals market size is projected to reach USD 4,028 billion by 2026, from USD 3,543 billion in 2020, at 2.2% CAGR.

Source: [The Outlook For The Global Chemical Industry In 2022 Is Cautiously Optimistic \(echemi.com\)](#)

Speciality Chemicals have a wide range of effects and are used in a variety of industries like automotive, aerospace, food, cosmetics, agriculture, manufacturing, and textiles for products such as adhesives, agrichemicals, cleaning products, colours, cosmetic additives, construction chemicals, elastomers, flavours, food additives, fragrances, industrial gases, lubricants, paints, polymers, surfactants, and textile auxiliaries.

The global speciality chemicals market is experiencing rapid change due to the growing end-use applications, demand for efficient and safe chemicals, and environmental awareness. Continuous R&D has aided the development of products with optimal and innovative characteristics and is one of the primary drivers facilitating the expansion of the market.

Improving standards of living in most of the developing countries, trade liberalization, increasing demand for electronics, and process technology advancements are boosting the growth of the speciality chemical industry. In addition, strong growth in the construction sector, increasing demand for cosmetic products, growing investment and production in the increasing electrical and electronics industry output, increasing demand for adhesives and plastics from the packaging industry, and increasing installations of water treatment systems are also responsible for growing demand for speciality chemicals.

The demand for speciality chemicals has grown due to rapid urbanization, rising disposable incomes, and increasing industrialization of food, agriculture, cosmetics, textile, electronics, and other manufacturing sectors in APAC (Asia Pacific Region). By 2026, the APAC speciality chemicals market is expected to reach USD 580.34 billion.

Source: [Speciality Chemicals Market Size, Share, Industry Forecast 2026 \(arizton.com\)](#)

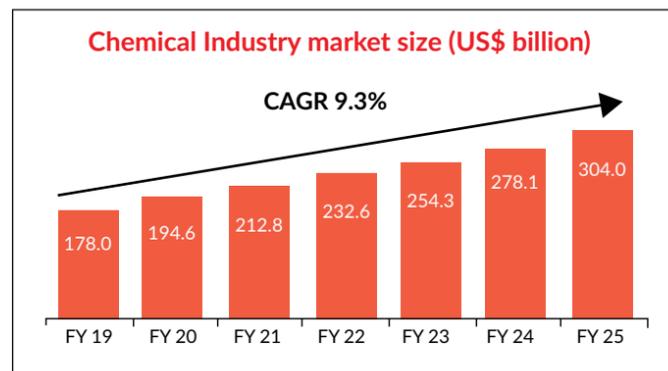
### Indian chemical industry overview

The Indian Chemical industry, one of the largest global players, is the sixth largest producer of chemicals in the world and third in Asia. India stands at the fourteenth position in export of chemicals and earns foreign exchange for the nation led by the "Make in India" approach. Over 80,000 chemicals are manufactured in the country and are consumed in diverse end-use sectors including textiles, automotive, agriculture, packaging, pharmaceuticals, healthcare, construction and electronics.

**“The Indian Chemical industry, one of the largest global players, is the sixth largest producer of chemicals in the world and third in Asia. India stands at the fourteenth position in export of chemicals and earns foreign exchange for the nation led by the “Make in India approach.”**

The Indian Chemical industry has a huge role to play to make India a US \$5 trillion economy. India's chemical industry was valued at USD 178 billion in FY19 and is expected to reach USD 304 billion by FY25. The industry is growing with a CAGR of 9.3% and is expected to attract investments of ₹ 8 lakh crore by 2025. As the sector plays a significant role in enabling the growth of the Indian economy, the country needs to build a competitive landscape for the chemical industry.

COVID-19 had severely affected the Indian chemical industry and disrupted supply chains and the demand for chemicals. However with the Index of Industrial Production (IIP) of chemical and chemical products manufacturing being on the verge of attaining the pre-COVID index, the chemical industry is expected to witness a V-shaped recovery in 2022 by adapting to India's GDP growth trend. The factors contributing to recovery include government initiatives, growth in the consumer base, changes in lifestyle, increase in disposable incomes and increased focus on healthcare and hygiene.



The COVID-19 pandemic had a positive impact on the demand for flavours and fragrances, personal care chemicals, nutraceutical ingredients and surfactants as a result of increased consumption of hygiene products, packaged foods, energy drinks and nutraceuticals. The pandemic had a neutral or negative impact on the demand for other products such as polymer additives, paints and coatings, dyes and pigments, water treatment chemicals, and textile and construction chemicals due to the lockdown. The segment has immense growth potential due to the increasing demand from construction, automotive, packaging, water treatment, home and personal care, food processing, nutraceuticals and other demand-driven sectors.

China's chemical industry is undergoing structural changes post the pandemic in terms of consolidation in the industry, growing environmental reforms and tightened financing. This is resulting in uncertainty for companies dependent on China for their supply of raw material. In view of the same the companies are compelled to move their supplier base from China to reduce dependency and look for alternative locations such as India that offer the advantage of low-cost labour and favourable investment policies.

The Indian government recognises the chemical industry as a key growth element and forecast to increase the share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025. The government has taken several progressive steps, such as the economic stimulus package, Production Linked Incentive (PLI) Scheme, tax and labour reforms, setting up of the National Infrastructure Pipeline (NIP) and various chemical industry specific policies and schemes, including its public procurement policy, mandatory BIS standards, skill development programmes and renewal of the Petroleum, Chemicals and Petro-chemical Investment Region (PCPIR) policy to boost the domestic chemical market to attract an investment of ₹ 20 lakh crore (US\$ 276.46 billion) by 2035. Led by strong push by the government and changing global chemical industry landscape, it is expected that the Indian chemical industry will emerge as a global manufacturing hub.

Source: PWC and FICCI's report - India: A global manufacturing hub for chemicals and petrochemicals, Chemical Industry, Chemicals Manufacturers and Exporters in India - IBEF

**“The Indian government recognises the chemical industry as a key growth element and forecast to increase the share of the chemical sector to ~25% of the GDP in the manufacturing sector by 2025.”**

**Global F&F industry (Growth Drivers)**

The global flavours and fragrances market was valued at USD 29.6 Billion in 2021 and is expected to reach USD 37.8 Billion by 2027, at 3.94% CAGR. Flavours and fragrances are used to enhance the value of a product by modifying its characteristics like providing pleasant odour or imparting sweet, tangy, sour and other taste profiles. These are either prepared from natural and synthetic chemicals or essential oils to deliver a specific flavour and to enhance the existing ones. The key end users of the flavours industry include beverages, dairy, confectionery, meat, snacks, healthcare, bakery, etc. The key end users of the fragrances industry include cosmetics and toiletries, soap and detergents, household cleaners and air fresheners, etc.

The global flavours and fragrance market is primarily driven by the shifting lifestyle preferences of the masses and the rising consciousness among individuals toward maintaining an appealing physical appearance led by inflating disposable income levels. The increasing adoption of various flavour and fragrance substances across the food and beverages sector is one of the key factors driving the growth of the market. Due to the rising health-consciousness among individuals, especially post pandemic, leading players are heavily investing in the formulation of organic flavour and fragrance variants, which is contributing to the market growth. Increasing popularity of aromatherapy for treating various chronic illnesses, the rising product utilization in the pharmaceutical industry and extensive research and development (R&D) activities conducted by key players to introduce diversified product variants, are also aiding to drive the market growth.

The growth of the flavours & fragrances market is primarily supported by the growing population in emerging economies such as China, India, Indonesia, South Korea, Brazil, and South Africa. The demand is also driven by the increase in awareness among the population about the benefits of the ingredients used in food products and consumer products in countries such as the US, Japan, France, Canada, Germany, and the UK.

APAC was the largest flavours and fragrances market in 2020 valued at nearly USD 7.35 Billion, followed by Europe and North America. It is aided by the global market growth, which is expected to witness a growth at a CAGR of 5.0% in the forecast period of 2022-2027. The growth in the APAC region is driven by rising demand, the changing lifestyle and high economic growth of emerging economies such as China, India, Vietnam, and Indonesia. In addition, the rapidly growing food & beverage and cosmetic & homecare industries are fuelling the growth of the flavours & fragrances market in the region.

China remains the largest flavours and fragrance market in APAC, accounting for 40% of the regional market. The continued expansion in the major end-user sectors, like beverages and frozen food, as well as strong gains in domestic expenditures on consumer products, are the factors aiding demand. As China is the fastest-growing food and beverage market in Asia, the flavours industry here is highly competitive and moderately fragmented. The hybrid flavour solutions led by initiatives, such as sushi pizza, spicy tuna roll, pasta bacon tacos, and ramen burgers are also dominating the foodservice sector, indicating the consumers' preference for remarkable and unusual flavours.

India is a significant market, not just in the Asia Pacific but also in the global market. It is a major export market, exporting over three-fourths of its domestic production of flavour and fragrances ingredients.

The flavours & fragrance market in Europe being mature, unlike the markets in the developing regions, is projected to grow at a relatively slower rate. European countries have a strong base in the usage of flavours and fragrances for the past few decades. Major industries such as beverages, savoury & snacks, bakery, dairy products, and consumer products uses flavours and fragrance to add value to the product. Beverages and consumer products are the largest end-use industries of flavours and fragrances market, respectively.

Source: Flavors and Fragrances Market Size, Share and Forecast 2022-2027 (imarcgroup.com); Flavors and Fragrances Market Size, Share | Report [2021-2028] (fortunebusinessinsights.com); Global Flavors & Fragrances Market Report 2021-2026 (prnewswire.com)

**Indian F&F industry (Overview, growth drivers, outlook)**

The Indian flavour and fragrance industry is one of the largest in the world. Since ancient times, India has been a land of olfactory indulgence, with aromatherapy, incense, and ittar. Aromatic herbs and fragrant plants are recommended for mental well-being, appearance, illness care, hygiene, and other purposes. With the advent of technology and increased use, India's conventional flavours and fragrance industry has undergone significant changes. The Indian fragrance market was valued at USD 364 million in FY 2022.

The fragrance market is projected to grow exponentially in the upcoming years due to rising personal care, brand awareness, increasing disposable income, growing demand in middle-class people and affordable price of fragrance in the form of mass perfumes & deodorants. With a paradigm shift in the social construct globally and with an understanding of gender fluidity, unisex fragrances are gaining popularity. India is not only a growing consumer market of fragrance but also a significant exporter of fine fragrance raw materials. India is the world's largest supplier of mint, jasmine and sandalwood fragrances. India also provides ingredients for all types of perfumery, including florals like geranium, spices like pepper, woods like agar, and grasses like vetiver.

The fragrance market in India is expected to reach ₹ 139.44 billion by 2024, expanding at a compound annual rate of 15.93% during the forecast period, from its 2019 value of ₹ 66.58 billion.

#### Growth drivers

Variety of fragrances offered by fragrance product manufacturing companies, use of innovative technology in perfume and deodorant bottles, increasing consumer spending on fragrance products are some of the prime factors driving the demand of fragrance products

The expanding food processing industry, along with the increasing demand for packaged, ready-to-eat food items and beverages, the elevating number of quick-service restaurants (QSRs) and the emerging cafe culture is primarily driving the India flavours market. Moreover, the rising utilization of flavouring ingredients in bakery and confectionery items, ice-creams, smoothies, energy drinks, etc., is also propelling the market growth in the country. Rapid urbanization and increasing penetration of numerous western food trends are further augmenting the demand for flavouring agents. The escalating popularity of processed and shelf-stable food products, such as noodles, soups, cake mix, ready-to-drink (RTD) tea and coffee, juices, etc., particularly among the millennial consumers, is catalysing the market for flavours in India. The 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 is acting as another significant growth-inducing factor.

#### Outlook

The fragrance market in India is expected to reach ₹ 13,944 Crore by 2024, at 16% CAGR. This growth can be attributed to the rising personal care, increasing disposable income, and growing demand in middle-class people. The India flavours market is expected to reach ₹ 5,978 Crore by 2027, at 9% CAGR. The rising consumer concerns towards the negative health impact of chemical-based flavouring agents and fragrances are propelling the adoption of natural ingredients-based flavours and fragrances. In line with this, the emergence of various healthier product variants, including vegan and organic flavours and fragrances, that contain 100% plant-based derivatives is expected to drive the India flavours market in the coming years.

Source: [Fragrance and Flavor Industry in India - Chemical Market Forecast; India Flavors Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2022-2027 - GII \(giiresearch.com\)](#); [Indian fragrances, flavours industry fears losing ground to China on exports - Times of India \(indiatimes.com\)](#)

#### Aroma chemicals industry

The global aroma chemicals market size was valued at USD 6.1 billion in 2021 and is expected to expand at 6% CAGR to reach USD 8.7 billion in 2027. The demand for the product is anticipated to be driven by increased consumption of flavours and fragrance products in the food and beverages, soaps and detergents, and cosmetics and toiletries industries.

A significant rise in the demand for exotic fragrant intensifiers and odours supported by the growing global population and inflating income levels of individuals represents one of the key factors positively influencing the global aroma chemicals market share. In addition, the rising awareness among the masses about personal grooming and hygiene is increasing the adoption of cleaning, home, and personal care (HPC) products with appealing fragrances. Besides this, the burgeoning travel and tourism sector and the expansion of hotels, restaurants, cafes, and bars are catalyzing the need for toiletries with exotic fragrances. Apart from this, the growing inclination of consumers toward natural ingredients that are non-toxic, free from allergic reactions, and harmless to the skin is driving the demand for bio-based aroma chemicals worldwide.

**“The fragrance market in India is expected to reach ₹ 139.44 billion by 2024, expanding at a compound annual rate of 15.93% during the forecast period, from its 2019 value of ₹ 66.58 billion.”**

Furthermore, the rising usage of organic, natural, and soothing fragrances in aromatherapy as they influence the psychological and emotional well-being of individuals is propelling the market growth. Moreover, increasing investments by the leading players in research and development (R&D) activities to develop innovative products with smart pricing strategies are anticipated to strengthen the market growth. Natural aroma chemicals are becoming increasingly popular with the aroma chemical manufacturers focusing on developing natural products to comply with stringent environmental norms. Additionally, consumers are increasingly becoming more aware of the product benefits, which has compelled the suppliers to maintain high-quality levels by integrating themselves into production.

Technological innovation in the market for extraction of aroma chemicals, and a surge in R&D activities among key industry participants have contributed to the growing varieties of customized aroma chemicals for targeted applications. Manufacturers are also focusing on backward integration to maintain uninterrupted raw material supply and reduce the operational cost.

Considering the availability of unique ingredients for fine fragrances formulations, the products are estimated to witness substantial demand over the forecast period.

#### Growth drivers

Increasing demand for health and wellness foods, government regulations, ban on the use of synthetic flavours are fuelling the growth of natural aroma chemicals. The suitability of natural flavours in wider applications, additional health benefits of certain natural flavours, and advanced technological innovations are the key factors driving the market for aroma chemicals.

The high demand for natural flavouring products is a prominent driver for the product manufacturers. Further, emerging economies are expected to have great potential for the aroma chemicals market. Factors such as growing disposable income, increasing demand for beverages and processed foods, the rising popularity of exotic flavours, and surging demand for several food applications such as confectionery, convenience foods, bakery, and dairy, among others are expected to drive the demand.

The fine fragrance market is driven by the high demand for organic perfumes, unique fragrances, and increasing consumer awareness about organic products. Organic perfumes are certified by PETA and are completely vegan. In addition, they have their certifications from the USDA, which assures the consumers that the perfumes are made from ingredients that are assumed safe, tested, pure, and free from harmful dyes, petrochemicals, pesticides, solvents, and alcohol.

Asia Pacific dominated the market for aroma chemicals and accounted for the largest revenue share of 30.1% in 2020. The market is anticipated to witness a CAGR of 5.2% from 2021 to 2028.

#### Outlook

The APAC market growth is mainly attributable to the increasing demand for flavours and fragrances from major economies including India, China, and Japan. The product market is expected to grow moderately in countries such as the U.S. and Canada owing to rising demand for low carbohydrate and low-fat food and beverage products and consumer goods coupled with expanding food processing industry. Rising consumer preference toward a healthy lifestyle has increased the demand for healthy foods as well as organic cosmetics in North America, which is expected to trigger the demand for aroma chemicals in the near future. Europe also emerged as a significantly growing market owing to the rapid growth of the personal care and cosmetics market along with a surge in the adoption of natural aroma chemicals in various applications such as soaps and detergents and beverage industries.

Source: [Global Aroma Chemicals Market Report, 2021-2028 \(grandviewresearch.com\)](#)

#### Camphor tablet market

The global camphor market is segmented based on the form and end user. Based on the form, the market is segmented into powder, oil, and tablets. Based on the end user, the market is sub-segmented into pharmaceutical, food & beverage, agrochemical, cosmetics & personal care, chemical, and others. The personal care and cosmetics segment is expected to grow fastest in the market owing to the awareness of personal hygiene and beauty treatment. The growing trend toward natural cosmetic products is another factor driving the growth of the camphor market in the personal care & cosmetics segment.

The pharmaceutical segment held the largest share of more than 35% in the global market in 2019 due to its wide use as an anti-inflammatory and decongestant and is projected to witness substantial growth during 2020-2025. This growth is attributed to the extending application scope of camphor in medicinal formulations. Whereas, the growing popularity of private-labelled camphorated medical products in the US further drive the market growth.

Among the regions, the APAC holds the largest share of more than 40% in the global Camphor market followed by North America and Europe. The growing consumption of camphor as a solvent from the personal care and healthcare industry across China and India is fuelling the growth of this market in the APAC region. In the APAC region, the Camphor tree is native to China, India, Mongolia, Japan, and Taiwan. Furthermore, the growing consumer and e-commerce sectors are also contributing for the growth of Camphor market share across the APAC region. Furthermore, the growing transportation sector, changing lifestyle, and rise in disposable income is also propelling the growth of this market in the APAC region..

#### Growth drivers

While the world is making a shift away from the use of chemicals in various products that are used on a daily basis, camphor is emerging as a popular chemical ingredient in most of the natural end products.

Camphor Tablets are used to help reduce pain and swelling, relax weary muscles and lower congestion and cough in a broad range of medical conditions and also used in the production of different medicines. Therefore, increased demand from the pharmaceutical industry is a major driver of market growth for camphor tablets. Another factor that stimulates market growth for camphor tablets is high consumption of camphor tablets for religious rituals in India.

In agriculture, camphor tablets are used to keep moths and insects away. It is used as a repellent to keep reptiles and insects away in agriculture and even in household activities.

In skin care products, camphor tablets are also used to reduce acne and pimples. Therefore, in many skin care products and hair care products the chemical industry makes use of camphor because of its beneficial properties.

#### Outlook

Global Camphor Market size is expected to reach around **USD 500 million by 2025**, after growing at a **CAGR of 5.5% during 2020-2025**.

The pharmaceuticals industry is expected to account for a significant share in the increasing global demand for camphor, especially in cough-related remedial products, such as vapour rub and ointments. Camphor oil is emerging as an integral ingredient in natural skincare products, due to its use in the treatment of various skin-related infections. In the coming years, leading players are likely to focus on expanding the target audience in a vast range of industries, and capitalize on the growing acceptance for camphor in most of the pharmaceutical and healthcare industries across the world.

Source: [Camphor Market Share 2021: Global Trends, Key Players, Industry Report to 2027 \(omrglobal.com\)](#); [Camphor Market Recent Trends, Demand, Dynamic Innovation in Technology & Insights 2026 - FMIBlog](#)

## Company overview

### Company brief

With decades of strong presence in camphor, terpene chemicals, speciality ingredients, flavours and fragrance industry, Oriental Aromatics Ltd. (the Company) has emerged as one of the few fully integrated players in the global flavours and fragrances industry. With an aim of backward integration, the Company forayed into manufacturing of creative Speciality aroma ingredients, important raw materials used in manufacturing of flavours and fragrances. The Company has established its stronghold in the niche flavours and fragrance industry backed by a strong management team, rich experience having unwavering focus on profitable growth and return on assets. Creativity, passion and innovation are an integral part of the Company culture aimed at creating differentiated solutions to enhance consumer experience.

Pioneer in the Indian terpene chemistry, in 1964, the company set up the first camphor plant in India with technology licensed from DuPont (USA). With time, the Company has emerged to become one of the largest domestic manufacturers of a variety of terpene chemicals, camphor and other speciality aroma chemicals. Product portfolio includes synthetic camphor, terpineol, pine oils, astromusk, other speciality aroma chemicals and several other chemicals used in different industries including flavours & fragrances, pharmaceuticals, soaps & cosmetics, paints & varnishes and many more.

At present, the chemical division manufactures over 150 Speciality aroma ingredients using 28 different chemistries. These chemicals are used in-house by the F&F division to create winning flavours and fragrances for a wide range of applications.

**“Pioneer in the Indian terpene chemistry, in 1964, the company set up the first camphor plant in India with technology licensed from DuPont (USA). With time, the Company has emerged to become one of the largest domestic manufacturers of a variety of terpene chemicals, camphor and other speciality aroma chemicals.”**

The Company has a strong domestic presence and exports to several countries in Asia, Europe, Africa as well as North and South America. The Company has well established R&D centres and manufacturing facilities in India which enable it to create unique combinations of speciality aroma chemicals along with flavours and fragrances.

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 & cosmetics. The Company has adopted an efficient and sustainable raw material sourcing policy to insulate itself from external risks.

The Company's success is the result of strong passion, focus on creativity, customer centricity, vertical integration and use of advanced technology to create unique products aimed at creating sustainable business.

The Company integrates chemistry, creativity and technology to present a wide variety of products with a huge spectrum of applications.

### Product Portfolio

#### Fragrance

Fine fragrance blends created with superior quality ingredients at the Company are widely popular across finest perfumes, personal care and home care brands. The Company's passion and creativity enables it in the creation of unique fragrance formulations. The Company is able to provide a unique customer experience with high demand for its fragrances led by its in-depth knowledge, understanding of evolving customer behaviour, proximity to market and backward integrated supply chain. Customized fragrances designed by the Company are used in fine fragrances, incense sticks, candles, and various FMCG products like soaps, shampoos, hair oils, detergents, etc. The Company provides its clients with a unique brand identity as it offers a wide range of creative products which are of superior quality and consists of effective ingredients. The Company's fragrances are sold across 33 countries worldwide to 1,000-1,200 customers.

#### Flavour

The flavours created by the Company are widely popular among customers due to unique characteristics it provides to food and beverages further enhancing appeal. The Company is determined to expand the world's expression through flavours by bringing moments of delight with delicious flavour and taste experiences. Innovation and creativity are at the heart of the Company's operations. It, therefore, creates unique flavours to suit the ever-changing taste buds of the customer. The Company specialises in custom flavour manufacturing and aims to reinvent the palate of taste. The Company aims to improve day to day customer experience in oral hygiene, instant foods, beverages, health and wellness, dairy and snack foods through its well thought of flavours.

#### Speciality Aroma Chemicals

Superior quality aroma chemicals form the building blocks for F&F formulations. They form an integral part of innovative and sustainable flavours and fragrances. Aromas can be used to mask, mimic or maximise a taste or smell. With a specific need and a unique characteristic, each aroma stands out irrespective of its end application. Being one of the leaders in Speciality aroma chemicals manufacturing India, the Company offers a broad spectrum of molecules and ingredients, for captive consumption as well as worldwide exports. Each aroma molecule can be adapted to suit a variety of products and offer their own signature fragrance. The Company's broad and ever-expanding range, covering the entire olfactive spectrum caters to a wide variety of products with different technical specifications. All synthetic aroma ingredients are produced in-house with their own research and manufacturing facilities. There is an unwavering focus on R&D to strengthen the front end F&F business through backward integration.

#### Camphor

Camphor not only has anti-microbial and anti-inflammatory properties, but also finds application in spiritual and embalming ceremonies as a base for incense, in Asia. It also has tremendous healing properties and is frequently used in a variety of medicinal substances. The Company manufactures synthetic camphor, which can be utilised in several different ways. As per ancient Indian culture, camphor is highly used in religious ceremonies to purify the air in addition to its numerous medicinal benefits. Camphor is commonly used as an antibacterial, antifungal, and anti-inflammatory agent to treat skin conditions, improve respiratory function, and relieve pain. The Company, a pioneer in manufacturing synthetic camphor, is 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 increased from INR 70,883.55 lakh in 2020-2021 to INR 86,879.19 Lakh in 2021-22. Profit after tax decreased by 4863.53 lakh from INR 10,193.76 lakh to INR 5,330.23 lakh. The aforesaid decrease in profitability is mainly due to increase in raw material prices.

For Standalone Performance and Consolidated Performance, the members may refer the Board's report.

### Details of Significant Changes

There were significant changes (i.e. change of 25% or more as compared to the immediately previous Financial year) in the following key financial ratios:

Ratio Analysis on Standalone Basis

Particulars	FY22	FY21	YOY Change	Reason for change
Interest Coverage Ratio(EBITDA-other income/ Finance Cost)	22.78	64.79	-64.85%	Increased utilization of borrowings during the year
Debt Equity Ratio	0.23	0.14	64.29%	Due to increase in the borrowings during the year.
Operating Profit Margin (%)	10.65%	21.95%	-51.48%	Due to increase in price of all input costs
Net Profit Margin (%)	6.13%	14.45%	-57.58%	Due to increase in price of all input costs

### Return on Networth:

The details of Return on Net worth at standalone level are as under:

Particulars	FY22	FY21	YOY Change	Reason for change
Return on net worth % (PAT/Net worth)	8.92%	18.37%	-51.46%	Due to decrease in profit.

There are no significant changes in the following Key Financial Ratios:

Debtors Turnover Ratio, Inventory Turnover Ratio and Current Ratio

### Management outlook

The Company has evolved into one of the top few completely integrated flavour, fragrance and aroma chemical manufacturing companies in the world led by its strong focus on creativity. The Company has become the chosen partner for several clients over generations due to deep understanding of evolving customer requirements across the World and crafting products to suit the essence for their brand and inspiration. The Company strives to enhance stickiness with existing and new customers by consistently supplying quality products.

The Company is committed to be a global player in the Speciality aroma chemical space with increasing focus on high value low volume products. The Company continues to capitalise on and enhance the backward and forward integration and foster excellence through innovation giving utmost importance to R&D. The commitment is well supported by a driven top management, skilled employees and one of its kind automated multi-purpose plants in India for Speciality aroma chemicals. While the Company is embarking on its journey of excellence, it remains focused on sustainable chemistry and remains committed to always being environmentally compliant.

### Opportunities and threat

Fragrance and flavours, though a miniscule part of the formulation, are big influencers of buying decisions for various FMCG categories like home and personal care, food and beverages, etc.

China is a major market exporter and industrial producer in the global flavour and fragrance market. Strict lockdowns in the country's major provinces during COVID-19 pandemic affected industrial activities in the country impacting the global supply chain. Worldwide, countries are in search of alternative sources other than China since the corona virus emerged there. With ample availability of skilled labour, raw materials and low cost of production, this presents a huge opportunity for India to establish itself as the global hub for chemicals.

The current per capita consumption of chemicals in India is low compared to the global average. A large population base, increasing per capita income and rising demand from the end-use industries makes India an attractive market.

With growing demand for hygiene in the wake of COVID-19 pandemic, consumption of personal care and home care products has increased manifold providing a huge growth opportunity in the fragrance market.

Digitalisation offers competitive advantages through improved horizontal and vertical integration, a new definition of operations management, and innovation and new digital business models. Chemical companies are implementing digitalisation initiatives and tools in their supply chains, demand planning and pricing strategies.

While there are ample opportunities, certain factors like continued Russia-Ukraine conflict, rising crude oil prices, domestic inflationary pressure, likelihood of emergence of new waves of COVID-19 infection, disruption in global supply chain pose risks to growth.

The Company is in a sweet spot to bank the opportunities the sector presents led by successful forward integration which has solidified its position in the flavours and fragrance market and aroma chemicals space. The merger has not only enhanced its product portfolio but also its marketing strengths.

### Risk management

**FMCG slowdown:** Geopolitical tensions and continued spread of COVID-19 infection has impacted supply chains and also increased price of various commodities. Resulting inflation, if persists longer may impact demand of the FMCG segment. Since India is not in close proximity to the global conflict, the direct impact is minimal. Though inflation is rising due to rising crude oil prices, timely government intervention and emergence of India as a global manufacturing hub is expected to shield FMCG demand from any major impact. With successful vaccination drives across the country, the impact of subsequent waves is expected to be minimal. Also, the essential part of FMCG demand remains unaffected by any economic slowdown thereby keeping demand for flavours and fragrances intact.

**Industry concentration:** The four biggest players constitute over 50% of the global F&F industry. These players have operations in India too however the Company has an indepth understanding of the tastes and preferences of Indian customers, due to close proximity with the Indian market thereby making it a preferred choice for most domestic FMCG Companies.

**Raw material risk:** Any volatility in raw material prices led by unavailability or disruption in supply chain may lead to significant increase in cost. Most of the Company contracts usually provide provisions for dealing with increase in raw material prices so that raw material price fluctuations are eventually passed on to customers. During the year, we have witnessed a gradual increase in the raw material prices. However, prudent inventory management practices led by rich experience of the management enables the Company to procure raw materials at competitive rates.

**Forex risks:** The Company being a net importer is exposed to volatility in foreign currency. Appropriate hedging contracts enables the Company to remain insulated from any forex movements.

For further details, kindly refer Board's Report which forms part of this Annual Report.

### Internal Control and its adequacy

The Company has a well-designed internal control system in keeping with its size and nature of business. The internal control system facilitates accurate, reliable and speedy compilation of all financial information. It ensures adequate safeguarding of the assets and interests of the Company. The internal control system ensures strict adherence to applicable laws and rules & regulations. Risk management is an essential part of internal control, wherein identification, close monitoring and assessment of various risks faced by the Company is ensured. The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures. Periodic audit is conducted by the internal auditors and remedial measures are taken wherever necessary. Audit plans, observations and recommendations of the internal auditors as well as of external auditors are in turn reviewed by the Audit Committee of the Board of Directors periodically. The audit ensures appropriate action is initiated in response to any foreseeable risks to the business and maintains adequacy of internal Controls.

**Human Capital**

Human capital is an integral part of growth and the Company strives to attract, retain and recognise talent. The Company provides a safe, conducive, collaborative, fair and healthy work environment. The Company believes in encouraging fresh minds and new ideas. It facilitates employees' career growth and encourages employees across the organization to enhance their knowledge and skills. Several programs and initiatives are undertaken to inculcate a strong sense of business ethics and social responsibility for employees at all levels.

Employee safety is of utmost importance. All offices are regularly sanitized at our various locations. Being in essential services, manufacturing and R&D activities were carried out smoothly at minimum capacity even amidst the pandemic with all the necessary safety precautions exercised to protect the interests of the entire team. The organization prioritizes the Industrial health and safety of the premise and works continuously towards creating a sustainable process at all the manufacturing sites across.

We as an organization remain committed to the fight against the pandemic and continue to take all the necessary steps in protecting the interests of our entire team. During the year amidst the pandemic, the Company and the Gateway School of Mumbai launched a vaccination drive for its employees, school children and their family members to ensure their safety and well being. The vaccination drive was arranged for four days in the months of June, July and September, 2021 which covered around 2497 people.

Our highly competent teams are well trained and ensure all the statutory compliances required across the organisation.

The total number of permanent employees in the Company is 744 as on 31<sup>st</sup> March, 2022. The Industrial relations in manufacturing units of the Company continued to be cordial throughout the year.

**Environment, Health and Safety**

The Company is a firm believer in being as environmentally sustainable as possible to protect ecology and conserve natural resources while conducting business operations. The Company strives to keep the environment as pollution free as possible and use water conservatively. The Company has designed appropriate Waste Management Systems across its facilities to function in congruence with the surrounding ecosystem. During manufacturing and other plant related activities, water usage is done in conformity with reuse, recycle and reduce policy, across plants. In addition, at both the plants the Company has installed appropriate pollution control facilities in accordance with the guidelines of pollution control authority as per set norms. Keeping work safety in mind, the Company provides adequate safety equipment and periodic training to its workforce.

**Cautionary Statement**

Statements in the Management Discussion and Analysis that address expectations or projects about the future, including but not limited to statements about Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements and these forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include among others, economic conditions affecting demand/supply and price conditions in global and domestic markets, changes in government regulations, Tax laws and other statutes and incidental factors. Every possible caution is undertaken to identify the risks and uncertainties that can affect the Company's performance.

# Notice of Annual General Meeting

Notice is hereby given that the 50<sup>th</sup> Annual General Meeting of the members of Oriental Aromatics Limited will be held on Wednesday, 27<sup>th</sup> July, 2022 at 11:00 a.m. 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, 2022, together with the reports of the Board of Directors and Auditors thereon.

**2. Confirmation of Interim Dividend**

To confirm the payment of Interim dividend on Equity Shares. The Board of Directors in its meeting held on 30<sup>th</sup> November, 2021 had declared an interim dividend of ₹ 1.5 (i.e 30%) per equity share of face value of ₹ 5/- each for the financial year 2021-2022.

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

To appoint a Director in place of Mr. Satish Kumar Ray (DIN: 07904910) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS****4. 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-imbursalment 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, 2023, be and is hereby ratified and confirmed."

**5. Re-appointment of Mr. Satish Kumar Ray as a Whole Time Director**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company, approval of the Members of the Company be and is hereby accorded to re-appoint Mr. Satish Kumar Ray (DIN:- 07904910), as a Whole-time Director designated as Executive Director-Operations of the Company, for a further period of 5 (five) years from the expiry of his present term of office, that is, with effect from 16<sup>th</sup> August, 2022 till 15<sup>th</sup> August, 2027, on such terms and conditions including remuneration as set out in the statement annexed to Notice convening this meeting, with specific authority to the Board of Directors to alter or vary terms and conditions of the said re-appointment and/ or remuneration as may be agreed between the Board of Directors and Mr. Satish Kumar Ray, subject to the ceiling on remuneration of ₹ 75,00,000/- (Rupees Seventy-Five Lakh 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: 10<sup>th</sup> May, 2022

**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)

**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 and Circular No. 02/2021 dated January 13, 2021 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 and Circular No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 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 procedure for participating in the meeting through VC / OAVM is explained at Note No. 27 below.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and cast their votes through e-voting pursuant to Section 113 of the Act.
3. 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 Chairpersons 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.
4. The attendance of 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.
5. 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”) and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and May 13, 2022, 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 venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the 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)
7. 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)
8. The recorded transcript of the AGM shall also be made available on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) as soon as possible after the meeting is over.
9. 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.

10. In compliance with the aforesaid MCA Circulars and SEBI Circulars, the Annual Report will be sent through electronic mode to only those Members whose email ids are registered with the Registrar and Share Transfer Agent- Link Intime India Private Limited ("RTA") of the Company/ Depository Participant(s). Members who have not registered their e-mail ids are requested to refer to Note No. 27 -e-voting instructions i.e. procedure for obtaining the Login credentials for remote e-voting.
11. 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.
12. 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.
13. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 21<sup>st</sup> July, 2022 to Wednesday, 27<sup>th</sup> July, 2022 (both days inclusive) in terms of the provisions of Section 91 of the Companies Act, 2013 and as per the provisions of Regulation 42 of the SEBI Listing Regulations for annual closing.
14. 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.
15. Share documents and all correspondence relating thereto, should be addressed to RTA at 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. [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
16. 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.
17. 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.
18. SEBI has amended Regulation 40 of SEBI Listing Regulations, pursuant to which securities can be transferred only in dematerialized form. However, it is clarified that members can continue holding shares in physical 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.
19. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,:
  - i. For shares held in electronic form: to their Depository Participants (DPs)
  - ii. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/ MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters in January, 2022 for furnishing the required details.

20. 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/ she may submit the same in Form ISR-3 or SH-14 as the case may be. 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.
21. Members may please note that 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 viz. 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. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4. It may be noted that any service request can be processed only after the folio is KYC Compliant.
22. 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.
23. The provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012 (IEPF Rules) are applicable to the Company. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends on the website of the IEPF viz. [www.iepf.gov.in](http://www.iepf.gov.in) and on the website of the Company under "Investors Relations Section".
24. 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: <https://www.iepf.gov.in/content/iepf/global/master/Home/Home.html> or contact RTA for lodging claim for refund of shares and/or dividend from the IEPF Authority. For details, please refer to corporate governance report which is a part of this Annual Report.
25. 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 during the AGM.
26. An interim dividend at the rate of ₹ 1.5 (30%) per equity share of ₹ 5/- each declared by the Board at its meeting held on 30<sup>th</sup> November, 2021 has been paid to all the eligible members as on 10<sup>th</sup> December, 2021, being the record date for the purpose of interim dividend.

The directors recommend for confirmation of the shareholders the above referred interim dividend for the financial year ended 31<sup>st</sup> March, 2022.

As per the SEBI Listing Regulations and pursuant to SEBI Circular dated 20<sup>th</sup> April, 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the interim dividend, which was declared on 30<sup>th</sup> November, 2021 was paid through electronic mode, where the bank account details of the shareholders were available. The intimation regarding such remittance was sent to the shareholders via e-mail, whose e-mail ids were registered/ available with the Company. With respect to the shares held by the shareholders in physical mode, the dividend warrants were duly dispatched within the statutory timelines.

**27. 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 Saturday, 23<sup>rd</sup> July, 2022 at 09:00 A.M. and ends on Tuesday, 26<sup>th</sup> July, 2022 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. 20<sup>th</sup> July, 2022 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 20<sup>th</sup> July, 2022.

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.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ 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 “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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.nsd.com">https://eservices.nsd.com</a>.  Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.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.nsd.com/">https://www.evoting.nsd.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 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” 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>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <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 provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>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 &amp; voting during the meeting.</p>

**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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022-23058542-43

**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.nsd.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.nsd.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:
a) 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*****.
b) 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*****.
c) 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***.

5. 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:

- 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).
- Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- 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.
- 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?

- 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
- 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"
- Now you are ready for e-Voting as the Voting page opens
- 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.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 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.
- 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 toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Soni Singh, Assistant Manager 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:**

- 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)
- 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.**
- 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.
- 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 DURING THE AGM ARE AS UNDER:-**

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- 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.

#### V. Procedure for registration of e-mail address for obtaining Notice of the AGM and Annual Report and updation of Bank details.

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 Friday, 15<sup>th</sup> July, 2022 to receive the Notice of the AGM along with the Annual Report 2021-22 by completing the process as under:

##### i. For Temporary 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 temporarily 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.**

##### iii. 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://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.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 he 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.**

- 28. 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.
- 29. 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 shall not later than three days of conclusion of the meeting, submit a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
- 30. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company i.e [www.orientalaromatics.com](http://www.orientalaromatics.com) and of NSDL i.e [www.evoting.nsdl.com](http://www.evoting.nsdl.com) after the declaration of results. The results shall also be simultaneously communicated to the stock Exchanges.
- 31. 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 27<sup>th</sup> July, 2022.

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

Place: Mumbai,  
Date: 10<sup>th</sup> May, 2022

**Kiranpreet Gill**  
Company Secretary

**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)

# 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. 4:

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, 2023. 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.4 of this notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval and ratification by the members of the Company.

## Item No. 5

In the 45<sup>th</sup> Annual General Meeting held on 25<sup>th</sup> September, 2017, the members had approved the appointment of Mr. Satish Kumar Ray as an Executive Director- Operations of the Company for a period of 5 years from 16<sup>th</sup> August, 2017 till 15<sup>th</sup> August, 2022, on the terms and conditions as contained in the agreement entered into between the Company and Mr. Satish Kumar Ray, with a specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment. Further, members in its 47<sup>th</sup> Annual General Meeting approved revision in terms of his appointment (remuneration) subject to the maximum remuneration not exceeding ₹ 50,00,000/- (Rupees Fifty Lakh only) per annum, during his remaining tenure.

Mr. Ray has over 25 years of experience in different fields like Policy Formation, Advisory Planning and executive task related to HR, commercial purchase, store, sales, supply chain, taxation matters, insurance and claim management etc. Mr. Ray possesses requisite knowledge, experience and skill for the position of director. As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, his brief resume is furnished and forms a part of this Notice.

The Board based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers that given his background, experience and contributions made by him during his tenure, the continued association of Mr. Satish Kumar Ray would be beneficial to the Company and it is desirable to re-appoint Mr. Satish Kumar Ray as Executive Director- Operations of the Company, liable to retire by rotation, for a second term of five consecutive years from the expiry of his present term of office, that is, with effect from 16<sup>th</sup> August 2022 till 15<sup>th</sup> August 2027.

Mr. Ray has conveyed his consent to act as a Director of the Company and made the necessary disclosures and declarations. The Company has received a notice in writing from a Member proposing the candidature of Mr. Ray for the office of Director of the Company. Mr. Ray is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The present terms and conditions of re-appointment of Mr. Ray, as approved by the Board of Directors upon recommendation of the Nomination & Remuneration Committee, are as under:

### 1. Remuneration:

Remuneration of Mr. Ray will be so fixed by the Board of Directors from time to time after taking into account the recommendations of the Nomination & Remuneration Committee, such that the salary and the aggregate value of all perquisites and allowances shall not exceed the overall ceiling on remuneration approved by the Members in General Meeting.

Your Directors have recommended a ceiling on remuneration of ₹ 75,00,000/- (Rupees Seventy-Five Lakh only) per annum as under:

- a) **Gross Salary** of ₹ 2,00,000/- ₹ 6,25,000/- per annum
- b) **Perquisites:** Perquisites classified in Part A and Part B and C are included in gross salary as above and perquisites classified in Part C are in addition to salary of Mr Ray which are as under:

#### PART A

- i. **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, which is included in the gross salary
- ii. **Leave Travel Concession:** 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, which is included in the gross salary

#### 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

**Telephone:** Provision of Telephone and internet at residence and mobile phone will not be considered as a perquisite.

#### OTHER BENEFITS TO THE EXECUTIVE DIRECTOR:

- a. Leave as per rules in force in the Company from time to time.
- b. Benefits under other Schemes including any insurance policy, and tax thereon, if any.
- c. Such other benefits as may be provided by the Company to other senior officers from time to time.

### 2. Minimum Remuneration:

If in any financial year, the Company has no profits or its profits are inadequate, remuneration by way of salary and perquisites will be subject to the ceilings and the conditions set out in Section II of Part II of Schedule V of the Companies Act 2013.

Except Mr. Ray none of the Directors, the Key Managerial Personnel of the Company and their relatives, have any concern or interest, financial or otherwise, in the Resolution.

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

By Order of the Board of Directors  
For Oriental Aromatics Limited

Place: Mumbai,  
Date: 10<sup>th</sup> May, 2022

Kiranpreet Gill  
Company Secretary

**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 50<sup>th</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:**

Name of the Director	Mr. Satish Kumar Ray
DIN	07904910
Date of Birth & Age	22 <sup>nd</sup> February, 1971, 51 years
Date of 1 <sup>st</sup> Appointment on the Board	16 <sup>th</sup> August, 2017
Qualification	B.A. (Economics Hons.), Diploma in Computer Application & Master of Business Administration.
Experience (including Expertise in Specific Functional Area)/ Brief Resume	Having more than 25 years of experience in different fields like Policy Formulation, Advisory, Planning, and Executive Task related to HR, Commercial, Purchase, Store, Sales, Supply Chain, Indirect Taxation, Custom, DGFT, GST, Insurance and claim management, etc.
Terms and Conditions of re-appointment	As per Explanatory Statement
Directorships held in other listed Companies	NIL
Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL
Inter-se relationship with other Directors and Key Managerial Personnel	Not related to any Director/ Key Managerial Personnel
Number of shares held in the Company as on 31 <sup>st</sup> March, 2022	NIL

Note: For Details such as Number of Board Meetings attended during the financial year 2021-22 by the above Director and remuneration drawn by him, please refer the Corporate Governance Report which is the part of this Annual Report.

By Order of the Board of Directors  
For Oriental Aromatics Limited

**Kiranpreet Gill**  
Company Secretary

Place: Mumbai,  
Date: 10<sup>th</sup> May, 2022

**Registered Office:**  
133, Jehangir Building  
2<sup>nd</sup> Floor, Mahatma Gandhi Road,  
Mumbai- 400001.  
CIN: L17299MH1972PLC285731  
E-mail:investors@orientalaromatics.com

## Board's Report

Dear Members,

Your Directors are pleased to present the 50<sup>th</sup> Annual Report on business and operations of Oriental Aromatics Limited ("the Company") along with the Audited Financial Statements (Standalone and Consolidated) for the financial year ("FY") ended 31<sup>st</sup> March, 2022 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, 2022 on a Standalone and Consolidated basis, is summarized below:

Particulars	Standalone		Consolidated	
	2021-2022	2020-2021	2021-2022	2020-2021
Revenue from Operation	86879.19	70883.55	86879.19	70883.55
Other Income	437.69	175.69	440.85	165.41
<b>Profit before exceptional items, depreciation and finance costs</b>	<b>9783.33</b>	<b>15731.14</b>	<b>9693.59</b>	<b>15672.80</b>
Less: Depreciation and amortisation expense	1695.42	1745.93	1701.22	1745.93
<b>Profit before finance costs</b>	<b>8087.91</b>	<b>13985.21</b>	<b>7992.37</b>	<b>13926.87</b>
Less: Finance costs	410.30	240.08	404.50	231.05
<b>Profit before exceptional items and tax expenses</b>	<b>7677.61</b>	<b>13745.13</b>	<b>7587.87</b>	<b>13695.82</b>
Less: Exceptional Items	-	-	-	-
<b>Profit before tax</b>	<b>7677.61</b>	<b>13745.13</b>	<b>7587.87</b>	<b>13695.82</b>
Less: Tax expense	2272.05	3502.48	2257.64	3502.06
<b>Profit for the year</b>	<b>5405.56</b>	<b>10242.65</b>	<b>5330.23</b>	<b>10193.76</b>
Attributable to:				
Equity shareholders of the Company	5405.56	10242.65	5330.23	10193.76
Other comprehensive income ('OCI') Income/(Loss)	(32.67)	(35.58)	(32.67)	(35.58)
<b>Total comprehensive income</b>	<b>5372.89</b>	<b>10207.07</b>	<b>5297.56</b>	<b>10158.17</b>
<b>Balance in retained earnings at the beginning of the year</b>	<b>49717.35</b>	<b>40316.17</b>	<b>49705.38</b>	<b>40353.09</b>
Add: Profit for the year (attributable to equity shareholders of the Company)	5405.56	10242.65	5330.23	10193.76
Less: Transfer to Items other comprehensive income	0.14	-	0.13	-
Less: Dividends including tax on dividend	504.80	841.47	504.80	841.47
<b>Balance in retained earnings at the end of the year</b>	<b>54617.97</b>	<b>49717.35</b>	<b>54530.67</b>	<b>49705.38</b>

### 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 ₹ 86879 lakh as against ₹ 70883 lakh for the previous year, showing an increase of 22.57 %.

The Company earned a Profit after tax of ₹ 5406 lakh as against ₹ 10243 lakh for the previous year, thereby registering a decline of 47.23 %.

Due to decrease in the profit, the Earning per share (EPS) decreased from ₹ 30.44 in the previous year to ₹ 16.06 in the year under review.

The net worth of your Company increased to ₹ 55850 lakh at the end of the FY 2022 from ₹ 50982 lakh at the end of FY 2021, thereby registering a growth of 9.55%.

**b. Consolidated Performance:**

The consolidated total sales of your Company for the FY 2021-22, stood at ₹ 86879 lakh as against ₹ 70,883 lakh. For the previous year, thereby registering a growth of 22.6%.

The Company earned a Consolidated Profit after tax of ₹ 5330 lakh as against ₹ 10,194 lakh for the previous year, thereby registering a decline 47.71 %.

As a result of decrease in the consolidated profit, the Earning per share (EPS) also decreased from ₹ 30.29 in the previous year to ₹ 15.84 in the year under review.

The Consolidated net worth of your Company increased to ₹ 55757 lakh at the end of the FY 2021-22 from ₹ 50,964 lakh at the end of FY 2020-21, thereby registering a growth of 9.41%.

Summarizing the operational performance for the financial year 2022 the company witnessed steady demand across all product categories - speciality aroma chemicals, flavours, fragrances and camphor. Our production volumes increased by 9% and our sales volume increased by 12% for the year. We are very happy to report that we crossed the pre pandemic levels of production volumes as well as sales volumes across all our plans. The Consolidated turnover stood at ₹ 86879 lakh as against ₹ 70,883 lakh thereby registering a growth of 22.57 %. The aforesaid increase in turnover was due to better sales realisation, higher volumes in speciality Aroma Chemicals and also operational efficiency brought through better and optimum utilization of resources and proper implementing of business policies, plans and strategies.

Our sales realization across all product categories except camphor improved on a year-on-year basis. Camphor is one product where the prices remained a little soft, but we are hopeful that we will be able to see increased demand and some increase in the prices during the festival season.

Due to the global inflation in raw materials, ongoing geopolitical conflict & supply chain challenges resulting from various lockdowns in China, the price of all input costs substantially increased which impacted the profitability for the year.

Your Company continues to focus on value maximization and bringing greater efficiency in overall business including economies of scale and cash flow management.

**c. COVID-19:**

The business impact of coronavirus pandemic COVID-19 is far-reaching and deeply felt in every industry. The pandemic has caused unprecedented organizational disruption. But it also has offered valuable lessons about the way we work—and created significant opportunities. To meet the challenges posed by the pandemic, the Company reacted in agile and decisive way. As we move into the next phase, the Company ensures to seek out and seize the opportunities emerging in the recovery and to continue winning in their market places as greater certainty and stability return.

Your Company remains committed to the fight against the pandemic and is catering to the needs of "essential services" and it continues to take all necessary steps in protecting the interests of its customers, suppliers, employees and other stakeholders. During the year, the Company has commissioned a plant in Vadodara to manufacture Speciality Aroma Chemicals in November, 2021 and also commissioned the capacity expansion of Terpinol plant in Bareilly. All our capital investment programs in Baroda, Bareilly and Mahad are running within the prescribed timelines. However, they are facing moderate delays due to a combination of factors which include the COVID-19 impact challenges in the global supply chain, steel prices and the other current geo political situations.

We are sure that due to the Company's focus on value maximization, supported by optimal use of its manufacturing facilities, its expansion plans and an efficient team, we would overcome any challenges that might come in our way of achieving our goals.

During the year amidst the pandemic, the Company and the Gateway School of Mumbai launched a vaccination drive for its employees, school children and their family members to ensure their safety and well being. The vaccination drive was arranged for four days in the month of June, July and September, 2021 which covered around 2497 number of people. Held across four days, the process was smoothly conducted with minimum waiting times and in utmost sanitized and safe conditions. The drive also extended free vaccination for the beneficiaries of Udayan Care, an NGO.

**3. DIVIDEND:**

Your Directors had based on Company's performance, declared an Interim Dividend of ₹1.5/- per share (30%) on the Paid up Equity shares of face value of ₹ 5/- each of the Company amounting to ₹ 5,04,80,364/- (Rupees five crore four lakh eighty thousand three hundred and sixty four only) for the FY 2021-22 to those members whose names appeared on the Register of Members of the Company on the 10<sup>th</sup> December, 2021, being the Record date for payment of Interim Dividend.

Your Directors after considering various external and internal factors, have deemed it prudent not to recommend any final dividend on equity shares for the year ended 31<sup>st</sup> March, 2022.

**4. TRANSFER TO RESERVES:**

Your Directors do not propose to transfer any amount to reserves for the FY ended 31<sup>st</sup> March, 2022.

**5. SHARE CAPITAL:**

**a. Authorized Capital**

The Authorized share capital of the Company as on 31<sup>st</sup> March 2022 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 2022 stood at ₹ 16,82,67,880/- (Rupees Sixteen crore eighty-two lakh sixty-seven thousand eight hundred and eighty only) comprising of 33,653,576 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. FINANCE AND ACCOUNTS:**

As mandated by the Ministry of Corporate Affairs, the financial statements for the year ended on 31<sup>st</sup> March, 2022 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (hereinafter referred to as "The Act") read with the Companies (Accounts) Rules, 2014 as amended from time to time. 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 2022. The Notes to the Financial Statements adequately cover the standalone and consolidated Audited Statements and form an integral part of this Report.

**8. 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.

**9. BUSINESS RESPONSIBILITY REPORT:**

A detailed report on the initiatives taken by the Company is provided in the business responsibility report, a copy of which is available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com). For Business Responsibility Report as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), kindly refer Business Responsibility Report section which forms part of this Annual Report.

**10. 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.

**11. 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.

**12. CONSOLIDATED FINANCIAL STATEMENTS :**

As stipulated under the provisions of the Companies Act 2013 and SEBI Listing Regulations, the Consolidated Financial Statements have been prepared by the Company in accordance with the applicable Accounting Standards issued by Institute of Chartered Accountants of India (ICAI). The Audited Consolidated Financial Statement together with Auditors' Report forms part of the Annual Report.

**13. 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 2021-22, it recorded a total profit of ₹ 2.68 lakh due to reversal of provisions not required. It's in the process of closing its operations. There are no associate companies within the meaning of section 2(6) of the Act.

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.

**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 Speciality Aroma Chemicals, Flavors and Fragrances. During FY 2021-22, it recorded a total loss of ₹ 78 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.

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

Internal control systems of the Company are commensurate with its size, scale and the nature of its operations. Internal control review assumes greater importance in the light of current economic downturn. 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.

**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 2021-22 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 8 (eight) 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. Satish Kumar Ray (DIN: 07904910), Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. Satish Kumar Ray (DIN: 07904910), as Whole Time Director designated as Executive Director-Operations of the Company, shall be completing his tenure of five years on 15<sup>th</sup> August, 2022. The Board of Directors at its meeting held on 10<sup>th</sup> May, 2022 has recommended his re-appointment as Executive Director-Operations of the Company for a further period of five years with effect from 16<sup>th</sup> August, 2022, to the members in the 50<sup>th</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 50<sup>th</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 16(1) (b) of SEBI Listing Regulations, as amended from time to time and are independent of the management.

**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 and Committees are included in the Corporate Governance Report, which forms part of this Annual Report.

**e. FAMILIARIZATION 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.

**f. 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 chairperson 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.

**g. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):**

During the FY 2021-22, there was no change in Directorate and KMPs.

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

Mr. Dharmil A. Bodani - Chairman and Managing Director

Mr. Shyamal A Bodani - Executive Director

Mr. Bhadreshkumar Pandya - Executive Director- Operations

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**

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**

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, 2022 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. Accordingly, the Company focuses on areas towards promoting educational facilities for the students having learning disabilities by making contribution to Keshavlal V. Bodani Education Foundation.

During the FY 2021-22, in addition to making contribution to Keshavlal V. Bodani Education Foundation, your Company also made contribution to various other schools i.e. Kasturba Gandhi Balika Vidyalay in Bareilly, Dampara School in Vadodara, Zilla Parishad Shala Bohonoli in Ambernath towards promoting educational facilities for the students.

Your Company also spent towards promotion of health care, disaster management to combat COVID-19 through contribution to Nandesari Industries Association situated at Vadodara and to Global Hospitals - Super Speciality & Transplant Centre in Mumbai and Krishna Institute of Medical Science.

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 2021-22, the Company has spent the amount of ₹525 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:

<https://www.orientalaromatics.com/corporate-announcements/CSRProjects2021-22.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 and Senior Management 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 believe that effectively monitoring and managing risks is the key to achieving the Company's strategic objectives. The Company has a robust Business Risk Management framework to identify and evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance Company's 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 SEBI Listing 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, through the Audit Committee oversees the establishment and implementation of an adequate system of risk management across the company.

##### Audit Committee:

- The Audit Committee reviews on Bi-Annually, the risk assessment & minimization procedures across the Company after review of the same by the Risk Management Committee.
- It assists the Board in independently assessing compliance with risk management practices.

**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 to market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk.

**- Operational Risks:**

The Company is exposed to operational risks associated with operational uncertainties including supply chain disruptions, high energy costs risk, production risks including shortage of manpower, Logistics issues, quality assurance, Leakage, Spillage, Fire, Explosion etc .

**- Cyber Risks:**

Data Loss from cyber attacks (Hardware Failure/Data Corruption), Hacking/Data Leakage.

**- Environment, Health & Safety Risks:**

The Company is exposed to certain Environment, Health & Safety Risks which include climate change related risks, spread of diseases like COVID-19, uncertain hazardous incidents like leakage, spillage, fire, explosion, and toxic release from tank due to improper handling and storage of flammable material, amongst others.

Your Company aims to reduce carbon emissions and is continuously taking steps to preserve the nature. It also ensures that health & safety measures are in place to ensure containment of harmful diseases and hazardous activities.

**- Regulatory & Policy 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 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 Policy is available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com) at <https://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.

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 2021-22. 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 2022-2023.

**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 2021-22

The Cost Audit report for the FY 2020-21 was filed with Ministry of Corporate Affairs on 06<sup>th</sup> August, 2021.

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 2022-23 at a remuneration of ₹ 1,45,000/- plus Service Tax & re-imbusement 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 ₹ 5,27,453/- (Rupees Five Lakh Twenty-Seven Thousand Four Hundred and Fifty-three 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 2013-14 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 31.03.2021 on the website of the Company at [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink is:

<https://www.orientalaromatics.com/investorrelations.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 2428 Equity Shares of face value ₹ 5 per share to the demat account of the IEPF Authority during FY 2021-22.

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 <https://www.orientalaromatics.com/investorrelations.php>

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 gives great importance to pollution control and environment protection and efforts are made at each stage of manufacturing process to maximize recovery, conserve water and to minimize effluents and emissions. The Company has policies in place with regards to the Sustainable Environment, Energy consumption, local pollution and biodiversity. As required by the local authorities the Company submits necessary analytical reports. Environment Audit is conducted on regular basis and reports are submitted to the concerned authorities.

Your Company has a compliance certification of Environmental Management Systems (EMS) ISO 14001:2015 which helps an organization to achieve the intended outcomes of its environmental management system, enhancement of environmental performance, achievement of environmental objectives, fulfillment of compliance obligations.

### 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 2022, total 3,25,93,972 shares representing 96.85% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the FY 2022-23 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, 2022 is available on the Company's website at the link the Company's website at the link <https://www.orientalaromatics.com/documents/inspection-documents/AR2021-22.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:

Your Directors wish to express their sincere appreciation and are thankful to the Company's customers, vendors, and investors for their continuous confidence and patronage. The Director's also thank the financial institutions, business associates, regulatory and governmental authorities for their co-operation, support and guidance.

The Directors appreciate and value the unflinching support and the contribution made by every employee of the Company including all the workmen at the manufacturing plants in these challenging times.

For and on behalf of the Board of Directors

**Dharmil A. Bodani**  
Chairman and Managing Director  
DIN: 00618333

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai  
Dated: 10<sup>th</sup> May, 2022

## 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 2022* (₹ 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 (192.80)	INR
Share capital	831.85	1440.00
Reserves & surplus	-875.39	-101.48
Total assets	17.58	1396.88
Total Liabilities	61.12	58.36
Investments	-	-
Total Income	3.14	5.93
Profit/(Loss) before taxation	2.68	-92.42
Provision for taxation	-	-14.41
Profit/ (Loss) after taxation	2.68	-78.01
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

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai

Dated: 10<sup>th</sup> May, 2022

## 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	3

## 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:

<https://www.orientalaromatics.com/investorrelations.php>

## CSR Policy

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

## CSR Projects

<https://www.orientalaromatics.com/corporate-announcements/CSRProjects2021-22.pdf>

- 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
- 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
- Average net profit of the company as per section 135(5): ₹ 10,509.64 Lakh
- Two percent of average net profit of the company as per section 135(5): ₹ 210.19 Lakh
  - Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL
  - Amount required to be set off for the financial year: NIL
  - Total CSR obligation for the financial year (7a+7b-7c): ₹ 210.19 Lakh
- CSR amount spent or unspent for the financial year:  
Total Amount Spent for the Financial Year: ₹ 525 Lakh  
Amount unspent: NIL
  - 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 Lakh)	(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		382.33	No	Keshavlal V. Bodani Education Foundation (Implementing Agency)	CSR00002646
2.	COVID CARE- Global Hospitals- Super Speciality & Transplant Centre	Schedule VII (xii)	Yes	Mumbai, Maharashtra		28.42	Yes	Direct	NA
3.	COVID CARE- Krishna Institute of Medical Science	Schedule VII (xii)	No	Hyderabad, Telangana		107.75	Yes	Direct	NA
4.	Promotion of Education, Zillah Parishad School	Education, Schedule VII (ii)	Yes	Ambernath, Maharashtra		1.50	Yes	Direct	NA
5.	Promotion of Education, Dampara School	Education, Schedule VII (ii)	Yes	Vadodara, Gujarat		2.00	Yes	Direct	NA
	Promotion of Health Care for COVID treatment through contribution to Nandesari Industries Association	Schedule VII (xii)	Yes	Vadodara, Gujarat		0.50	No	Nandesari Industries Association (NIA) (Implementing Agency)	CSR00006260
6.	Promotion of Education, Kasturba Gandhi Balika Vidyalay	Education, Schedule VII (ii)	Yes	Bareilly, Uttar Pradesh		2.50	Yes	Direct	NA
<b>Total</b>						<b>525.00</b>			

(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): ₹ 525 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, 2<sup>nd</sup> Floor, 133, M. G. Road, Fort, Mumbai 400001.

Keshavlal V. Bodani Education Foundation oversees the functioning of The Gateway School of Mumbai, a non-profit school for students with Learning Disabilities.

(b) Nandesari Industries Association (NIA)

Nandesari Industries Association is situated at 134/1 GIDC, Nandesari, Vadodara, GJ24, GJ, 391340. The entity has been registered for undertaking CSR activities and its registration number is CSR00006260. The Association carries out various CSR activities in surrounding villages in Nandesari.

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

**Dharmil A. Bodani**  
Chairman and Managing Director  
DIN: 00618333

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai  
Dated: 10<sup>th</sup> May, 2022

## Annexure-C

## Form MR-3

Secretarial Audit Report of Oriental Aromatics Limited for the Financial Year ended 31<sup>st</sup> March 2022

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

To,  
The Members,  
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, 2022 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, 2022 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) Regulations, 2014; (Not Applicable to the Company during the audit period);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (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);
- (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 Exchange; 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. There were no change in the composition of the Board of Directors that took place during the audit period;

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: F008519D000296136  
PR NO.1118/2021

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**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 31st March, 2022

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.
7. We have conducted online verification and examination of records, as facilitated by the Company and have verified physically to a limited extent, due to Covid-19.

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

**Shreyans Jain**  
(Proprietor)  
FCS No. 8519  
C.P. No. 9801  
UDIN: F008519D000296136  
PR NO.1118/2021

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

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 has always been conscious of the need for conservation of energy and natural resources, biofuel and considers it as a focus area. Your Company has been making continuous efforts to conserve energy, reduce greenhouse gas emissions and upgrade technology to optimize the energy cost. Today, our world faces a dual challenge: meeting growing demand for energy while also reducing environmental impacts, including the risks of climate change. Energy efficiency improvement initiatives have been implemented across all the Units and Offices by undertaking various energy and resource conservation measures. Your Company continues its policy of giving priority to energy conservation measures including regular review of energy generation, consumption and control on utilization thereof.

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

- Installation of Auto blow down system with flash steam recovery at 10 Tons per hour (TPH) Boiler.
- Installation of high efficiency (IE3-Internal Efficiency Standards) motors.
- 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.
- R&D team is constantly working on Green chemistry to modify current processes and to make OAL a green company.
- The process team of R&D works to decrease the batch time cycle of current processes to reduce energy consumption.
- Variable Frequency Drives (VFD) installation for vacuum pumps, reactors for energy saving.
- Process improvement for effluent reduction with an aim to make all our plants ZLD (zero liquid discharge) in the future.
- Working on reliable manufacturing synthesis, process innovation, development and safety.
- Installation of Distributed Control Systems (DCS) controls to make process efficient and control batch times.
- 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.
- Streamlining of the manufacturing process and efficient control.
- 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.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting Power.
- 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.

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

- Green technology development at pilot scale to commercial level for intermediates and finished products.
- Process efficiency/performance improvement in many processes audited by Quality Assurance to reduce non-compliances & achieve customer satisfaction through conducting inspection & testing.
- 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 reduced hydraulic load on Effluent Treatment Plant (ETP).
- Recycle of water during distillation and chiller mechanism, piping use in R&D.

- Old obsolete vacuum systems were replaced by latest energy efficient steam jet ejectors reducing water consumption substantially. Improved operational methods and better methods of lighting aimed to save consumption of power and fuel.
- The adoption of energy conservation measures indicated above have resulted in optimum efficiency in operation and saving & controlling in the cost of production.

iii. **The capital investment on energy conservation equipment:**  
2.59% of Capital Expenditure

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

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

**R&D Mumbai:**

- Research and Development Division has its main focus on new aroma chemical products.
- Research and Development Program along with innovation in energy efficiency, renewable energy, utilizes green chemistry to make green plants.
- Our R&D facility in Mumbai is equipped with latest infrastructure which is necessary for research and new product development.
- 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), Digital Scanning Calorimetry Instruments (DSC), Flash chromatography, UV along with regular analytical set-up. This R & D centre is also recognised by the Department of Scientific & Industrial Research (DSIR) of the Government of India.
- 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.
- 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 instrument to support the research work.

**R&D-Vadodara**

- From the very beginning your Company has focused on in-house research and development. R & D Centre at Vadodara was established in 1974 to carry out extensive work on Terpene chemistry and has developed several interesting products. It is situated at Plot No. 3, GIDC Industrial Area, Nandesari.
- It has well equipped R&D and Pilot scale laboratories to carry out various organic reactions validations and trouble shooting experiments of existing plant products.
- Lower the cost of production by decreasing the raw material consumption in our existing products.
- Improve the quality of product and decreasing the cost of production.
- Reduction in effluent of exiting plant products leads to decrease the load of Effluent Treatment Plant (ETP).
- Recycling of water also makes less effluent generation in existing products.
- Your company has fully equipped pilot plant at Vadodara unit along with utilities to scale up the processes.
- It has the facility to carry out high pressure reactions and has various lab scale fractionating columns for separation in Kg scale.
- Over the years, the company was able to successfully develop several new products for the first time for turpentine chemical category having 47 patents. It developed several speciality chemicals catering to diverse industries such as soaps and detergents, cosmetics, flavours and fragrances, paints and varnishes, rubber and tyre, pharmaceuticals and many more.

ii. **Specific areas in which R & D carried out by the Company during the financial year 2021-22**

The focused areas of the Company's R&D effort during 2021-22 include:

- R&D Centre has developed number of molecules of Aroma Chemicals and scaled them up into commercialization.
- R&D Centre has developed biodegradable microencapsulation technology in perfumery delivery system to enhance the shelf life of fragrances and aroma chemicals using different methods to yield final product in solid and/or liquid form as per end application
- Further, R & D centre, Mumbai continued to focus on:

1. Improvement of yields of existing products and new products by new technologies eg green chemistry, continuous process
2. Reducing costs of production by changing the new route synthesis and changing molar ratios and reducing solvents
3. Effluent treatment using bio culture and to assist the plant team to make the plants zero liquid discharge.
4. 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.

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

- R&D efforts have helped in developing new Aroma chemicals products and product delivery systems. A crucial part of the development phase is also ensuring that the new products meet guidelines and any statutory requirements.
- R&D efforts have also helped for improvement in new developed process and reduce cost, utility, batch time cycle and energy consumption.
- These new products have been launched commercially in the plant which has resulted in the top line growth of the company.
- Based on R&D, new manufacturing facility for Hydrogenation of our existing and new product in project construction is installed
- The process improvement efforts have resulted in higher outputs at the plant levels.
- Efforts in R&D have resulted in lower operating costs for the company.
- 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".

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 ₹ 780.55 lakh (Previous year ₹ 620.92 lakh) of which ₹ 52.26 lakh (previous year ₹ 84.91 lakh) is towards capital expenditure and ₹ 728.29 lakh (previous year ₹ 536.01 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	28120.49
Outgo of Foreign Exchange	50111.35

For and on behalf of the Board of Directors

**Dharmil A. Bodani**  
Chairman and Managing Director  
DIN: 00618333

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

Sr. No.	Name of Director/KMP	Designation	% Increase in Remuneration in the Financial Year 2021-22	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Dharmil A. Bodani	Chairman and Managing Director	62%	90.32
2	Mr. Shyamal A. Bodani	Executive Director	115%	64.56
3	Mr. Satish Kumar Ray	Executive Director Operations	NIL	7.64
4	Mr. Bhadresh Pandya	Executive Director Operations	NIL	9.03
5	Mr. Girish Khandelwal	Chief Financial Officer	NIL	Not Applicable
6	Mrs. Kiranpreet Gill	Company Secretary	NIL	Not Applicable
7	Mr. Parag Satoskar	Chief Executive Officer	NIL	Not Applicable
8	*Mrs Anita Satoskar	Chief Research & Development Officer	233%	Not Applicable

\*Increase in the remuneration of Mrs. Anita Satoskar was with effect from 01<sup>st</sup> August, 2021

- ii) The median remuneration of employees of the Company during the financial year was ₹ 3.62 Lakh.
- iii) In the financial year, there was an increase of 1.12% in the median remuneration of employees;
- iv) There were 683 and 744 permanent employees including directors on the rolls of Company as on 31<sup>st</sup> March 2021 and 31<sup>st</sup> March, 2022 respectively.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 3.81% whereas the percentile increase in the managerial remuneration for the same financial year was 55.72%
- vi) 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 employment	Last Employment held	% of Equity Shares held and Relationship with other Director
1	Dharmil A. Bodani (52 years)	Chairman and Managing Director	325.10	Qualification: B.COM Experience: He has over 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 (41 years)	Executive Director	234.08	Qualification: B.A. (Hons.) International B. Tech (Chemical Tech) Business Studies, London, U.K Experience: 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 (49 years)	Chief Executive Officer	*237.59	Qualification: B Pharmaceutical from Institute of Chemical Technology Experience: Mr. Parag Satoskar, CEO has over 27 years of experience in chemical industry.	25.11.2015	Arofne Chemicals Industries	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

\*The Remuneration includes one time payment of Performance Bonus of ₹ 140 Lakh.

For and on behalf of the Board of Directors

**Dharmil A. Bodani**  
Chairman and Managing Director  
DIN: 00618333

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

# Corporate Governance Report

The Board of Directors present the Company's Report on Corporate Governance for the Financial Year (FY) 21-22 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:

The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Corporate Governance is ongoing process and your Company has always focused on good corporate governance, which is a key driver of sustainable corporate growth, long term value creation and trust. Even in fiercely competitive business environment, the management and employees of the Company are committed to uphold the core values of transparency, integrity, honesty and accountability.

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, 1/3<sup>rd</sup> 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, 2022, the Company's Board consists of 8 (Eight) Directors out of which 4 (Four) Directors are Non-Executive Independent Directors and 4 (Four) 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, 2022 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 2021-22		*Other Directorships in Indian Companies as on 31.03.2022	**Committee Membership(s)/ Chairmanship(s) in all Companies as on 31.03.2022	
			Board Meetings	49 <sup>th</sup> AGM held on 27 <sup>th</sup> July, 2021		Memberships	Chairmanships
Mr. Dharmil A. Bodani (DIN:00618333)	Promoter/ Executive Director	Chairman and Managing Director	5	Yes	2	3	0
Mr. Shyamal A. Bodani (DIN:00617950)		Executive Director	5	Yes	1	0	0
Mr. Bhadreshkumar A. Pandya (DIN:08809906)	Executive Director	Executive Director- Operations	5	Yes	0	0	0
Mr. Satish Kumar Ray (DIN:07904910)		Executive Director- Operations	5	Yes	0	0	0
Mr. Harshvardhan A. PIRAMAL (DIN:00044972)	Non-Executive Independent Director	Director	5	Yes	2	5	2
Mr. Prakash V. Mehta (DIN:00001366)		Director	3	Yes	8	9	4
Mr. Ranjit A. Puranik (DIN:00199353)		Director	3	Yes	1	3	1
Ms. Amruda V. Nair (DIN:06716791)		Director	4	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:

There was no Change in Directorate during the FY 21-22.

### 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
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
		Mukund Engineers Ltd.	Non-Executive/Independent
7.	Mr. Ranjit A. Puranik	NIL	-
8.	Ms. Amruda V. Nair	HLV Ltd.	Non-Executive /Non-Independent

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

- a. The Board has identified the following core skills/ expertise/ competencies in context to its business and sector: Business Development, Marketing and Communication skills, Engineering and Technical skills, Finance & Accounting, Law, Engineering, Corporate Management, Strategic Management, Product Development, Administration and Advisory skills.
- b. 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. Bhadreshkumar A. Pandya	Product Development, System improvement, Strategic Cost control, Engineering and Technical skills.
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 2021-22, 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, 2021, 22<sup>nd</sup> July, 2021, 26<sup>th</sup> October, 2021, 30<sup>th</sup> November, 2021, and 21<sup>st</sup> January, 2022.

## 2.6 Independent Directors:

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/ profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and remuneration Committee, for appointment as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons. The Board considers the Committee's recommendation and takes appropriate decision. The Non-Executive Independent Directors possess requisite experience and specialization in diverse fields such as legal, finance and administration etc.

During the FY 2021-22, 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, 2022. 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 15<sup>th</sup> March, 2022, 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 Familiarisation 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 the Familiarisation Programme for Independent Directors are posted on the website of the Company i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com) and the weblink thereto is <http://www.orientalaromatics.com/documents/corporate-governance/policies/FamiliarizationFY2021-22.pdf>

Details of Familiarization Programme imparted to independent directors during the FY 2021-22 are as below:

**Date on which Familiarization programme was held:** 15<sup>th</sup> March, 2022

**Areas covered:** Briefing on Business Strategy and socio-economic environment of the Company, Financial Performance & Upcoming Projects of the Company, Key initiatives taken up w.r.t Research & Development, Factory Operations and Significant development in the Company.

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 2021-22 (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	0	2	0	2
2.	Mr. Harshvardhan A. Piramal	1	3	1	3
3.	Mr. Ranjit A. Puranik	1	3	1	3
4.	Ms. Amruda V. Nair	1	3	1	3

**2.7 Shareholding of Directors:**

The details of shares held by Directors as on 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022.

**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 31<sup>st</sup> March, 2022. 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 oversees the overall functioning of the Company. The Board provides and evaluates the strategic direction of the Company, management policies and their effectiveness and ensures that the long-term interests of the stakeholders are being served.

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, 2021, 22<sup>nd</sup> July, 2021, 26<sup>th</sup> October, 2021, and 21<sup>st</sup> January, 2022. 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	3
Mr. Ranjit A. Puranik	Non-Executive Independent Director	3
Ms. Amruda V. Nair	Non-Executive Independent Director	3
Mr. Dharmil A. Bodani	Executive Director	4

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:

- 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;
- To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- To devise a policy on Board diversity;
- 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.
- 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
- 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 once on 10<sup>th</sup> May, 2021. 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 2021-22 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 2021-22 and their tenure are as follows:

(₹ in Lakh)

Name	Position	Salary	Perquisites/ allowances and other contributions	Total	Tenure
Mr. Dharmil A. Bodani	Chairman & Managing Director	296.70	28.40	325.10	5 years (till 21.08.2023)
Mr. Shyamal A. Bodani	Executive Director	234.08		234.08	5 years (till 21.08.2023)
Mr. Bhadreshkumar A. Pandya	Executive Director- Operations	28.61		28.61	5 years (till 09.08.2025)
Mr. Satish Kumar Ray	Executive Director- Operations	24.23		24.23	5 years (till 15.08.2022)

**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 31<sup>st</sup> March, 2022 is as under:

Name of Directors	Sitting Fees (₹ in Lakh)
Mr. Harshvardhan A. Piramal	6.60
Mr. Prakash V. Mehta	4.56
Mr. Ranjit A. Puranik	4.44
Ms. Amruda Nair	5.16
<b>Total</b>	<b>20.76</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 21<sup>st</sup> January, 2022 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 21<sup>st</sup> January, 2022.

In the separate meeting of Independent Directors held on 15<sup>th</sup> March, 2022, 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 review and ensure the existence of proper system for timely resolution of grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipts of declared dividends.
- 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 22<sup>nd</sup> July, 2021. 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 13 complaints during the year. All the 13 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	13
Number of Investor Complaints resolved during the year	13
Number of pending Investor Complaints	0

The investors can register their complaints electronically by sending an email at the e-mail id [investors@orientalaromatics.com](mailto:investors@orientalaromatics.com)

### 3.4 Risk Management Committee:

#### a. Composition of Committee:

Securities Exchange Board of India (SEBI) Vide its Circular dated 05<sup>th</sup> May, 2021 has amended Regulation 21(4) and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Pursuant to this notification every top 1000 listed companies (based on market capitalization of every financial year) are required to formulate a risk management committee which shall formulate a detailed Risk Management Policy. The Company being one of the top 1000 Listed entity formulated the Risk Management Committee, which comprises of Mr. Prakash Mehta - Non-Executive Independent Director, Mr. Shyamal A. Bodani- Executive Director and Mr. Parag K. Satoskar - Chief Executive Officer. Mr. Prakash Mehta is the Chairman of Committee.

#### 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 26<sup>th</sup> October, 2021 and 15<sup>th</sup> March, 2022. 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 V. Mehta	Non-Executive Independent Director	2
Mr. Shyamal A. Bodani	Executive Director	1
Mr. Parag K. Satoskar	Chief Executive Officer	2

### 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 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, 2021, 22<sup>nd</sup> July, 2021 and 21<sup>st</sup> January, 2022. 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	3
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
47 <sup>th</sup> AGM (2019)	Wednesday, 25 <sup>th</sup> September, 2019 At 11:00 A.M	At M.C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, 18/20, K Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001	1. Re-appointment of Mr. Harshvardhan A. Piramal as an Independent Director 2. Re-appointment of Mr. Prakash V. Mehta as an Independent Director 3. Re-appointment of Mr. Ranjit A. Puranik as an Independent Director 4. Creation of charge on the assets /undertaking of the Company.
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.

**POSTAL BALLOT:**

No ordinary or special resolution was passed through 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:**

No postal ballot was conducted during the FY 2021- 2022.

**Details of special resolution proposed to be conducted through postal ballot:**

At present, there is no proposal to pass any special resolution through postal ballot.

Details of the Ordinary and Special Resolutions proposed to be passed during the ensuing Annual General Meeting of the Company are set out in the Notice for the meeting.

**5. MEANS OF COMMUNICATION:**

- a. **Quarterly/Annual Results:** The Quarterly and Annual Results of the Company are sent to the Stock Exchanges immediately after they are approved by the Board.
- b. **News Releases:** The Quarterly and 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.

- c. **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.
- d. 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 <https://listing.bseindia.com/home.htm> 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. Company has made investor presentations to institutional investors/analysts during the year and the same has also been made available on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com).

**6. GENERAL SHAREHOLDER INFORMATION:**

a. <b>50<sup>th</sup> Annual General Meeting</b>	:	<b>Day, Date, Time and Venue</b> Wednesday, 27 <sup>th</sup> July, 2022 at 11:00 a.m. The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated April 8, 2020, April 13, 2020, January 13, 2021 and May 13, 2022 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
b. <b>Tentative Financial Calendar:</b>	:	<b>Financial Year:</b>
<b>Approval of Quarterly results for the quarter ending:</b>	:	<b>1<sup>st</sup> April, 2022 – 31<sup>st</sup> March, 2023</b>
<b>June, 2022</b>	:	3 <sup>rd</sup> /4 <sup>th</sup> Week of July, 2022
<b>September, 2022</b>	:	3 <sup>rd</sup> /4 <sup>th</sup> Week of October, 2022
<b>December, 2022</b>	:	3 <sup>rd</sup> /4 <sup>th</sup> Week of January, 2023
<b>March, 2023</b>	:	1 <sup>st</sup> /2 <sup>nd</sup> Week of May, 2023 (Note: The above dates are indicative.)
c. <b>Date of Book closure / Record date</b>	:	<b>21<sup>st</sup> July, 2022 to 27<sup>th</sup> July, 2022</b> (both days inclusive.)
d. <b>Dividend payment date</b>	:	Final Dividend for the FY 2021-22 has/has not been recommended.
e. <b>Listed on</b>	:	<b>BSE Limited (BSE),</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. <b>National Stock Exchange of India Ltd (NSE),</b> 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 2022-2023.
f. <b>Stock/Scrip Code/Symbol on BSE/NSE</b>	:	BSE: Scrip Code: 500078 NSE: SYMBOL: OAL
g. <b>ISIN</b>	:	INE959C01023
h. <b>Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)</b>	:	L17299MH1972PLC285731
i. <b>Registrar and Transfer Agents</b>	:	<b>For Physical &amp; Demat</b> M/s Link Intime India Pvt. Ltd. <b>Corporate Office:</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 <b>Tel:</b> 022-49186270 <b>Fax:</b> 022-49186060 <b>Website:</b> <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> <b>Email:</b> <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**j. Dematerialization of shares** : Out of 3,36,53,576 shares, 3,25,93,972 Shares equivalent to 96.85 % of the paid up capital of the Company have been dematerialised till 31<sup>st</sup> March, 2022. The details are as under:

	No of shares	% of Share Capital
CDSL	34,38,279	10.22%
NSDL	2,91,55,693	86.63%
Physical	10,59,604	3.15%
<b>Total</b>	<b>3,36,53,576</b>	<b>100%</b>

**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 2021-2022, 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. 39(ii) to the Annual Accounts.

**m. Plant Location** :

- Plot No. M-5, MIDC, Additional Ambarnath Ind Area, Village - Jambhivli, Ambarnath (E), Dist.- Thane 421 506, India.
- P.O. Clutterbuckganj, Bareilly (U.P) 243502, India.
- Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391 340, India.

**n. Address for correspondence** : **Registered Office:** 133, Jehangir Building, 2<sup>nd</sup> 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](mailto:cs@orientalaromatics.com)

**p. Stock Price Data:**

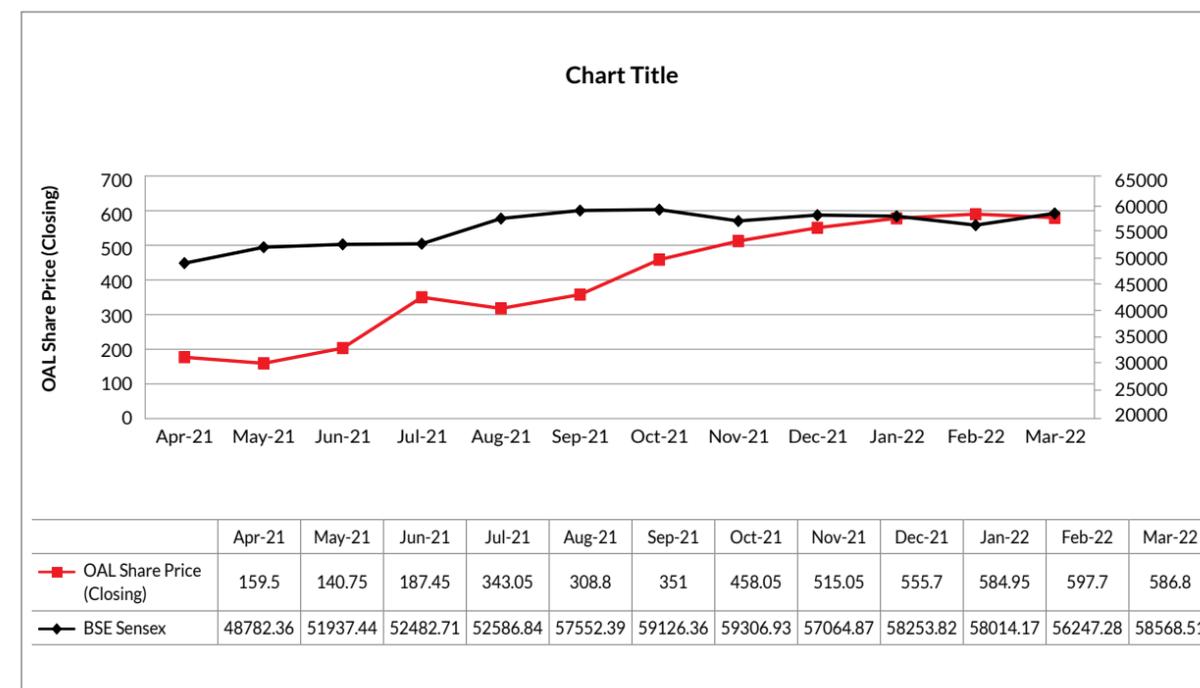
High, low Market Price on BSE and NSE during each month in the last financial year in comparison with BSE Sensex and Nifty respectively is as follows:

High/Low during the financial year 2021-22

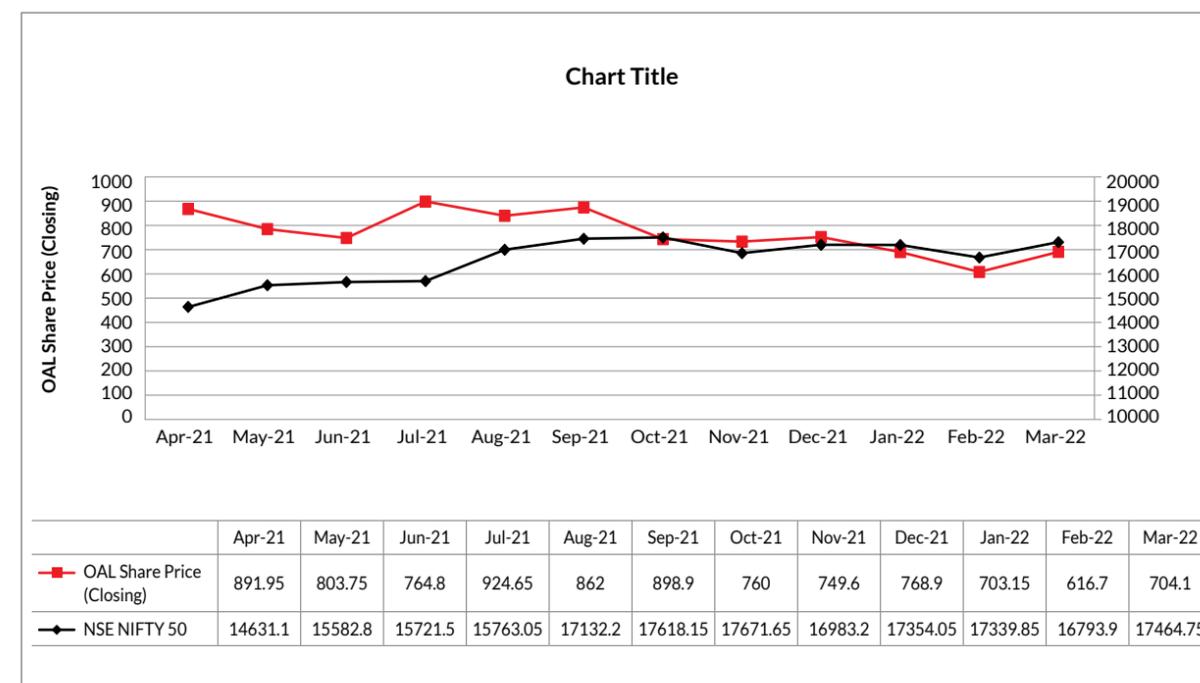
Month	OAL Share Price (₹) on BSE			BSE Sensex (Closing)	OAL Share Price (₹) on NSE			Nifty (Closing)
	High	Low	Close		High	Low	Close	
Apr 21	184.80	130.10	159.5	48782.36	1,009.95	585.45	891.95	14631.1
May 21	160.25	133.70	140.75	51937.44	946.00	744.00	803.75	15582.8
Jun 21	202.50	142.80	187.45	52482.71	837.00	760.95	764.80	15721.5
Jul 21	369.90	188.60	343.05	52586.84	1,019.00	765.00	924.65	15763.05
Aug 21	368.00	300.00	308.8	57552.39	950.00	760.05	862.00	17132.2
Sep 21	424.35	290.00	351	59126.36	1,100.00	857.80	898.90	17618.15
Oct 21	525.00	340.30	458.05	59306.93	974.95	760.00	760.00	17671.65
Nov 21	525.25	443.20	515.05	57064.87	824.90	680.00	749.60	16983.2
Dec 21	640.00	470.00	555.7	58253.82	786.00	658.30	768.90	17354.05
Jan 22	680.00	532.80	584.95	58014.17	851.75	646.55	703.15	17339.85
Feb 22	688.00	576.35	597.7	56247.28	717.40	564.60	616.70	16793.9
Mar 22	630.35	545.00	586.8	58568.51	804.35	579.75	704.10	17464.75

**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 Nifty 50 is given in the chart below:



r. Shareholding Pattern as at 31<sup>st</sup> March 2022.

Shareholding Pattern as on quarter ended 31<sup>st</sup> March, 2022.

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	213280	0.634
b. Alternate Investment Funds	0	0.000
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	37270	0.111
<b>Sub- Total</b>	<b>251178</b>	<b>0.746</b>
<b>2. Others Holding</b>		0.000
a. Bodies Corporate	541369	1.609
b. Indian Public	6556806	19.483
c. HUF	401534	1.193
d. NRIs/OCBs/Foreign Nationals	150516	0.447
e. Clearing member	8855	0.026
f. Trusts & Charitable Institutions	161266	0.479
g. IEPF	622052	0.185
<b>Sub- Total</b>	<b>8442398</b>	<b>25.086</b>
<b>GRAND TOTAL (A+B)</b>	<b>33653576</b>	<b>100.000</b>

s. Distribution Schedule on Scrip Value as on 31<sup>st</sup> March, 2022:

Shares of Nominal Value	No. of Holders	% of Holders	Total Amount	% of Amount
Upto 5000	27280	96.006	13849400	8.231
5001 to 10000	654	2.302	4770750	2.835
10001 to 20000	260	0.915	3778465	2.246
20001 to 30000	68	0.239	1700865	1.011
30001 to 40000	42	0.148	1496865	0.890
40001 to 50000	24	0.084	1064825	0.633
50001 to 100000	47	0.165	3385215	2.012
100001 to above	40	0.141	138221495	82.144
<b>TOTAL</b>	<b>28415</b>	<b>100.000</b>	<b>168267880</b>	<b>100.000</b>

t. Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialised mode. The requests for effecting transfer/transmission/ transposition of securities shall not be processed unless the securities are held in the dematerialised form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

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.

u. 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.

v. Transfer to Investor Education protection Fund (IEPF):

i) 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 ₹ 5,27,453 pertaining to FY 2013-14 which remained unpaid or unclaimed was transferred to the IEPF Authority on 22<sup>nd</sup> November, 2021.

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 31 <sup>st</sup> March 2022 (Amount in ₹)	Due date of Transfer to IEPF
2014-2015	24 <sup>th</sup> September 2015	428854	30.10.2022
2015-2016	23 <sup>rd</sup> September 2016	427886	29.10.2023
2016-2017	25 <sup>th</sup> September 2017	449932	30.10.2024
2017-2018	24 <sup>th</sup> September, 2018	397142	30.10.2025
2018-2019	25 <sup>th</sup> September, 2019	557878	30.10.2026
2019-2020	09 <sup>th</sup> March, 2020	1382610	15.04.2027
2020-2021	18 <sup>th</sup> November, 2020	1483627	24.12.2027
2021-2022	30 <sup>th</sup> November, 2021	864049	05.01.2028

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.

ii) 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, 2428 shares were transferred to IEPF Account on 30<sup>th</sup> November, 2021. 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 2021-22. The details of the shareholders whose shares are transferred to IEPF Authority have been uploaded on the Company's website i.e. <https://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.

**w. 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 (Stable)	21 <sup>st</sup> December, 2021
2.	Fund-based/ Non-Fund based limit	Long term/ Short term	ICRA	[ICRA]A(Stable)/ [ICRA]A2+	21 <sup>st</sup> December, 2021

**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.** 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. 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>

**d. 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 2021-22. The Policy may be accessed on the website of the Company at the link: <https://www.orientalaromatics.com/documents/corporate-governance/policies/POLMatSubsidiary.pdf>

**e. 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>

**f. 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.

**g. 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.

**h. 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.

**i. 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.

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

**k. 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.

**l. 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

**m. 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. 32 to the standalone financial statements and Note No. 31 to the consolidated financial statements

n. **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, 2022

o. **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 31<sup>st</sup> March 2022 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.

p. **The details with respect to demat suspense account/unclaimed suspense account:** Not Applicable

For and on behalf of the Board of Directors

**Dharmil A. Bodani**  
Chairman and Managing Director  
DIN: 00618333

**Shyamal A. Bodani**  
Executive Director  
DIN: 00617950

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

## 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, 2022.

For and on behalf of the Board of Directors

**Parag Satoskar**  
Chief Executive officer

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

# 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 31<sup>st</sup> March 2022 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 representation 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 **Bagaria & Co LLP**  
Chartered Accountants  
Firm registration No. - 113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 22143503AISQAU9253

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

## 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, 2022** 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.

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.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Shyamal Anil Bodani	00617950	22/08/2008
2.	Mr. Dharmil Anil Bodani	00618333	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
8.	Mr. Bhadresh Pandya	08809906	10/08/2020

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

**Shreyans Jain**  
(Proprietor)  
FCS No. 8519 / C.P. No. 9801  
UDIN: F008519D000278602  
PR NO.1118/2021

Place: Mumbai  
Date: 06<sup>th</sup> May, 2022

# Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31<sup>st</sup> March, 2022, pursuant to Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company:	L17299MH1972PLC285731
2.	Name of the Company:	Oriental Aromatics Limited (hereinafter referred to as "OAL/ Company")
3.	Registered address:	133, Jehangir Building, 2 <sup>nd</sup> Floor, Fort, Mumbai-400001
4.	Website:	<a href="http://www.orientalaromatics.com">www.orientalaromatics.com</a>
5.	E-mail id:	<a href="mailto:cs@orientalaromatics.com">cs@orientalaromatics.com</a>
6.	Financial Year reported:	1 <sup>st</sup> April, 2021 to 31 <sup>st</sup> March, 2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Speciality Chemicals; NIC Code- 20118
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	Camphor, Astromusk and Fragrances
9.	Total number of locations where business activity is undertaken by the Company:	The Company undertakes business activities at five (5) locations.
	Number of National Locations:	<b>Registered /Corporate Office:</b> 133, Jehangir Building, 2 <sup>nd</sup> Floor, M.G. Road, Mumbai-400001 <b>Plant Locations:</b> <b>Ambarnath</b> Plot No. M-5, MIDC, Additional AmbarnathInd Area, Village - Jambhivli, Ambarnath (E), Dist. - Thane-421506, India <b>Bareilly</b> P.O. Clutterbuckganj, Dist. Bareilly (U.P) 243 502, India <b>Vadodara</b> Plot No 3, GIDC Ind Estate, Nandesari, Vadodara-391 340, Gujarat, India <b>R &amp; D Location:</b> Unit No. 301, 302 & 303, G Wing, Tex Centre, Chandivali Farm Road, Chandivali, Andheri( E), Mumbai-400072, India. <b>Wholly-owned Subsidiary:</b> Oriental Aromatics & Sons Ltd Plant Location- Plot No FS-37 & 43, Additional MIDC, Amshet Village, Mahad, Dist: Raigad-402302, Maharashtra, India
	International Locations:	<b>Subsidiary in Indonesia:</b> PT Oriental Aromatics Satrio Tower, 24 <sup>th</sup> Floor, JL. Prof Dr. Satrio, Block C4, Jakarta selatan 12950, Indonesia.
10.	Markets served by the Company – Local/State/National/ International:	The Company's products and its services have its presence in National as well as International markets.

## SECTION B : FINANCIAL DETAILS OF THE COMPANY

(On standalone basis)

(₹ in lakh)

1.	Paid up Capital (INR):	1682.68
2.	Total Turnover (INR):	86,879.19
3.	Total profit after taxes (INR):	5,405.56
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	Refer Annexure - B to the Board's Report.
5.	List of activities in which expenditure in 4 above has been incurred:	Refer Annexure - B to the Board's Report.

## SECTION C : OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):	The Company has 2 subsidiaries, including 1 subsidiary outside India. There is no direct participation of the subsidiaries in the BR initiatives as presently there are no business operations being undertaken.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	Currently no entity that the company does business with, participate in the BR initiatives of the company. The Business Responsibility Statement is applicable to the management as well as all the stakeholders of the Company. The Company endeavours to encourage all its stakeholders to participate in the BR Initiatives of the Company

## SECTION D : BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1.	DIN Number :	00618333
2.	Name :	Mr. Dharmil A. Bodani
3.	Designation :	Chairman & Managing Director

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number :	00618333
2.	Name :	Mr. Dharmil A. Bodani
3.	Designation :	Chairman & Managing Director
4.	Telephone number :	022-43214000
5.	E -mail ID :	<a href="mailto:cs@orientalaromatics.com">cs@orientalaromatics.com</a>

### 2. Principle-wise (as per National Voluntary Guidelines) BR Policy/policies

Sr No.	Principles
P1	Ethics, Transparency and Accountability
P2	Products and services designed with environmental and social opportunities
P3	Human Capital
P4	Stakeholder Engagement
P5	Human Rights
P6	Energy and Environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Community Development
P9	Customer Satisfaction

**Details of compliance (Reply in Y/N):**

No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy /policies for each of the principle?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy confirm to any national / international standards? If yes, specify? (50 words)	Yes, the policies are based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs.  Company has adopted various standards specified by the International Organization for Standardization (ISO). ISO 14001:2015 : Environmental Management System (EMS); ISO 45001:2018: Occupational Health and Safety Management System; ISO 9001:2015: Quality Management System								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	The Board has appointed Mr. Dharmil A. Bodani, the Chairman & Managing Director of the Company, Mr. Parag Satoskar, CEO and Mr. Girish Khandelwal, CFO to oversee the implementation of the policy.								
6.	Indicate the link for the policy to be viewed online?	<a href="http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf">http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policy has been uploaded on the Company's website and internal portal for communication to all its stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company's policies and procedures are supported by internal risk controls.								

**3. Governance related to BR**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:**

The Business Responsibility Performance is assessed by the Board of Directors of the Company on an Annual Basis.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The company is publishing its Business Responsibility Report as part of its Annual Report for FY 2021-22. The Business Responsibility Report is hosted on the website of the Company i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com).

**SECTION E : PRINCIPLE-WISE PERFORMANCE**

**Principle 1 : ETHICS, TRANSPARENCY AND ACCOUNTABILITY**

**1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

Yes, The Company's Policy on ethics, bribery and corruption covers within its ambit all the employees, including those with the subsidiary companies and also the stakeholders of the Company.

The details of some of the Policies are summarized below:

- The Company has in place a "Vigil Mechanism Policy" to provide a formal mechanism to the Directors and Employees of the Company to report their genuine concerns about the unethical behavior, actual or suspected fraud etc. The mechanism provides for adequate safeguards against victimization of employees.
- The Company has also in place "Code of Conduct for Directors and Senior Managerial Personnel" which further enhances the ethical and transparent process in managing the affairs of the Company.
- In order to further strengthen internal controls for prevention of insider trading, there exists a Code of Conduct for Prevention of Insider Trading in Company's shares, which not only satisfy the Regulatory requirements but also instills a sense of responsibility amongst the designated employees / persons.
- The Company has "Code of Conduct for Fair Disclosure of Unpublished Price Sensitive Information" with the main object of ensuring timely and fair disclosure of price sensitive information, events, occurrence that could impact share price of Company's shares in the market.

**2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

No complaints were received in the reporting period with regard to ethics, bribery and corruption.

**Principle 2 : PRODUCTS AND SERVICES DESIGNED WITH ENVIRONMENTAL AND SOCIAL OPPORTUNITIES:**

**1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.**

- Astromusk
- Rose Nitrile
- Astromeran

**2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

(a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

**Sourcing:** Our Sourcing team ensures optimum consumption of raw material, water, utility, and operation by using Distributed Control System (DCS). The Company continuously endeavors to reduce raw material consumption through the efforts of Research & Development. The overheads are also controlled by operating the plants at designed capacities.

**Production:** All the plants operate as per Standard Operating Procedures and as per the designed capacities so that overall overheads are within control. Streamlining of manufacturing processes and efficient control has helped in managing the operating costs.

**Distribution:** Distribution is well planned for domestic & overseas customers so that finished good inventory & supply chain is maintained as per customer needs. Advance scheduling of customer orders and weekly production planning with production team ensuring timely supply.

**(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Due to complex production process, calculating environmental performance for each plant that produces the aforementioned product poses unique challenges. However, following operational facilities have been provided in each such plant to control resources, environment, and process safety:

- The Company is committed to environmental sustainability and constantly endeavors for reduction and optimal utilization of energy, water, raw material by improving operational efficiency and using improved technology.
  - Variable Frequency Drive (VFD) has been installed for ensuring conservation of energy.
  - Replacement of certain conventional equipment by Selection of Energy efficient motors/equipment has helped in decreasing consumption of energy and carbon utilization in the environment.
  - Lighting system is closely monitored by a dedicated team to avoid unwanted use of electricity. LED Lights are also installed in plant area for energy conservation.
  - Well Distributed Fire hydrant system with foam & water monitors, hydrant points and sprinkler system are in place for plant safety.
- Water : Average Consumption of water in process is reduced by 10% as well as in utilities & domestic is reduced by 20.9%.
- Energy: Power consumption has been reduced by 8.7% than last year. Fuel has also reduced by 9.3% than last year.
- All the plant units are well in compliance with Pollution Control Board guidelines. As a measure to mitigate air pollution emission, Air Pollution Control Machines and Electrostatic precipitator have been installed in the plants.
  - Recycling of boiler & cooling tower blow-down through reverse osmosis (RO) plant is implemented thereby reducing hydraulic load on Effluent Treatment Plant (ETP).
  - The design of our wastewater management system allows us to recycle 70-75% of water and make it reusable. The elements discharged out of the wastewater are disposed-off in an environmentally friendly manner.

As a measure, the Company has also implemented a fully integrated Environmental, Health & Safety and Quality Management System in its manufacturing plants which are certified by the internationally recognized ISO 14001:2015, ISO 45001:2018, ISO 9001:2015 standards. The Company is also Certified under FSSC 22000 (Food Safety System Certification) to manufacture artificial flavouring substances for food applications.

The R&D team is constantly working on Green chemistry to modify current processes and to make OAL a green company.

**3. Does the company have procedures in place for sustainable sourcing (including transportation)?**

**If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company has long-term relationships with the service-providers and this helps in ensuring efficient and sustainable supply chain management with uninterrupted supplies of inputs and to maintain the continuity in services.

The Company has established a systematic procedure for vendor selection as well as vendor evaluation with utmost focus on environment as well as social aspects. Vendors are identified on the basis of long term capabilities, safety, health & environment policy, quality checks and commercial competitiveness.

The relationship with all the service providers like transporters, Custom House agents, etc are long withstanding and as a strategy it is always ensured to maintain more than one transporter/ Service provider at any point of time to create competition and avoid dependency. Approximately, 70% to 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.

The Company has also shifted its Port of Delivery at the nearest port to the manufacturing plant which has benefited in lesser lead time of raw material deliveries and cost savings in transportation as well.

The Company is on a path to establish itself as a global supplier in all operational areas.

Existing products are improved on a regular basis through process reengineering to improve their global position. The Company is also proactively investing in making its products more sustainable.

**4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Localization benefits the company in a cost-effective manner and helps in maintaining the supply chain. Steps are taken amicably within the local area to share the technical inputs with the local suppliers which in turn help in improving their capabilities and skills.

All our labour contractors and other contractual services are being sourced from within the immediate vicinity of the factory locations to empower and assist in the development of the surrounding areas.

During Annual Plant shut down for maintenance, repairing or overhauling of various equipment, machinery, etc. are executed through local service providers.

**(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company is promoting localization by which imported raw materials are sought to be substituted with locally manufactured raw materials, wherever possible, subject to their meeting required specifications, quality & cost. Technical know-how is shared with the Local vendors to help them diversify their operations.

Many of the Company's suppliers are MSMEs(Micro, Small and Medium Enterprises). The Company has been associated with more than 417 MSME suppliers.

The Company does supplier evaluation through self- assessment questionnaires with regards to their capacity, capability, and sustainability performance.

The Company seeks Halal & Kosher certifications from its suppliers, and in the absence of such certifications it ensures to take declaration for the same. Further, major Products manufactured by the Company are Halal & Kosher certified.

**5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, 10%). Also, provide details thereof, in about 50 words or so.**

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). The company recycles wash water within the same process, thus saving on almost 5 -10% of fresh water. The Company has also considered New Sewage Treatment Plant / Agitated Thin Film Drier (STP/ATFD) as a measure under sustainability.

E-Waste Rules are complied by all the units with an aim to develop an environmentally sound e-waste management system. The waste ingredients generated are segregated based on their characteristics and stored in an appropriate manner. Thereafter, they are disposed of as per the hazardous waste authorization issued by the State Pollution Control Board.

The Units are also associated with entities that provide Complete Solutions in Waste Testing, Tracking and Management. Each production unit is a member of the local Waste Management Body located in their vicinity and also reports to them on a half-yearly basis.

Further, all the units of the Company are certified under ISO 14001 Environment Management System.

**Principle 3: HUMAN CAPITAL:**

1. Please indicate the Total number of employees. 1383
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 639
3. Please indicate the Number of permanent women employees: 92
4. Please indicate the Number of permanent employees with disabilities; 2
5. Do you have an employee association that is recognized by management?: Yes
6. What percentage of your permanent employees is members of this recognized employee association?: 25.40%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? Number of people given training/ Total people in that particular segment \*100

Title	Percentage
(a) Permanent Employees	48.66%
(b) Permanent Women Employees	7.61%
(c) Casual/Temporary/Contractual Employees	39.91%
(d) Employees with Disabilities	100.00%

**Principle 4: STAKEHOLDER ENGAGEMENT**

1. Has the company mapped its internal and external stakeholders?

Yes the Company has mapped its key internal and external stakeholders. Further, your Company has also carried out Stakeholder Engagement and based on the combined inputs from the stakeholders and the senior management, the materiality map for OAL has been plotted.

The stakeholders who were engaged included the key customers, suppliers, employees, trade associations, certification agencies, bankers, local community members and senior management of the Company.

As an outcome of the exercise, the following are the most important economic, environmental, and social material issues for OAL:

Economic	Environmental	Social
Technological Advancement	Air Quality	Health and Hygiene
Service Quality	Effluents & wastes	Human Rights Assessments
Critical Incident Risk Management	GHG Emissions	
Economic Performance	Environmental compliance	
Data Security		

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

If so, provide details thereof, in about 50 words or so.

Oriental Aromatics Limited identifies disadvantaged, vulnerable and marginalized stakeholders. During the year 2021-22 the Company had set-up a vaccination drive at the premises of Gateway School of Mumbai to fight against the COVID-19 virus. In addition to employees and their families and friends, lot of underprivileged people staying in the vicinity of the school and beneficiaries of Udayan Care, an NGO got benefited out of this drive. The Company through its Corporate Social responsibility (CSR) initiatives undertakes the promotion of educational facilities for the students having learning disabilities and promotion of education of girl child. During the year, with the onset of Covid-19 pandemic to combat the virus spread, your Company also spent towards promotion of Health Care & disaster management to various organizations & hospitals.

In addition, the Company has employed two differently-abled employees in its R&D Team & Production Team. All employees of Oriental Aromatics Limited have been granted equal opportunity with respect to career growth, coaching and mentoring including employees from economically weaker backgrounds.

**Principle 5: HUMAN RIGHTS**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The principles stated in our code and policies which include respect for human rights and dignity of all stakeholders, extend to the group, suppliers and all those who work with us.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No material complaint related to violation of human rights was received during the financial year.

**Principle 6 : ENERGY AND ENVIRONMENT**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.

The policy extends to the Company, its subsidiaries and its stakeholders.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc

Yes, the Company has devised various strategies and takes initiatives on a regular basis to address global environmental issues such as climate change, global warming, etc. by continuously improving processes that use fewer utilities. Further, the company also encourages tree plantation in all it's facilities and during the year approximately 5,207 trees were planted at its Bareilly unit as a measure to reduce Green House Gas emissions and conservative use of energy.

The Bareilly Operations has reduced the effluent generation by 42%.

Further, the Company has proposed to install Rice husk Boiler which shall minimize the non-renewable sources of energy.

The company undertakes energy as well as electrical audit and uses improved operational methods of lighting for consumption of less power and fuel. It also aims at reducing the fuel consumption by improving the steam:fuel ratio in it's steam generation Plant.

The Company has won a Silver medal in recognition of sustainability achievement from the ECOVADIS, a global sustainability CSR evaluation platform.

**3. Does the company identify and assess potential environmental risks? YES**

**4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

While the Company has so far not registered any project related to Clean Development Mechanism, it has policies in place with regards to the Sustainable environment, Energy consumption, local pollution & Biodiversity.

All the plants of the company has a compliance certification of Environmental Management Systems (EMS) ISO 14001:2015 which helps an organization to achieve the intended outcomes of its environmental management system, enhancement of environmental performance, achievement of environmental objectives, fulfillment of compliance obligations. Additionally, we are emphasizing on efforts around reducing water consumption and procuring raw materials from diversified resources to prevent stress on ecology of any single region.

We have directed our innovation efforts towards re-engineering product processes to make them sustainable and alongside we are undertaking various green chemistry and green factories projects.

The Company participates in CDP every year and has received a 'B-'band in FY 2021-22. This helps in progressing towards environmental stewardship and improving our climate governance.

**5. Has the company undertaken any other initiatives on –clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company has taken various steps for conserving energy and has also made efforts towards R&D and Technology Absorption. The same has been referred to in Annexure - D of the Annual Report for FY 2021-22.

**6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Company is following all the applicable guidelines and laws issued by state and central pollution control board and regularly submits compliance report for the same.

**7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:**

The Company has not received any show cause/ legal notices from CPCB/SPCB which are pending as on end of Financial Year 2021-22.

**Principle 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER**

**1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

We are members of the following trade and industry associations:

- Indian Institute of Packaging (IIP)
- Industrial Entrepreneurs Memorandum (IEM) certificate
- Chemexcil (RCMC) – Membership
- Bombay Chamber of Commerce and Industry –Membership
- Indian Chemical Council (ICC) – Membership
- Flavors and Fragrance Association of India
- International Federation of Essential Oil and Aroma Trade
- International Fragrance Association
- Export Inspection Agency

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Oriental Aromatics Ltd believes in promoting public policies and regulatory framework that serve the common good of the society. The Company's engagement with the relevant association/forums/chambers etc is guided by the values of commitment, integrity, transparency and the need to balance interests of diverse stakeholders. The Company endeavours to contribute on specific sustainable business issues, safety reforms, etc through membership with trade and industry associations.

**Principle 8 : COMMUNITY DEVELOPMENT**

**1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

The Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The CSR projects are in accordance with Schedule VII of the Companies Act, 2013 and rules made thereunder. The company encourages community growth and development. Education is a core part of our mission to help solve society's toughest problems.

**2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The CSR initiatives have been carried out by the Company either directly or through the implementing agency, Keshavlal V. Bodani Education Foundation. The Foundation undertakes the promotion of educational facilities for the students having learning disabilities. Our initiative helps students develop skills, knowledge, understanding and attitude necessary for them to lead fulfilling and productive lives as independent and successful individuals who actively contribute to the Society. Details of CSR initiatives are available on Corporate Social Responsibility activities for financial year 2021-22 which forms part of Annexure-B to the Board's Report in the Annual Report.

**3. Have you done any impact assessment of your initiative?**

NO

**4. What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

During the year the Company has spent ₹ 5.25 crore towards community development projects. The details of the project undertaken have been mentioned in the Annexure B of Board's Report which forms part of the Annual Report for FY 2021-22.

**5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

Yes. The Keshavlal V. Bodani Education Foundation has founded The Gateway School of Mumbai in the year 2010 and since then has been running the school. The community development initiative has been successfully adopted by the community.

During the FY 2021-22, in addition to making contribution to Keshavlal V. Bodani Education Foundation, your Company also made contribution to various other educational institutions near it's plants, this included Dampara School in Vadodara, Gujarat, Kasturba Gandhi Balika Vidyalaya School, Bareilly, Uttar Pradesh and Zillah Parishad School (ZPS), Bohonoli, Ambernath. We supported the betterment of the overall infrastructure of classrooms and schools to facilitate holistic education of children.

At Kasturba Gandhi Balika Vidyalay School, we also undertook tree plantation and infrastructural development like installing water cooler, RO water purifier, stabilizer, desert cooler, exhaust fan and dining chairs. We further supported by providing desktop computers and distributing shoes and sanitary pads among students. At Ambernath ZPS, we undertook repairing of classrooms and at Dampara School uniforms were distributed to students.

Our interventions benefitted 85 students from the Gateway School of Mumbai and a total of 250,100 and 58 students from Vadodara, Bareilly, and Ambernath, respectively.

The Company also spent towards promotion of Health Care, disaster management through contribution to Nandesari Industries Association situated at Vadodara and to Global Hospitals, Mumbai and Krishna Institute of Medical Science.

CSR Initiatives are tracked to determine the outcomes achieved and the benefits to the community. Internal tracking mechanisms, monthly reports and follow-up visits, telephonic and email communications are regularly carried out.

**Principle 9 : CUSTOMER SATISFACTION**

**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

No complaints/cases were pending as on the end of financial year. As per our standard quality policy, we resolve the customer complaints within 1 week from the date of receipt of the complaint.

**2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

No, the Company does not display any additional product information on the product label, over and above what is mandated as per local laws.

We use appropriate labels on both hazardous and non-hazardous cargo to ensure that the cargo is handled properly so that there is no harm done to the environment and the surroundings.

**3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti -competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

NO.

**4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

We regularly engage with our customers in order to take their quality feedback on the services that we provide.

We also circulate customer feedback forms within our customers to understand more about their experience in working with us. From these feedbacks, the Company strives towards improving the quality of its services that lead to customer satisfaction.



# 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, 2022, 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, 2022, 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.

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Goodwill on Amalgamation - Impairment:</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, 2022, 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 as 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 obtained understanding of the process 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> </ul>

Sr. No	Key Audit Matters	Auditor's response
		<ul style="list-style-type: none"> <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> <li>- 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.</li> </ul>

**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.

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.
- 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.

**Other Matter:**

We draw your attention to note no 39 (v) of the standalone financial statements with regard to management's assessment of, inter-alia, realisability of inventories and recoverability of Trade receivables due to re-surge in COVID 19 pandemic outbreak. The management does not anticipate any material financial or operational issues in the short term as well as on a long-term basis.

Our opinion on the standalone financial statements is not modified in respect of the above matter.

**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.
  - (e) On the basis of the written representation received from the directors as on March 31, 2022 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
 

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
  - (h) With respect to the 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. 36 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 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. 52(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; and [Refer Note No. 52(f) to standalone financial statements]
- (c) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to our notice that has causes us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The interim dividend declared and paid during the year ended March 31, 2022 by the Company is in compliance with Section 123 of the Act.

For **Bagaria & CO LLP**  
Chartered Accountants  
Firm registration No. -113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 22143503AISOCB1025

Place: Mumbai  
Date: May 10, 2022

**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, 2022:**

- i. (a) In respect of Company's Property, Plant and Equipment (PPE) and Intangible Assets:
  - (A) The Company has maintained proper records, showing full including quantitative details and situation of Property, Plant and Equipment (PPE) and right of use assets.
  - (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 a phased program for physical verification of the PPE for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its PPE. Pursuant to the program of the physical verification of PPE, physical verification of the assets has been carried out during the year and 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. 52(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 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. The monthly statements filed by the Company with such banks generally in agreement with the books of account of the Company. 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. According to the information and explanations given to us, during the year, the Company has made investments in its wholly owned subsidiary in respect of which the requisite information is as mentioned in para 3(b) below. The Company has not granted loans or provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms and limited liability partnership.
  - (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 not prejudicial to the Company's interest.
  - (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 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 generally 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 Rs. 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	37.61*	2004-05 to 2006-07	High Court, Allahabad
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 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 ₹ 36.52 lakhs # net of deposit of ₹ 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. 52(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. 52(g) to standalone financial statements].
- (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, funds raised by the Company on short term basis have not been utilised for long term purposes except for awaiting reimbursement of long term funds, the Company has temporarily utilized short term funds for long term purposes.

- (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 and 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 Standard (Refer Note 41 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 procedure
- 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.
- 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.

For **Bagaria & CO LLP**  
Chartered Accountants  
Firm registration No. -113447W/W-100019

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:- 22143503AISOCB1025

Place: Mumbai  
Date: May 10, 2022

**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 31,2022:**

**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, 2022 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.

**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 31,2022, 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:- 22143503AISOCB1025

Place: Mumbai  
Date: May 10, 2022

## Standalone Balance Sheet

as on 31<sup>st</sup> March, 2022

Particulars	Notes	INR (In Lakh)	
		As on 31 <sup>st</sup> March, 2022	As on 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, plant and equipment	2	20,758.13	18,458.59
(b) Capital work - in - progress	2	2,099.81	1,248.74
(c) Goodwill on amalgamation	48	4,497.72	4,497.72
(d) Intangible assets	3	202.10	23.57
(e) Intangible assets under development	3	40.62	-
(f) Right of use - Lease	4	604.42	667.83
(g) Financial Assets :			
i) Investment in subsidiaries	5	1,440.00	960.00
ii) Other financial assets	6	394.62	398.96
(h) Income tax assets (Net)		767.21	742.50
(i) Other non - current assets	7	415.69	57.73
<b>Total Non-Current Assets</b>		<b>31,220.32</b>	<b>27,055.64</b>
<b>2. Current Assets</b>			
(a) Inventories	8	28,693.23	22,758.70
(b) Financial Assets :			
(i) Trade receivables	9	19,540.46	18,912.85
(ii) Cash and cash equivalents	10	625.71	1,513.60
(iii) Bank balances other Than (ii) above	11	161.02	197.43
(iv) Other current financial assets	12	118.60	96.80
(c) Other current assets	13	6,242.00	4,016.86
<b>Total Current Assets</b>		<b>55,381.02</b>	<b>47,496.23</b>
<b>3. Non-current assets classified as held for sale</b>		-	8.00
<b>TOTAL ASSETS</b>		<b>86,601.34</b>	<b>74,559.88</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	58,931.35	54,063.40
<b>Total Equity</b>		<b>60,614.03</b>	<b>55,746.08</b>
<b>2. Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	4,500.00	-
(ii) Other financial liabilities	17	-	23.61
(b) Provisions	18	208.31	246.15
(c) Deferred tax liabilities (net)	33	2,709.48	2,666.78
<b>Total Non Current Liabilities</b>		<b>7,417.79</b>	<b>2,936.54</b>
<b>3. Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	9,434.88	7,785.87
(ii) Trade Payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises;		360.37	424.67
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,809.80	6,704.97
(iii) Other financial liabilities	21	380.27	584.76
(b) Other current liabilities	22	389.92	240.76
(c) Provisions	23	194.28	136.23
<b>Total Current Liabilities</b>		<b>18,569.52</b>	<b>15,877.26</b>
<b>Total Liabilities</b>		<b>25,987.31</b>	<b>18,813.80</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86,601.34</b>	<b>74,559.88</b>
Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-56		

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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

## Standalone Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

Particulars	Note	INR (In Lakh)	
		For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>I Income</b>			
Revenue from operations	24	86,879.19	70,883.55
Other income	25	437.69	175.69
<b>Total Income</b>		<b>87,316.88</b>	<b>71,059.24</b>
<b>II Expenses</b>			
Cost of materials consumed	26	61,558.47	41,452.12
Changes in inventories of finished goods and work-in progress	27	(4,277.32)	(1,991.53)
Manufacturing and operating costs	28	10,474.59	7,847.31
Employee benefits expense	29	4,789.81	3,937.50
Finance costs	30	410.30	240.08
Depreciation and amortization expense	31	1,695.42	1,745.93
Other expenses	32	4,988.00	4,082.70
<b>Total expenses</b>		<b>79,639.27</b>	<b>57,314.11</b>
<b>III Profit before tax</b>		<b>7,677.61</b>	<b>13,745.13</b>
<b>IV Tax expense</b>			
Current tax		2,024.60	3,513.23
Deferred tax charge/(credit)		42.70	61.64
Tax in respect of earlier years		204.75	(72.39)
<b>V Profit for the year</b>		<b>5,405.56</b>	<b>10,242.65</b>
<b>VI Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss)		(43.67)	(47.55)
Tax impact charge/(credit) on actuarial gain/(loss)		(11.00)	(11.97)
<b>Other Comprehensive Income</b>		<b>(32.67)</b>	<b>(35.58)</b>
<b>VII Total Comprehensive Income for the year</b>		<b>5,372.89</b>	<b>10,207.07</b>
<b>VIII Earnings per equity share of ₹ 5 each</b>	34		
Basic and Diluted (in ₹)		16.06	30.44
Significant accounting policies and accompanying notes form an integral part of standalone financial statements	1-56		

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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# Standalone Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2022

Sr. No.	Particulars	Note No.	For the year ended	
			31-Mar-22	31-Mar-21
INR (In Lakh)				
<b>A)</b>	<b>Cash Flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>7,677.61</b>	<b>13,745.13</b>
	<b>Adjustments for:</b>			
	Depreciation and amortization expense		1,695.42	1,745.93
	Interest and Other Finance Cost		410.30	240.08
	Loss / (Profit) on discarding / sale of assets (Net)		17.37	73.45
	Provision for doubtful debts and bad debts		37.39	96.54
	Sundry balances write off / Excess Provision Written back		15.01	217.73
	Unrealised Foreign Exchange rate difference		(35.83)	(47.55)
	<b>Operating Profit before Working Capital Changes</b>		<b>9,817.27</b>	<b>16,071.31</b>
	<b>Adjustments for:</b>			
	(Increase)/Decrease in Trade & Other Receivables		(2,962.85)	(5,381.23)
	(Increase)/Decrease in Inventories		(5,934.53)	(6,524.29)
	Increase/(Decrease) in Trade Payables & Provisions		1,212.57	1,542.65
	<b>Cash generated from Operating Activities before tax paid</b>		<b>2,132.46</b>	<b>5,708.44</b>
	Direct Taxes (Paid) Net of Refund Received		(2,243.06)	(3,852.90)
	<b>Net Cash flow from Operating Activities (A)</b>		<b>(110.60)</b>	<b>1,855.54</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>			
	Purchase of Property, Plant and Equipment		(5,443.75)	(2,856.14)
	Proceeds from Sale of Property, Plant and Equipment		5.30	8.05
	Investment in Subsidiary		(480.00)	(360.00)
	<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(5,918.45)</b>	<b>(3,208.09)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>			
	Proceeds/(Repayment) of long term borrowings	45	5,000.00	(764.71)
	Proceeds/(Repayment) of short term borrowings	45	1,116.34	3,436.99
	Dividend Paid		(504.80)	(841.47)
	Payment of lease liabilities	42	(65.87)	(64.18)
	Interest and Other Finance Cost		(404.51)	(205.38)
	<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>5,141.16</b>	<b>1,561.25</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>(887.89)</b>	<b>208.70</b>
	Cash & cash equivalents at beginning of the year	10	<b>1,513.60</b>	<b>1,304.90</b>
	Cash & cash equivalents at end of the year	10	<b>625.71</b>	<b>1,513.60</b>
	<b>Significant accounting policies and accompanying notes form an integral part of standalone financial statements</b>	1-56		

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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## a EQUITY SHARE CAPITAL

As at 31st March 2021	Changes in Equity Share Capital due to prior period errors	Restated 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

As at 31st March 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period	Change during the year 2020-21	As at 31st March 2021
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, 2020</b>		<b>266.74</b>	<b>4,275.12</b>	<b>40,316.17</b>	<b>(160.22)</b>	<b>44,697.81</b>
Changes in Other Equity due to prior period errors		-	-	-	-	-
<b>Restated balance at the beginning of the period</b>		<b>266.74</b>	<b>4,275.12</b>	<b>40,316.17</b>	<b>(160.22)</b>	<b>44,697.81</b>
Profit for the year		-	-	10,242.65	-	10,242.65
Other Comprehensive Income for the year		-	-	-	(35.58)	(35.58)
Interim dividend paid		-	-	(841.47)	-	(841.47)
<b>Balance as at 31st March, 2021</b>		<b>266.74</b>	<b>4,275.12</b>	<b>49,717.35</b>	<b>(195.81)</b>	<b>54,063.40</b>
Changes in Other Equity due to prior period errors		-	-	(0.14)	-	(0.14)
<b>Restated 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>54,063.27</b>
Profit for the year		-	-	5,405.56	-	5,405.56
Other Comprehensive Income for the year		-	-	-	(32.67)	(32.67)
Interim dividend paid		-	-	(504.80)	-	(504.80)
<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>
<b>Significant accounting policies and accompanying notes form an integral part of standalone financial statements</b>	1-56					

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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# Notes to the standalone financial statements

for the year ended 31<sup>st</sup> March, 2022

## 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 & speciality aroma chemicals, fragrances and flavour 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 of 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.

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 life as 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.

**(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.

**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. Materials in transit is valued at cost incurred till date.

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 First in first out (FIFO) basis.

Finished/Semi-Finished Goods – 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 weighted moving average cost basis.

Stores, Spare Parts, Consumables, Packing Materials etc. – cost is determined on FIFO 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.

\* 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 recognized during the period is recognized as income/ expense in the Statement of Profit and Loss.

#### (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.

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
- (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 excepted 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
- 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 as 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 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 / amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23<sup>rd</sup> March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below :

- (a) Ind AS 16 – Property, plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022.
- (b) Ind AS 37 - Provisions, contingent liabilities and contingent assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1<sup>st</sup> April, 2022, although early adoption is permitted.
- (c) Ind AS 103 – Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.
- (d) Ind AS 109 – Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is in the process of evaluating the impact of these amendments.

**2 Property, Plant and Equipment**

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	INR (In Lakh)	
								Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>									
As at 31 <sup>st</sup> March 2021	4.74	6,253.51	16,101.17	380.38	973.63	770.51	111.93	24,595.87	1,248.74
Additions	-	335.96	3,403.73	26.43	8.01	101.81	36.87	3,912.82	3882.61
Disposals/Adjustment	-	-	16.26	7.41	97.37	14.34	-	135.37	3031.54
As at 31 <sup>st</sup> March 2022	4.74	6,589.47	19,488.65	399.41	884.27	857.99	148.80	28,373.31	2099.81
<b>Accumulated Depreciation :</b>									
As at 31 <sup>st</sup> March 2021	-	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/Adjustment	-	-	5.97	6.92	88.07	11.79	-	112.75	-
As at 31 <sup>st</sup> March 2022	-	1,466.31	4,797.61	312.69	596.40	330.14	112.03	7,615.18	-
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March 2021	4.74	5,050.18	12,373.49	100.43	367.89	525.91	35.96	18,458.59	2099.81
As at 31 <sup>st</sup> March 2022	4.74	5,123.16	14,691.03	86.72	287.87	527.85	36.76	20,758.13	2099.81

Particulars	INR (In Lakh)								
	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>									
As at 31 <sup>st</sup> March 2020	4.74	6,162.75	14,528.36	371.49	963.27	761.70	94.43	22,886.74	174.46
Additions		90.76	1,665.92	20.62	11.17	25.35	40.71	1,854.53	2,539.13
Disposals			93.11	11.73	0.82	16.54	23.21	145.40	1,464.85
As at 31 <sup>st</sup> March 2021	4.74	6,253.51	16,101.17	380.38	973.63	770.51	111.93	24,595.87	1,248.74
<b>Accumulated Depreciation :</b>									
As at 31 <sup>st</sup> March 2020	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
Depreciation charge for the year		259.07	953.71	36.80	89.48	90.40	29.29	1,458.74	-
Disposals			21.68	10.30	0.66	13.33	17.98	63.95	-
As at 31 <sup>st</sup> March 2021	-	1,203.33	3,727.68	279.95	605.73	244.61	75.97	6,137.28	-
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March 2020	4.74	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.26	174.46
As at 31 <sup>st</sup> March 2021	4.74	5,050.18	12,373.49	100.43	367.89	525.90	35.96	18,458.59	1,248.74

**Notes:**

- For information on property, plant and equipment offered as security by the Company, refer to note number - 35
- For information on Capital Commitment, refer to note number - 37
- Breakup of Capital work in progress comprises of assets under construction which are as under :-**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
Plant & Equipment	504.16	378.08
Buildings	1,063.92	545.83
<b>Directly attributable cost relating to project:</b>		
Salary Expenses	104.24	84.56
Professional Fees	369.79	236.48
Other Expenses	57.70	3.79
<b>Total</b>	<b>2,099.81</b>	<b>1,248.74</b>

**D. Capital work-in-progress ageing schedule**

Particulars	INR (In Lakh)				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31<sup>st</sup> March 2022</b>					
Projects in progress	1,353.31	612.59	133.91	-	2,099.81
Projects temporarily suspended					-
<b>Total</b>	<b>1,353.31</b>	<b>612.59</b>	<b>133.91</b>	<b>-</b>	<b>2,099.81</b>
<b>As on 31<sup>st</sup> March 2021</b>					
Projects in progress					-
Projects temporarily suspended	1113.56	135.18	-	-	1248.74
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**3 Intangible assets**

Particulars	INR (In Lakh)			
	Products Registration & Development	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>				
As at 31 <sup>st</sup> March 2021	-	1,464.61	105.17	1,569.78
Additions	219.88	-		219.88
As at 31 <sup>st</sup> March 2022	219.88	1,464.61	105.17	1,789.67
<b>Accumulated Amortisation</b>				
As at 31 <sup>st</sup> March 2021	-	1,464.49	81.73	1,546.21
Amortisation charge for the year	20.63	-	20.73	41.36
As at 31 <sup>st</sup> March 2022	20.63	1,464.49	102.46	1,587.57
<b>Net Carrying Amount</b>				
As at 31 <sup>st</sup> March 2021	-	0.13	23.44	23.57
As at 31 <sup>st</sup> March 2022	199.26	0.13	2.71	202.10

Particulars	INR (In Lakh)			
	Products Registration & Development	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>				
As at 31 <sup>st</sup> March 2020	-	1,464.61	103.06	1,567.67
Additions			2.11	2.11
As at 31 <sup>st</sup> March 2021	-	1,464.61	105.17	1,569.78
<b>Accumulated Amortisation</b>				
As at 31 <sup>st</sup> March 2020	-	1,271.33	56.19	1,327.52
Amortisation charge for the year	-	193.15	25.54	218.69
As at 31 <sup>st</sup> March 2021	-	1,464.49	81.73	1,546.21
<b>Net Carrying Amount</b>				
As at 31 <sup>st</sup> March 2020	-	193.28	46.87	240.15
As at 31 <sup>st</sup> March 2021	-	0.13	23.44	23.57

**4 Right of use - Lease**

Particulars	INR (In Lakh)		
	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31 <sup>st</sup> March 2021	-	-	-
Additions	631.83	180.26	812.09
As at 31 <sup>st</sup> March 2022	631.83	180.26	812.09
<b>Accumulated Amortisation</b>			
As at 31 <sup>st</sup> March 2021	39.87	104.39	144.26
Amortisation charge for the year	7.95	55.46	63.41
As at 31 <sup>st</sup> March 2022	47.82	159.86	207.67
<b>Net Carrying Amount</b>			
As at 31 <sup>st</sup> March 2021	591.96	75.87	667.83
As at 31 <sup>st</sup> March 2022	584.01	20.40	604.42

Particulars	INR (In Lakh)		
	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31 <sup>st</sup> March 2020	631.83	180.26	812.09
Additions	-	-	-
As at 31 <sup>st</sup> March 2021	631.83	180.26	812.09
<b>Accumulated Amortisation</b>			
As at 31 <sup>st</sup> March 2020	26.83	48.93	75.76
Amortisation charge for the year	13.04	55.46	68.50
As at 31 <sup>st</sup> March 2021	39.87	104.39	144.26
<b>Net Carrying Amount</b>			
As at 31 <sup>st</sup> March 2020	605.00	131.33	736.33
As at 31 <sup>st</sup> March 2021	591.96	75.87	667.83

Notes: Refer Note No. 42 for Leases.

## 5 Investment in Subsidiaries

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
<b>Investment in Equity share of Subsidiaries</b>		
<b>Unquoted (Carried at cost less impairment allowance)</b>		
Oriental Aromatics & Sons Limited - Wholly owned Subsidiary 1,44,00,000 (P.Y. 9,600,000) shares at ₹ 10 each fully paid up	1,440.00	960.00
PT Oriental Aromatics (Includes ₹ 782.21 on account of Conversion of Loan into series B of 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>1,440.00</b>	<b>960.00</b>

## 6 Non Current - Other Financial Assets

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Security Deposits	184.79	173.01
Bank Deposits with maturity more than 12 months (Offered as Security against Bank Guarantee given)	188.70	180.60
Recoverable in respect of acquired business	21.13	45.35
<b>Total</b>	<b>394.62</b>	<b>398.96</b>

## 7 Other non - current assets

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Capital advances	345.71	57.73
Prepaid Expense	69.98	-
<b>Total</b>	<b>415.69</b>	<b>57.73</b>

## 8 Inventories

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
Raw Materials	11,034.43	9,574.58
Raw Materials - in Transit	1,914.27	2,112.58
Work-in-progress	5,689.97	4,731.91
Finished goods	4,555.15	2,272.76
Finished goods - in Transit	4,246.41	3,209.54
Stores, Spares and Packing Materials	1,223.16	836.63
Stores, Spares and Packing Materials - in Transit	29.84	20.70
<b>Total</b>	<b>28,693.23</b>	<b>22,758.70</b>

### Notes:

- Refer Note 35 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 plan and net realisable value. Write-down of inventories amounted to ₹ 612.48 lakhs (P.Y. ₹ 597.80 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.

## 9 Trade receivables

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
<b>Unsecured:</b>		
Trade Receivables considered good	19,540.46	18,848.88
Trade Receivables which have significant increase in Credit Risk	-	127.93
Trade Receivables - credit impaired	195.06	93.71
Less: Allowance for bad and doubtful debts	(195.06)	(157.67)
<b>Total</b>	<b>19,540.46</b>	<b>18,912.85</b>

Refer Note no.35 for Trade Receivables offered as security, Note no.39(ii) for Currency Risk, Note 39(iii) for Credit Risk & Ageing schedule and Note no. 41 for related party disclosure

## 10 Cash and cash equivalents

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
Balances with Banks		
- In current accounts	515.23	604.72
- In deposit accounts having original maturity of three months or less	100.00	900.00
Cash on hand	10.48	8.87
<b>Total</b>	<b>625.71</b>	<b>1,513.60</b>

## 11 Other Bank Balances

Particulars	INR (In Lakh)	
	As on 31-Mar-22	31-Mar-21
Unpaid Dividend	59.93	57.26
Margin Money Accounts (Offered as Security against Bank Guarantee given)	89.48	129.06
Term deposits with original maturity more than 3 months and less than 12 months	11.61	11.10
<b>Total</b>	<b>161.02</b>	<b>197.43</b>

## 12 Current - Other Financial Assets

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Interest accrued on fixed deposit and others	3.78	10.45
Loan to staff	63.18	56.40
Insurance claim receivable	0.18	4.95
Government grant receivable	51.46	25.00
<b>Total</b>	<b>118.60</b>	<b>96.80</b>

## 13 Other current assets

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Export benefit receivables	48.32	15.61
VAT Credit Receivable	-	27.43
GST Receivable	4,382.83	2,364.35
Advances to Suppliers	1,013.47	1,211.53
Advances to Staff	62.97	25.11
Prepaid expenses	734.41	372.84
<b>Total</b>	<b>6,242.00</b>	<b>4,016.86</b>

## 14 Equity Share capital

INR (In Lakh)

Particulars	As on	
	31-Mar-2022	31-Mar-2021
<b>Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31 <sup>st</sup> March,2022 - 70,000,000 no. of shares at ₹ 5 each.		
As at 31 <sup>st</sup> March,2021 - 70,000,000 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 31 <sup>st</sup> March,2022 - 33,653,576 no. of shares at ₹ 5 each.		
As at 31 <sup>st</sup> March,2021 - 33,653,576 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-Mar-2022	31-Mar-2021
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
<b>Balance as at the end of the year</b>	<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-Mar-2022		As on 31-Mar-2021	
	No. of Equity Shares	%	No. of Equity Shares	%
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-Mar-2022			As on 31-Mar-2021		
	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	As on				
	31-Mar-2022	31-Mar-2021	31-Mar-2020	31-Mar-2019	31-Mar-2018
Share issue on Subdivision of Shares	-	-	-	84,13,394	-
Share issue on Bonus	-	-	-	1,68,26,788	-
Shares issued for consideration other than cash	-	-	-	-	32,79,720
Bought back any shares issued	-	-	-	-	-

## 15 Other Equity

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<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	54,617.97	49,717.35
Items of other comprehensive income	(228.48)	(195.81)
<b>Total</b>	<b>58,931.35</b>	<b>54,063.40</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

c) **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.

d) **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

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<b>Secured</b>		
Term loan from a Bank	4,500.00	-
Rate of interest range from 5.45% - 5.84% (P.Y. 8.00% - 8.10%) per annum		
<b>Total</b>	<b>4,500.00</b>	<b>-</b>

#### Loan Repayment Schedule

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Payable within 1 year	500.00	-
Payable between 1 to 2 years	1,333.00	-
Payable between 2 to 5 years	3,167.00	-
<b>Total</b>	<b>5,000.00</b>	<b>-</b>

(For details of security offered - Refer Note No.35)

### 17 Non Current Financial Liabilities - Others

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Lease Liabilities	-	23.61
<b>Total</b>	<b>-</b>	<b>23.61</b>

### 18 Provisions

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<b>Provision for employee benefits :</b>		
Provision for Compensated Absences	208.31	246.15
<b>Total</b>	<b>208.31</b>	<b>246.15</b>

Refer Note no. 43 for Defined benefit plans

### 19 Current Financial Liabilities - Borrowings

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Current maturities of long-term debt	500.00	-
<b>Secured</b>		
Working Capital Loan from Banks	8,934.88	6,785.87
<b>Unsecured</b>		
Working Capital Loan from a Bank	-	1,000.00
<b>Total</b>	<b>9,434.88</b>	<b>7,785.87</b>

For terms and conditions - Refer Note No.35 and 39(iv)

### 20 Trade payables

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Due to micro, small and medium enterprises ("MSME")	360.37	424.67
Due to creditors other than micro, small and medium enterprises	7,809.80	6,704.97
<b>Total</b>	<b>8,170.17</b>	<b>7,129.65</b>

Refer Note no. 41 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:

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
1) Principal amount due and remaining unpaid	360.37	424.67
2) Interest due on above and the unpaid interest	0.81	0.94
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					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31<sup>st</sup> 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>

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31<sup>st</sup> March 2021</b>						
MSME Creditors	155.21	269.46	-	-	-	424.67
Creditors other than MSME	1,020.24	5,639.50	10.20	8.78	2.99	6,681.71
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	21.25	-	-	2.02	23.27
<b>Total</b>	<b>1,175.45</b>	<b>5,930.21</b>	<b>10.20</b>	<b>8.78</b>	<b>5.01</b>	<b>7,129.65</b>

## 21 Other financial liabilities

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Interest accrued on borrowings	24.86	8.99
Unclaimed dividend	59.93	57.26
Lease Liabilities	23.61	60.73
Payable towards capital expenditure	271.87	457.76
<b>Total</b>	<b>380.27</b>	<b>584.76</b>

Refer Note No. 42 for Leases.

## 22 Other financial liabilities

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Advance from customers	176.99	50.55
Statutory dues	212.93	190.21
<b>Total</b>	<b>389.92</b>	<b>240.76</b>

## 23 Provisions

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
<b>Provision for employee benefits :</b>		
Provision for Gratuity	171.71	105.11
Provision for Compensated Absences	22.57	31.12
<b>Total</b>	<b>194.28</b>	<b>136.23</b>

Refer Note no. 43 for Defined benefit plans

## 24 Revenue from Operations

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
<b>Sale of Manufactured Products</b>		
Contracted Price	87,022.16	71,050.30
Less: Trade Discount, Volume Rebate etc	(386.79)	(355.90)
	86,635.37	70,694.40
<b>Other operating revenues</b>		
Export Incentives	119.25	84.85
Process waste sale	114.86	94.46
Royalty Income	9.71	9.85
<b>Total</b>	<b>86,879.19</b>	<b>70,883.55</b>

## 25 Other income

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Rent and Compensation	3.44	3.53
Taxes refund and Interest thereof	-	10.40
Foreign Exchange Gain (net)	216.41	92.78
Liability/Provision no longer required, written back	15.01	-
Other non-operating income - refer note no. 50	202.83	68.98
<b>Total</b>	<b>437.69</b>	<b>175.69</b>

## 26 Cost of materials consumed

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Raw Materials consumed	61,558.47	41,452.12
<b>Total</b>	<b>61,558.47</b>	<b>41,452.12</b>

## 27 Changes in inventories of finished goods and work-in progress

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
<b>Opening inventories</b>		
Finished goods	5,482.30	3,517.49
Work-in-progress	4,731.91	4,705.19
<b>Closing inventories</b>		
Finished goods	(8,801.56)	(5,482.30)
Work-in-progress	(5,689.97)	(4,731.91)
<b>Total</b>	<b>(4,277.32)</b>	<b>(1,991.53)</b>

## 28 Manufacturing and Operating Costs

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Consumption of Spares Parts	1,677.40	1,197.35
Power and Fuel	4,631.16	3,377.44
Licence Fees (Technical Knowhow)	411.56	346.43
Other Manufacturing and Operating Expenses	2,856.19	2,283.61
Repairs to Buildings	162.75	114.66
Repairs to Machinery	735.53	527.82
<b>Total</b>	<b>10,474.59</b>	<b>7,847.31</b>

## 29 Employee benefits expense

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Salaries and wages	4,272.79	3,433.63
Contribution to provident fund and other funds	221.18	181.64
Defined benefit plan expense	46.27	164.85
Workmen and Staff welfare expenses	249.57	157.38
<b>Total</b>	<b>4,789.81</b>	<b>3,937.50</b>

## 30 Finance costs

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Interest expense	252.15	140.78
Foreign Exchange loss on borrowings - attributable to Interest	86.22	59.48
Other borrowing costs	71.93	39.81
<b>Total</b>	<b>410.30</b>	<b>240.08</b>

### 31 Depreciation and amortization expense

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Depreciation on Property, Plant and Equipment	1,590.65	1,458.74
Amortization on Right to use - leases	63.41	68.50
Amortization on Intangible assets	41.36	218.69
<b>Total</b>	<b>1,695.42</b>	<b>1,745.93</b>

### 32 Other expenses

INR (In Lakh)

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
Rent	8.37	4.92
Insurance	254.87	295.03
Rates and taxes	108.51	113.87
Repairs & maintenance others	94.20	69.85
Auditors' remuneration and expenses*	19.77	19.50
Legal and professional expenses	634.79	672.52
Directors sitting fees	20.76	22.30
Bad debts	-	1.27
Provision for doubtful debts	37.39	95.27
Freight expenses	2,059.58	1,266.02
Commission on sales	166.94	179.75
Sales promotion expenses	113.10	66.93
Travelling expenses	255.84	49.33
Corporate social responsibility expenses - Refer note no. 46	525.00	378.00
Net loss on sale / discard of property, plant and equipment	17.37	73.45
Miscellaneous expenses	671.51	774.69
<b>Total</b>	<b>4,988.00</b>	<b>4,082.70</b>

\*Auditors' remuneration and expenses

Particulars	For the year ended	
	31-Mar-22	31-Mar-21
- Audit fees	12.50	12.50
- Limited review fees	6.00	6.00
- Certification fees	1.00	1.00
Reimbursement of out-of-pocket expenses	0.27	-
<b>Total</b>	<b>19.77</b>	<b>19.50</b>

### 33 Income Taxes

#### A. Tax expense recognized in the Statement of Profit and Loss

INR (In Lakh)

Particulars	2021-22	2020-21
	Current tax	2,024.60
Deferred tax	42.70	61.64
Deferred tax impact charge/(credit) on actuarial gain/(loss)	11.00	11.97
Tax in respect of earlier years	204.75	(72.39)
<b>Total income tax expense/(credit)</b>	<b>2,283.05</b>	<b>3,514.44</b>

#### 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:

INR (In Lakh)

Particulars	2021-22	2020-21
Reconciliation of effective tax rate		
Profit before tax	7,677.61	13,745.13
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	1,932.45	3,459.65
<b>Tax Expense Recognised in Statement of Profit and Loss</b>	<b>2,283.05</b>	<b>3,514.44</b>
<b>Differences due to:</b>		
-Tax in respect of earlier years	204.75	(72.39)
- Expenses not allowable for tax purposes	132.52	102.14
- Others	13.33	25.04
<b>Total income tax expense/(credit)</b>	<b>2,283.05</b>	<b>3,514.44</b>

#### C. Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2022 :

INR (In Lakh)

Particulars	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>

#### Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2021 :

INR (In Lakh)

Particulars	As on 31-Mar-2020	(Credit)/charge in Statement of Profit and Loss	As on 31-Mar-2021
Expenses allowable for tax purposes on payment	(99.25)	(50.05)	(149.30)
Difference in written down value of PPE as per books and as per Income Tax	2,704.39	111.69	2,816.08
<b>Deferred Tax Liability/(Asset)</b>	<b>2,605.14</b>	<b>61.64</b>	<b>2,666.78</b>

### 34 Earnings per share

INR (In Lakh)

Particulars	2021-22	2020-21
Earnings Per Share has been computed as under:		
Profit for the year	5,405.56	10,242.65
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹)	16.06	30.44
(Face value of ₹ 5 per share)		

### 35 Assets offered as security

The carrying amounts of assets offered as security for current and non-current borrowings are:

INR (In Lakh)

Particulars	2021-22	2020-21
<b>Current Assets</b>		
Trade receivables	19,540.46	18,912.85
Inventories	28,693.23	22,758.70
<b>Total Current assets offered as security</b>	<b>48,233.69</b>	<b>41,671.55</b>
<b>Non Current Assets</b>		
Buildings	3,233.05	3,077.41
Furniture, fittings and equipment	96.39	111.01
Plant and Machinery	12,267.22	10,575.82
Others	39.80	40.96
<b>Total non-current assets offered as security</b>	<b>15,636.46</b>	<b>13,805.22</b>
<b>Total assets offered as security</b>	<b>63,870.15</b>	<b>55,476.77</b>

### 36 Contingent liabilities and commitments (to the extent not provided for)

Particulars	INR (In Lakh)	
	2021-22	2020-21
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts in respect of:-		
- Disputed Labour Claims	9.96	9.96
<b>Where Company is in appeal</b>		
- Disputed Excise Duty Matters	13.78	13.78
- Disputed Income Tax Matters	429.35	609.16
<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>967.57</b>	<b>1,147.38</b>

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.

### 37 Commitments

A. Capital expenditure contracted for at the end of the reporting period but not recognized as liabilities is as follows:

Particulars	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
Property, plant and equipment	1,315.16	1,000.32
Less: Capital advances	(345.71)	(57.73)
<b>Net Capital commitments</b>	<b>969.45</b>	<b>942.59</b>

B. Refer note no. 42 for commitments of lease liabilities.

### 38 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	INR (In Lakh)	
	2021-22	2020-21
<b>(i) Capital Expenses included in various heads :</b>		
Buildings	-	15.28
Plant & Machinery	2.61	15.48
Furniture & Fixtures	1.05	-
Computer and Computer Software	-	-
<b>Total</b>	<b>3.66</b>	<b>30.76</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Other Manufacturing and Operating Exp	127.83	91.50
Employee Benefit Expenses	134.05	118.67
Depreciation	21.88	22.30
Other Expenses	36.92	37.58
<b>Total</b>	<b>320.68</b>	<b>270.05</b>

(B) R & D Facility in Mumbai (Approved U/s 35 (2AB) of Income Tax Act, 1961.

Accounts Head	INR (In Lakh)	
	2021-22	2020-21
<b>(i) Capital Expenses included in various heads :</b>		
Accounts Head		
Plant and Machinery	37.04	50.54
Office Equipment	9.75	-
Computer and Computer Software	1.81	3.61
<b>Total</b>	<b>48.60</b>	<b>54.15</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Cost of Material Consumed	42.98	6.90
Employee Benefit Expenses	220.86	172.20
Building Rent	35.63	33.94
Depreciation	30.33	24.05
Other Expenses	77.81	28.88
<b>Total</b>	<b>407.61</b>	<b>265.97</b>

### 39 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

Particulars	INR (In Lakh)	
	31-03-2022	31-03-2021
<b>Borrowings bearing variable rate of interest - as on reporting date</b>	<b>13,934.88</b>	<b>7,785.87</b>

#### Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	INR (In Lakh)	
	2021-22	2020-21
50 bp increase in interest rate - decrease in profits	54.30	32.15
50 bp decrease in interest rate - Increase in profits	(54.30)	(32.15)

**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	31-03-2022	31-03-2021
Forward contracts	-	-

**(b) Particulars of unhedged foreign currency exposures as at the reporting date** (Foreign currency In lakh)

**As at 31<sup>st</sup> March 2022**

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	-

**As at 31<sup>st</sup> March 2021** (Foreign currency In lakh)

Particulars	GBP	CHF	USD	EURO
Trade Receivable	-	-	120.73	-
Trade payables	-	0.00	27.28	0.82
Borrowings	-	-	43.87	-
Cash and Bank balances	-	-	0.00	-

**Foreign Currency Risk Sensitivity**

**A change of 1% in Foreign currency would have following Impact on profit before tax**

INR (In Lakh)

Particulars	As on 31-Mar-2022		As on 31-Mar-2021	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	(1.03)	1.03	(0.68)	0.68
USD	37.94	(37.94)	41.99	(41.99)
CHF	(0.07)	0.07	(0.00)	0.00
<b>Increase / (decrease) in profit or loss</b>	<b>36.84</b>	<b>(36.84)</b>	<b>41.31</b>	<b>(41.31)</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:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,

- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

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 31<sup>st</sup> March 22</b>							
1) Undisputed – considered good	16,430.64	3,109.81	-	-	-	-	19,540.46
2) Undisputed – credit impaired	-	5.49	6.65	3.90	53.14	-	69.18
3) Disputed – credit impaired	-	-	-	-	125.87	-	125.87
<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	-	195.05
<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>

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 31<sup>st</sup> March 21</b>							
1) Undisputed – considered good	12,482.50	6,151.39	214.97	-	-	-	18,848.86
2) Undisputed – which have significant increase in credit Risk	-	-	-	127.93	-	-	127.93
3) Undisputed – credit impaired	-	0.11	18.08	14.51	35.46	25.55	93.71
4) Disputed – credit impaired	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>12,482.50</b>	<b>6,151.50</b>	<b>233.06</b>	<b>142.44</b>	<b>35.46</b>	<b>25.55</b>	<b>19,070.51</b>
Less: Provision for doubtful trade receivables	-	0.11	18.08	78.47	35.46	25.55	157.67
<b>Total</b>	<b>12,482.50</b>	<b>6,151.39</b>	<b>214.97</b>	<b>63.97</b>	<b>-</b>	<b>-</b>	<b>18,912.83</b>

**Movement in provisions of doubtful debts**

INR (In Lakh)

Particulars	2021-22	2020-21
<b>Opening provision</b>	<b>157.67</b>	<b>62.40</b>
Add:- Additional provision made	37.39	95.27
Less:- Provision utilised against bad debts	-	-
<b>Closing provision</b>	<b>195.06</b>	<b>157.67</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

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:

Particulars	INR (In Lakh)	
	2021-22	2020-21
Balance receivable from top 3 customers (P.Y. 3 customers)	10,037.22	10,959.50
% of Total Trade Receivable	51.37%	57.95%
Revenue from top 3 customers (P.Y. 3 customers)	30,814.59	23,579.75
% of Total Revenue	35.47%	33.27%

**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	INR (In Lakh)			
	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
Other Financial Liabilities	-	-	-	-
<b>Total Non current Liabilities</b>	<b>500.00</b>	<b>4,500.00</b>	<b>-</b>	<b>5,000.00</b>
Current Liabilities				
Borrowings	9,434.88	-	-	9,434.88
Trade Payables	8,170.17	-	-	8,170.17
Other Financial Liabilities	380.27	-	-	380.27
<b>Total Current Liabilities</b>	<b>17,985.32</b>	<b>-</b>	<b>-</b>	<b>17,985.32</b>

Particulars	INR (In Lakh)			
	Less than 1 Year/ On Demand	1- 5 Years	More than 5 Years	Total
<b>As at March 31, 2021</b>				
Non Current Liabilities				
Borrowings	-	-	-	-
Other Financial Liabilities	-	23.61	-	23.61
<b>Total Non current Liabilities</b>	<b>-</b>	<b>23.61</b>	<b>-</b>	<b>23.61</b>
Current Liabilities				
Borrowings	7,785.87	-	-	7,785.87
Trade Payables	7,129.65	-	-	7,129.65
Other Financial Liabilities	584.76	-	-	584.76
<b>Total Current Liabilities</b>	<b>15,500.28</b>	<b>-</b>	<b>-</b>	<b>15,500.28</b>

**Financing arrangements**

The Company had access to following undrawn Borrowing facilities at end of reporting period:

Particulars	INR (In Lakh)	
	31-Mar-22	31-Mar-21
Variable Borrowing - Cash Credit expires within 1 year	17,445.12	20,278.93
<b>Total</b>	<b>62,096.12</b>	<b>64,564.93</b>

**v. Impact of COVID-19**

The Company has considered the possible impact of COVID-19, inter-alia, realisability of inventories and recoverability of Trade receivables, in preparation of the financial statement. The impact of the global health pandemic may be different from that estimated as at the date of approval of financial statement. Considering the continuing uncertainties, the Company will continue to closely monitor any material changes to future economic conditions.

**40 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:

1. 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.
2. 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 31<sup>st</sup> March'2022**

Particulars	INR (In Lakh)							
	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	-	9,434.88	9,434.88	-	-	9,434.88	-	9,434.88
Other Financial Liabilities	-	380.27	380.27	-	-	380.27	-	380.27
Trade Payables	-	8,170.17	8,170.17	-	-	8,170.17	-	8,170.17
	<b>-</b>	<b>17,985.32</b>	<b>17,985.32</b>	<b>-</b>	<b>-</b>	<b>17,985.32</b>	<b>-</b>	<b>17,985.32</b>

**Financial Assets and Liabilities as at 31<sup>st</sup> March'2021**

Particulars	INR (In Lakh)							
	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	960.00	-	960.00	-	-	-	960.00	960.00
Other Financial Assets	398.96	-	398.96	-	-	398.96	-	398.96
Trade receivable	-	18,912.85	18,912.85	-	-	18,912.85	-	18,912.85
Cash and Cash equivalents	-	1,513.60	1,513.60	-	-	1,513.60	-	1,513.60
Other Bank Balance	-	197.43	197.43	-	-	197.43	-	197.43
Other Current financial Assets	-	96.80	96.80	-	-	96.80	-	96.80
	<b>1,358.96</b>	<b>20,720.68</b>	<b>22,079.64</b>	-	-	<b>21,119.64</b>	<b>960.00</b>	<b>22,079.64</b>
<b>Financial Liabilities</b>								
Borrowings	-	7,785.87	7,785.87	-	-	7,785.87	-	7,785.87
Other Financial Liabilities	23.61	584.76	608.37	-	-	608.37	-	608.37
Trade Payables	-	7,129.65	7,129.65	-	-	7,129.65	-	7,129.65
	<b>23.61</b>	<b>15,500.28</b>	<b>15,523.89</b>	-	-	<b>15,523.89</b>	-	<b>15,523.89</b>

\*Cost less aggregate amount of diminution in value of investment

**41 Related Parties Disclosure**

**a) Parties where control exists**

Subsidiary : PT. Oriental Aromatics, Indonesia. (Proposed to be Liquidated)  
Subsidiary : Oriental Aromatics & Sons Limited, India (Incorporated on 27<sup>th</sup> December, 2019)

**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. Parag Satoskar (Chief Executive Officer)
Mr. Shyamal A. Bodani (Executive Director)	Mr. Girish Khandelwal (Chief Financial Officer)
Mr. Animesh Dhar (Executive Director - Operations till 21.07.20)	Mrs. Kiranpreet Gill (Company Secretary)
Mr. Satish Ray (Executive Director - Operations)	Mrs. Indira Bodani (Relative KMP)
Mr Bhadreshkumar Pandya (Executive Director - Operations w.e.f 10.08.20)	Mrs. Anita Satoskar (Chief R&D Officer) (Relative of KMP w.e.f. 27.05.2019; KMP w.e.f. 25.03.2021)

**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	INR (In Lakh)			
		2021-22	2020-21	Balance as on 31-Mar-2022	Balance as on 31-Mar-2021
1	Short term employee benefits	990.64	512.28	-	(35.30)
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**

Sr No	Particulars	Nature of transaction	INR (In Lakh)			
			2021-22	2020-21	Balance as on 31-Mar-2022	Balance as on 31-Mar-2021
1	PT. Oriental Aromatics	Sales	-	-	61.15	57.85
2	Oriental Aromatics & Sons Limited	Investment in Equity Share	480.00	360.00	1,440.00	960.00
		Reimbursement of Expenses	-	6.67	-	-
3	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	382.33	373.80	-	-
4	Mr. Dharmil A. Bodani	Remuneration	325.10	206.26	-	(11.60)
5	Mr Shyamal A. Bodani	Remuneration	234.08	109.08	-	(9.37)
6	Mr. Animesh Dhar	Remuneration	-	33.84	-	-
7	Mr Bhadreshkumar Pandya	Remuneration	28.61	17.06	-	-
8	Mr. Satish Ray	Remuneration	24.23	21.04	-	-
9	Mr. Parag Satoskar	Remuneration	237.59	46.90	-	(14.33)
10	Ms. Anita Satoskar	Remuneration	74.86	29.40	-	-
11	Mr. Girish Khandelwal	Remuneration	51.10	36.24	-	-
12	Ms. Kiranpreet Gill	Remuneration	15.07	12.46	-	-
13	Ms. Indira Bodani	Remuneration	27.62	23.26	-	-
14	Non-Executive Independent Director	Directors sitting fees	20.76	22.30	-	-
15	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	30.24	-	-

- Note 1** No amount in respect of related party have been written off/provided for during the year.  
**2** Related parties relationship have been identified by the management and relied upon by the auditors.  
**3** 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.  
**4** Figures in brackets represents amount payable.

**42 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

Particulars	Type of Right to Use assets		Total
	Building	Land	
<b>Balance as at 31<sup>st</sup> March 2020</b>	<b>131.33</b>	<b>605.00</b>	<b>736.33</b>
Depreciation and amortisation expenses (Refer Note 4)	55.46	13.04	68.50
<b>Balance as at 31<sup>st</sup> March 2021</b>	<b>75.87</b>	<b>591.96</b>	<b>667.83</b>
Depreciation and amortisation expenses (Refer Note 4)	55.46	7.95	63.41
<b>Balance as at 31<sup>st</sup> March 2022</b>	<b>20.41</b>	<b>584.01</b>	<b>604.42</b>

Following is the movement in lease liabilities during the year

Particulars	INR (In Lakh)	
	2021-22	2020-21
Opening Balance	84.35	138.26
Additions	-	-
Interest accrued during the year	5.14	10.27
Deletions	-	-
Payment of lease liabilities	65.88	64.18
<b>Closing Balance</b>	<b>23.61</b>	<b>84.35</b>
- Current lease liabilities	23.61	60.73
- Non-current lease liabilities	-	23.61

Break-up of the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	INR (In Lakh)	
	2021-22	2020-21
Less than one year	24.13	65.87
One to five years	-	24.13
More than 5 years	-	-

Short-term leases expenses incurred for the year ended:

Particulars	INR (In Lakh)	
	2021-22	2020-21
Rental expense	8.37	4.92

Lease hold Land - lease period ranging from 30 to 99 years.

**43 Disclosure pursuant to Ind AS 19 - Employee benefits**

**I. DEFINED BENEFIT PLANS :**

**A. Balance Sheet**

Particulars	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
Present value of plan liabilities	636.36	568.16
Fair value of plan assets	464.65	463.05
<b>Plan liability net of plan assets</b>	<b>171.71</b>	<b>105.11</b>

**B. Movements in plan assets and plan liabilities**

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1<sup>st</sup> April 2021</b>	<b>463.05</b>	<b>568.16</b>	<b>105.11</b>
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 31<sup>st</sup> March 2022</b>	<b>464.65</b>	<b>636.36</b>	<b>171.71</b>

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1<sup>st</sup> April 2020</b>	<b>406.48</b>	<b>541.05</b>	<b>134.57</b>
Current service cost	-	48.95	48.95
Employer contributions	134.09	-	(134.09)
Return on plan assets	(6.96)	-	6.96
Interest cost	-	32.68	32.68
Interest income	24.55	-	(24.55)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(9.35)	(9.35)
Actuarial (gain)/loss arising from experience adjustments	-	49.95	49.95
Benefit payments	(95.12)	(95.12)	-
<b>As at 31<sup>st</sup> March 2021</b>	<b>463.05</b>	<b>568.16</b>	<b>105.11</b>

**C. Statement of Profit and Loss**

Particulars	INR (In Lakh)	
	2021-22	2020-21
<b>Employee Benefit Expenses:</b>		
Current service cost	55.05	48.95
Total	55.05	48.95
Finance cost/(income)	6.65	8.13
<b>Net impact on the Profit / (Loss) before tax</b>	<b>61.70</b>	<b>57.08</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	(60.96)	6.96
Actuarial gains/(losses) arising from changes in financial assumptions	(25.57)	(9.36)
<b>Experience gains/(losses) arising on pension plan and other benefit plan liabilities</b>	<b>130.30</b>	<b>49.95</b>
	-	-
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>43.67</b>	<b>47.55</b>

**D. Investment details of plan assets**

Particulars	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
Manage by Life Insurance Corporation	464.65	463.05

**E. Assumptions**

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:

Particulars	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
<b>Financial Assumptions</b>		
Discount rate	6.98%	6.33%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	738	671
Per Month Salary For Active Members	176.49	130.67
<b>Weighted Average Duration of the Projected Benefit Obligation</b>	<b>7</b>	<b>7</b>

**Demographic Assumptions**

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table Mortality in Retirement : LIC Buy-out Annuity Rates & UK Published PA (90) Annuity Rates suitably adjusted for Indian Lives.

## F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

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

As on 31-Mar-2021	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	538.37	601.94
Salary Escalation Rate	PVO ER+1%	599.90	539.42
Employee Turnover	PVO ET+1%	568.22	568.34

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.

## G. The defined benefit obligations shall mature after year end 31<sup>st</sup> March, 2022 as follows:

Year ending 31 March,	Amount
2023	95.18
2024	48.82
2025	73.42
Thereafter	866.47

## The defined benefit obligations shall mature after year end 31<sup>st</sup> March, 2021 as follows:

Year ending 31 March,	Amount
2022	108.70
2023	56.64
2024	48.64
Thereafter	677.57

## 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 write back for the year is ₹ 18.22 lakhs and charged to the statement of profit and loss for the previous year is ₹ 94.30 lakhs.

## 44 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	As on 31-Mar-2022	As on 31-Mar-2021
Net Debt (Net of cash and cash equivalent of ₹ 625.71 lakhs (Previous year ₹ 1,513.60 lakhs))	13,309.17	6,272.28
Equity	60,614.03	55,746.08
Total Capital Employed	73,923.20	62,018.36
<b>Gearing Ratio</b>	<b>18.00%</b>	<b>10.11%</b>

## 45 Debt Reconciliation

Particulars	For the year ended 31-Mar-2022		For the year ended 31-Mar-2021	
	Term Loan	Working Capital Loan	Term Loan	Working Capital Loan
Opening Debt	-	7,785.87	764.71	4,311.06
Cash Flow during the year	5,000.00	1,116.34	(764.71)	3,436.99
Foreign Exchange (Gain)/loss	-	32.67	-	37.82
<b>Closing Debt</b>	<b>5,000.00</b>	<b>8,934.88</b>	<b>-</b>	<b>7,785.87</b>

## 46 Corporate Social Responsibility

Particulars	As on 31-Mar-2022	As on 31-Mar-2021
Amount required to be spent as per Section 135 of Companies Act, 2013	210.00	151.20
Amount Spent during the year		
(a) Construction/Acquisition of assets	-	-
(b) On purpose other than above	525.00	378.00

## 47 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	2021-22	2020-21
Within India	60,525.44	51,393.58
Outside India	26,353.75	19,489.97
<b>Total</b>	<b>86,879.19</b>	<b>70,883.55</b>

### b. Non-current operating assets

All non-current assets of the Company are located in India.

## 48 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 31<sup>st</sup> March 2022, 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.

### Key assumption used as at March 31, 2022 and March 31, 2021

Discount rate - 11.5% (P.Y. 11.5%)

Terminal Growth rate - 5% (P.Y. 5%)"

#### 49 Ratios

Particulars	Measure	Current year Numerator	Current year Denominator	2021-22	2020-21	% Variance	Explanation for change in ratio by more than 25%
<b>Liquidity Ratio:</b>							
<b>Current Ratio</b> (Current Assets/Current Liabilities)	Times	55,381.02	18,569.52	2.98	2.99	-0.30%	
<b>Solvency Ratio:</b>							
<b>Debt Equity Ratio</b> (Total Debt / Shareholder's Equity)	Times	13,934.88	60,614.03	0.23	0.14	64.60%	Increase in short and long 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	9,345.64	933.91	10.01	51.71	-80.65%	Increase in short and long term borrowing during the year.
<b>Profitability Ratio:</b>							
<b>Net Profit ratio</b> (Profit After Tax/Revenue from operation)*100	Percentage	5,405.56	86,879.19	6.22%	14.45%	-56.94%	Due to increase in prices of all input costs resulted in reduction in profit.
<b>Return on Equity Ratio</b> (Net Profits after taxes/ Average Total Equity)*100	Percentage	5,405.56	58,180.05	9.29%	20.06%	-53.68%	Due to reduction in profit
<b>Return on Capital employed</b> (Earnings before Interest & tax excluding other income / Average Capital Employed)*100	Percentage	7,650.22	69,040.43	11.08%	24.02%	-53.87%	Due to reduction in profit as well as increase in borrowing.
<b>Return on investment</b> (Profit after tax / Average Total Equity)*100	Percentage	5,405.56	58,180.05	9.29%	20.06%	-53.68%	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	63,589.72	25,725.97	2.47	2.26	9.44%	
<b>Trade Receivables turnover ratio</b> (Revenue from operations / Average Trade Receivables)	Times	86,879.19	19,226.65	4.52	4.15	8.84%	
<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	63,589.72	7,649.91	8.31	6.89	0.21	
<b>Net capital turnover ratio</b> (Revenue from operations / Average Working Capital- Inventories+Trade Receivables-Trade Payables)	Times	86,879.19	37,302.71	2.33	2.35	(0.01)	

#### 50 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.

#### 51 Relationship with Struck Off companies

The Company has not entered into transaction with struck off companies under Section 248 of the Companies Act, 2013.

- 52 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:
- (i) 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
- (ii) 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:
- (i) 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
- (ii) 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.

53 The Board of Directors has not recommended any further Dividend on equity Shares for the Financial Year 2021-22. The Interim Dividend of ₹ 2.50 per equity share declared and paid ( ₹ 841.47 lakh) shall be considered as Final Dividend for the Financial Year 2021-22.

54 The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 10<sup>th</sup> May, 2022.

55 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code and recognise the same when the Code becomes effective.

56 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 56 which form an integral part of the financial statement.

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 the Board of Directors

**Vinay Somani**  
Partner

**Dharmil A. Bodani**  
Managing Director

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# 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, 2022, 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, 2022, its profits (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.

Sr. No	Key Audit Matters	Auditor's response
1.	<p><b>Goodwill on Amalgamation - Impairment:</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, 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.</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 obtained understanding of the process 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> </ul>

Sr. No	Key Audit Matters	Auditor's response
		<ul style="list-style-type: none"> <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>

## 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.

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 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:**

- (a) We did not audit the financial statements of 2 subsidiaries included in the consolidated financial statements of the Group whose financial statements reflects total assets of ₹ 1414.46 lakhs as at March 31, 2022 (₹ 957.91 lakhs as at March 31, 2021); total income of ₹ Nil, net profit/(loss) (total comprehensive income) of ₹ (75.32) lakhs and net cash inflow of ₹ 10.44 lakhs for the year ended March 31, 2022 (revenue of ₹ Nil lakhs, net profit/(loss) of ₹ (15.94) lakhs and net cash flow of ₹ 399.87 lakhs for the year ended March 31, 2021), 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.
- (b) We draw your attention to note no. 39(v) of the standalone financial statements with regard to Management's assessment of, inter-alia, realisability of inventories and recoverability of Trade receivables due to re-surge in COVID 19 pandemic outbreak. The Management does not anticipate any material financial or operational issues in the short term as well as on a long-term basis.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

**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 as on March 31, 2022, taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2022 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 attached with the standalone financial statements included in this annual report.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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. 36 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.

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 are Companies 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. 52(e) to standalone financial statements]

(b) The respective Managements of the Holding Company and its subsidiary which are Companies 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; and [Refer Note No. 52(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 Interim dividend declared or paid during the year ended March 31, 2022 by the Holding Company is in compliance with Section 123 of the Act.

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:- 22143503AISPTD9504

Place: Mumbai  
Date: May 10, 2022

## Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2022

Particulars	Notes	INR (In Lakh)	
		As on 31 <sup>st</sup> March, 2022	As at 31 <sup>st</sup> March, 2021
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	2	20,786.38	18,458.59
(b) Capital work - in - progress	2	2,505.08	1,268.91
(c) Goodwill on Amalgamation		4,497.72	4,497.72
(d) Intangible assets	3	202.10	23.57
(e) Intangible assets under development	3	40.62	-
(f) Right of use - Lease	4	1,017.92	667.83
(g) Financial Assets :			
Other financial assets	5	410.37	398.96
(h) Income Tax Assets (Net)		768.78	743.53
(i) Other non - current assets	6	746.52	684.09
<b>Total Non-Current Assets</b>		<b>30,975.49</b>	<b>26,743.20</b>
<b>2. Current Assets</b>			
(a) Inventories	7	28,693.23	22,758.70
(b) Financial Assets :			
(i) Trade receivables	8	19,479.34	18,854.66
(ii) Cash and cash equivalents	9	661.24	1,538.68
(iii) Bank Balances Other Than (ii) above	10	280.52	472.43
(iv) Other current financial assets	11	125.00	104.07
(c) Other current assets	12	6,272.98	4,019.86
<b>Total Current Assets</b>		<b>55,512.31</b>	<b>47,748.40</b>
<b>3. Non-current assets classified as held for sale</b>		-	8.00
<b>TOTAL ASSETS</b>		<b>86,487.80</b>	<b>74,499.60</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	58,839.32	54,045.99
<b>Total Equity</b>		<b>60,522.00</b>	<b>55,728.67</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	4,500.00	-
(ii) Other financial liabilities	16	11.86	23.61
(b) Provisions	17	208.31	246.15
(c) Deferred tax liabilities		2,690.73	2,662.44
<b>Total Non Current Liabilities</b>		<b>7,410.90</b>	<b>2,932.20</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	9,434.88	7,785.87
(ii) Trade Payables	19		
(A) Total outstanding dues of micro enterprises and small enterprises;		360.37	424.67
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,756.04	6,662.58
(iii) Other Financial Liabilities	20	411.64	584.76
(b) Other current liabilities	21	393.71	244.62
(c) Provisions	22	198.26	136.23
<b>Total Current Liabilities</b>		<b>18,554.90</b>	<b>15,838.73</b>
<b>Total Liabilities</b>		<b>25,965.80</b>	<b>18,770.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>86,487.80</b>	<b>74,499.60</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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

## Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

Particulars	Note	INR (In Lakh)	
		For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
<b>I Income</b>			
Revenue from operations	23	86,879.19	70,883.55
Other income	24	440.85	165.41
<b>Total Income</b>		<b>87,320.04</b>	<b>71,048.97</b>
<b>II Expenses</b>			
Cost of materials consumed	25	61,558.47	41,452.12
Changes in inventories of finished goods and work-in progress	26	(4,277.32)	(1,991.53)
Manufacturing and Operating Costs	27	10,474.59	7,847.32
Employee benefits expense	28	4,839.24	3,946.28
Finance costs	29	404.50	231.05
Depreciation and amortization expense	30	1,701.22	1,745.94
Other expenses	31	5,031.47	4,121.98
<b>Total expenses</b>		<b>79,732.17</b>	<b>57,353.15</b>
<b>III Profit before tax</b>		<b>7,587.87</b>	<b>13,695.82</b>
<b>IV Tax expense</b>	32		
Current tax		2,024.60	3,513.23
Deferred tax charge/(credit)		28.29	61.22
Tax in respect of Earlier Years		204.75	(72.39)
<b>V Profit for the year</b>		<b>5,330.23</b>	<b>10,193.76</b>
<b>VI Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain/(Loss)		(43.67)	(47.55)
Tax Impact Charge/(credit) on Actuarial Gain/(Loss)		11.00	11.97
<b>Other Comprehensive Income</b>		<b>(32.67)</b>	<b>(35.58)</b>
<b>VII Total Comprehensive Income for the year</b>		<b>5,297.56</b>	<b>10,158.17</b>
Attributable to the owners of the parent's company			
<b>Earnings per equity share of ₹ 5 each</b>	33		
Basic and Diluted (in ₹)		15.84	30.29
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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31<sup>st</sup> March, 2022

Sr. No.	Particulars	Note No.	INR (In Lakh)	
			31-Mar-22	31-Mar-21
<b>A)</b>	<b>Cash Flow from Operating Activities</b>			
	<b>Net Profit before Tax</b>		<b>7,587.87</b>	<b>13,695.82</b>
	<b>Adjustments for:</b>			
	Depreciation and amortization expense		1,701.22	1,745.93
	Interest and Other Finance Cost		404.50	231.05
	Loss / (Profit) on discarding / sale of assets (Net)		17.37	73.45
	Provision for doubtful debts and bad debts		37.39	95.27
	Sundry balances write off / Excess Provision Written back		18.15	217.73
	Unrealised Foreign Exchange rate difference		(35.11)	(49.57)
	<b>Operating Profit before Working Capital Changes</b>		<b>9,731.39</b>	<b>16,009.68</b>
	<b>Adjustments for:</b>			
	(Increase)/Decrease in Trade & Other Receivables		(2,833.44)	(5,489.64)
	(Increase)/Decrease in Inventories		(5,934.53)	(6,524.28)
	Increase/(Decrease) in Trade Payables & Provisions		1,198.82	1,592.04
	<b>Cash generated from Operating Activities before tax paid</b>		<b>2,162.24</b>	<b>5,587.80</b>
	Direct Taxes (Paid) Net of Refund Received		(2,243.60)	(3,853.66)
	<b>Net Cash flow from Operating Activities (A)</b>		<b>(81.36)</b>	<b>1,734.14</b>
<b>B)</b>	<b>Cash Flow from Investing Activities</b>			
	Purchase of Property, Plant and Equipment		(5,949.50)	(3,502.68)
	Proceeds from Sale of Property, Plant and Equipment		5.30	8.05
	<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(5,944.20)</b>	<b>(3,494.63)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities</b>			
	Proceeds/(Repayment) of long term borrowings		5,000.00	(764.70)
	Proceeds/(Repayment) of short term borrowings		1,116.34	3,436.99
	Dividend Paid		(504.80)	(841.47)
	Payment of lease liabilities		(65.87)	(64.18)
	Interest and Other Finance Cost		(397.55)	(197.33)
	<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>5,148.12</b>	<b>1,569.31</b>
	<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>(877.44)</b>	<b>(191.18)</b>
	Cash & cash equivalents at beginning of the year	9	<b>1,538.68</b>	<b>1,729.86</b>
	Cash & cash equivalents at end of the year	9	<b>661.24</b>	<b>1,538.68</b>
	<b>Significant accounting policies and accompanying notes form an integral part of standalone 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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

# Statement of Changes in Equity

for the year ended 31<sup>st</sup> March, 2022

## a EQUITY SHARE CAPITAL

As at 31st March 2021	Changes in Equity Share Capital due to prior period errors	Restated 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

As at 31st March 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the period	Change during the year 2020-21	As at 31st March 2021
1,682.68	-	1,682.68	-	1,682.68

## b OTHER EQUITY

Particulars	Note	Reserves and Surplus			Items of other comprehensive income		Total
		Capital Reserve on Amalgamation	General Reserve	Retained Earnings	Actuarial gains / (losses)	Foreign Currency Translation Reserve	
<b>Balance as at 1st April, 2020</b>		<b>266.74</b>	<b>4,275.12</b>	<b>40,353.09</b>	<b>(160.22)</b>	<b>(3.43)</b>	<b>44,731.31</b>
Changes in Equity due to prior period errors		-	-	-	-	-	-
<b>Restated balance at the beginning of the period</b>		<b>266.74</b>	<b>4,275.12</b>	<b>40,353.09</b>	<b>(160.22)</b>	<b>(3.43)</b>	<b>44,731.31</b>
Profit for the year		-	-	10,193.76	-	-	10,193.76
Other Comprehensive Income for the year		-	-	-	(35.58)	-	(35.58)
Translation reserve for the year		-	-	-	-	(2.01)	(2.01)
Dividend Paid (including Interim Dividend)		-	-	(841.47)	-	-	(841.47)
<b>Balance as at 31st March, 2021</b>		<b>266.74</b>	<b>4,275.12</b>	<b>49,705.38</b>	<b>(195.81)</b>	<b>(5.44)</b>	<b>54,045.99</b>
Changes in Equity due to prior period errors		-	-	(0.14)	-	-	(0.14)
<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	-	-	5,330.23
Other Comprehensive Income for the year		-	-	-	(32.67)	-	(32.67)
Translation reserve for the year		-	-	-	-	0.71	0.71
Interim dividend paid		-	-	(504.80)	-	-	(504.80)
<b>Balance as at 31st March, 2022</b>		<b>266.74</b>	<b>4,275.12</b>	<b>54,530.67</b>	<b>(228.48)</b>	<b>(4.73)</b>	<b>58,839.32</b>
<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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**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 31<sup>st</sup> March, 2022

## 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 31<sup>st</sup> March, 2022.

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 & speciality aroma chemicals, fragrances and flavour 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022, 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 10<sup>th</sup> May, 2022.

### 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.

- (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.

## 2 Property, Plant and Equipment

INR (In Lakh)

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>									
As at 1 <sup>st</sup> April 2021	4.74	6,253.51	16,101.17	380.38	973.63	770.52	111.93	24,595.87	1,268.91
Additions	-	335.96	3,403.81	29.09	28.76	101.81	43.78	3,943.22	4,267.71
Disposals/Adjustment	-	-	16.26	7.41	97.37	14.34	-	135.38	3,031.54
As at 31 <sup>st</sup> March 2022	4.74	6,589.47	19,488.72	402.06	905.02	857.99	155.71	28,403.71	2,505.08
<b>Accumulated Depreciation :</b>									
As at 1 <sup>st</sup> April 2021	-	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/Adjustment	-	-	5.97	6.92	88.07	11.79	-	112.75	-
As at 31 <sup>st</sup> March 2022	-	1,466.31	4,797.62	312.91	597.50	330.14	112.84	7,617.32	-
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March 2021	4.74	5,050.18	12,373.49	100.43	367.89	525.91	35.96	18,458.59	1,268.91
As at 31 <sup>st</sup> March 2022	4.74	5,123.16	14,691.10	89.15	307.52	527.85	42.86	20,786.38	2,505.08

INR (In Lakh)

Particulars	Freehold Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Additions</b>									
As at 31 <sup>st</sup> March 2020	4.74	6,162.75	14,528.36	371.49	963.28	761.70	94.43	22,886.74	174.46
Additions	-	90.76	1,665.92	20.62	11.17	25.35	40.71	1,854.53	2,559.30
Disposals	-	-	93.11	11.73	0.82	16.54	23.21	145.40	1,464.85
As at 31 <sup>st</sup> March 2021	4.74	6,253.51	16,101.17	380.38	973.63	770.52	111.93	24,595.87	1,268.91
<b>Accumulated Depreciation :</b>									
As at 31 <sup>st</sup> March 2020	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,742.48	-
Depreciation charge for the year	-	259.07	953.71	36.80	89.48	90.40	29.29	1,458.75	-
Disposals	-	-	21.68	10.30	0.66	13.33	17.98	63.95	-
As at 31 <sup>st</sup> March 2021	-	1,203.33	3,727.68	279.95	605.73	244.61	75.97	6,137.28	-
<b>Net Carrying Amount :</b>									
As at 31 <sup>st</sup> March 2020	4.74	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.25	174.46
As at 31 <sup>st</sup> March 2021	4.74	5,050.18	12,373.49	100.43	367.89	525.91	35.96	18,458.59	1,268.91

### Notes:

- A. For information on property, plant and equipment offered as security by the Group, refer standalone financial statement  
 B. For information on Capital Commitment, refer to note number - 36  
 C. Breakup of Capital work in progress comprises of assets under construction which are as under :-

INR (In Lakh)

Particulars	As on	
	31-Mar-22	31-Mar-21
Plant & Equipment	537.98	378.08
Buildings	1,322.29	545.83
Directly attributable cost relating to project:		
Salary Expenses	104.24	84.56
Professional Fees	461.21	256.65
Other Expenses	79.36	3.79
<b>Total</b>	<b>2,505.08</b>	<b>1,268.91</b>

## D. Capital work-in-progress ageing schedule

INR (In Lakh)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
<b>As on 31<sup>st</sup> 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>
<b>As on 31<sup>st</sup> March 2021</b>					
Projects in progress	1,133.73	135.18	-	-	1,268.91
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,133.73</b>	<b>135.18</b>	<b>-</b>	<b>-</b>	<b>1,268.91</b>

## 3 Intangible assets

INR (In Lakh)

Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31 <sup>st</sup> March 2021	-	1,464.61	105.17	1,569.78	-
Additions	219.88	-	-	219.88	40.62
As at 31 <sup>st</sup> March 2022	219.88	1,464.61	105.17	1,789.67	40.62
<b>Accumulated Amortisation</b>					
As at 31 <sup>st</sup> March 2021	-	1,464.49	81.73	1,546.21	-
Amortisation charge for the year	20.63	-	20.73	41.36	-
As at 31 <sup>st</sup> March 2022	20.63	1,464.49	102.46	1,587.57	-
<b>Net Carrying Amount</b>					
As at 31 <sup>st</sup> March 2021	-	0.13	23.44	23.57	-
As at 31 <sup>st</sup> March 2022	199.26	0.13	2.71	202.10	40.62

INR (In Lakh)

Particulars	Products Registration & Development	Technical Knowhow	Computer Software	Total	Intangible Asset Under Development
<b>Gross Carrying Amount / Deemed Cost</b>					
As at 31 <sup>st</sup> March 2020	-	1,464.61	103.06	1,567.67	-
Additions	-	-	2.11	2.11	-
As at 31 <sup>st</sup> March 2021	-	1,464.61	105.17	1,569.78	-
<b>Accumulated Amortisation</b>					
As at 31 <sup>st</sup> March 2020	-	1,271.33	56.19	1,327.52	-
Amortisation charge for the year	-	193.15	25.54	218.69	-
As at 31 <sup>st</sup> March 2021	-	1,464.49	81.73	1,546.21	-
<b>Net Carrying Amount</b>					
As at 31 <sup>st</sup> March 2020	-	193.28	46.87	240.15	-
As at 31 <sup>st</sup> March 2021	-	0.13	23.44	23.57	-

**4 Right of use - Lease**

INR (In Lakh)

Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31 <sup>st</sup> March 2021	631.83	180.26	812.09
Additions	417.16	-	417.16
As at 31 <sup>st</sup> March 2022	1,048.99	180.26	1,229.25
<b>Accumulated Amortisation</b>			
As at 31 <sup>st</sup> March 2021	39.87	104.39	144.26
Amortisation charge for the year	11.60	55.46	67.07
As at 31 <sup>st</sup> March 2022	51.47	159.86	211.33
<b>Net Carrying Amount</b>			
As at 31 <sup>st</sup> March 2021	591.96	75.87	667.83
As at 31 <sup>st</sup> March 2022	997.52	20.40	1,017.92

INR (In Lakh)

Particulars	Lease-Land	Lease-Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31 <sup>st</sup> March 2020	631.83	180.26	812.09
Additions	-	-	-
As at 31 <sup>st</sup> March 2021	631.83	180.26	812.09
<b>Accumulated Amortisation</b>			
As at 31 <sup>st</sup> March 2020	26.83	48.93	75.76
Amortisation charge for the year	13.04	55.46	68.50
As at 31 <sup>st</sup> March 2021	39.87	104.39	144.26
<b>Net Carrying Amount</b>			
As at 31 <sup>st</sup> March 2020	605.00	131.33	736.33
As at 31 <sup>st</sup> March 2021	591.96	75.87	667.83

Notes: A. Refer Note No. 42 of the standalone financial statements for Leases.

**5 Other Financial Assets - Non Current**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
<b>Non-current</b>		
<b>Considered good</b>		
Security Deposits with Government and Others	200.54	173.01
Bank Deposits with maturity more than 12 months (Security against Guarantee given)	188.70	180.60
Recoverable in respect of acquired business	21.13	45.35
<b>Total</b>	<b>410.37</b>	<b>398.96</b>

**6 Other non - current assets**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Capital advances	676.54	684.09
Prepaid Expense	69.98	-
<b>Total</b>	<b>746.52</b>	<b>684.09</b>

**7 Inventories**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Raw Materials	11,034.43	9,574.58
Raw Materials - in Transit	1,914.27	2,112.58
Work-in-progress	5,689.97	4,731.91
Finished goods	4,555.15	2,272.76
Finished goods - in Transit	4,246.41	3,209.54
Stores, Spares and Packing Materials	1,223.16	836.63
Stores, Spares and Packing Materials - in Transit	29.84	20.70
<b>Total</b>	<b>28,693.23</b>	<b>22,758.70</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 ₹ 612.48 lakhs (P.Y. ₹ 597.80 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**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Trade Receivables considered good - Unsecured	19,479.34	18,790.69
Trade Receivables which have significant increase in Credit Risk	-	127.93
Trade Receivables - credit impaired	195.06	93.71
Less: Allowance for bad and doubtful debts	(195.06)	(157.67)
<b>Total</b>	<b>19,479.34</b>	<b>18,854.66</b>

Refer standalone financial statements for Trade Receivable Aging, Currency Risk, Trade Receivables offered as security and Credit Risk

**9 Cash and cash equivalents**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Balances with Banks		
- In current accounts	550.76	629.81
- In deposit accounts having original maturity of three months or less	100.00	900.00
Cash on hand	10.48	8.87
<b>Total</b>	<b>661.24</b>	<b>1,538.68</b>

**10 Other Bank Balances**

INR (In Lakh)

Particulars	As on 31-Mar-22	As on 31-Mar-21
Unpaid Dividend	59.93	57.26
Margin Money Accounts (Offered as Security against Bank Guarantee given)	108.98	129.06
Term deposits with original maturity more than 3 months and less than 12 months	111.61	286.10
<b>Total</b>	<b>280.52</b>	<b>472.43</b>

**11 Other financial assets - Current**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Interest accrued on fixed deposit and others	3.78	11.63
Loan to Staff	63.18	56.40
Insurance claim receivable	0.18	4.95
Other Receivable - Deposit and Government grant	57.86	31.09
<b>Total</b>	<b>125.00</b>	<b>104.07</b>

**12 Other current assets**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Export benefit receivables	48.32	15.61
VAT Credit Receivable	-	27.43
Balances with GST	4,413.47	2,367.35
Advances to Suppliers	1,013.47	1,211.53
Advances to Staff	63.02	25.11
Prepaid expenses	734.70	372.83
<b>Total</b>	<b>6,272.98</b>	<b>4,019.86</b>

**13 Equity Share capital**

Particulars	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
<b>Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31 <sup>st</sup> March, 2022 - 70,000,000 no. of shares at ₹ 5 each.		
As at 31 <sup>st</sup> March, 2021 - 70,000,000 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 31 <sup>st</sup> March, 2022 - 33,653,576 no. of shares at ₹ 5 each.		
As at 31 <sup>st</sup> March, 2021 - 33,653,576 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	INR (In Lakh)	
	As on 31-Mar-2022	As on 31-Mar-2021
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,36,53,576	3,36,53,576
<b>Balance as at the end of the year</b>	<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-Mar-2022		As on 31-Mar-2021	
	No. of Equity Shares	Equity Shares %	No. of Equity Shares	Equity Shares %
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-Mar-2022			As on 31-Mar-2021		
	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	As on 31-Mar-2022	As on 31-Mar-2021	As on 31-Mar-2020	As on 31-Mar-2019	As on 31-Mar-2018
	Share issue on Subdivision of Shares	-	-	-	84,13,394
Share issue on Bonus	-	-	-	1,68,26,788	-
Shares issued for consideration other than cash	-	-	-	-	32,79,720
Bought back any shares issued	-	-	-	-	-

**14 Other Equity**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
<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	54,530.67	49,705.38
Items of other comprehensive income	(228.48)	(195.81)
Foreign Currency Translation Reserve	(4.73)	(5.44)
<b>Total</b>	<b>58,839.32</b>	<b>54,045.99</b>

**15 Non Current Financial Liabilities - Borrowings**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
<b>Secured</b>		
Term loan from a Bank	4,500.00	-
<b>Total</b>	<b>4,500.00</b>	<b>-</b>

For terms and conditions - Refer standalone financial statements

**16 Non Current Financial Liabilities - Others**

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Payable towards Capital Expenditure	11.86	-
Lease Liabilities	-	23.61
<b>Total</b>	<b>11.86</b>	<b>23.61</b>

Refer standalone financial statement for Leases.

### 17 Non Current Financial Liabilities - Others

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
<b>Provision for employee benefits :</b>		
Provision for Compensated Absences	208.31	246.15
<b>Total</b>	<b>208.31</b>	<b>246.15</b>

Refer standalone financial statement for Disclosure regarding Defined benefit Plans

### 18 Current Financial Liabilities - Borrowings

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Current maturities of long-term debt	500.00	-
<b>Secured</b>		
Working Capital Loan from Banks	8,934.88	6,785.87
<b>Unsecured</b>		
Working Capital Loan from Banks	-	1,000.00
<b>Total</b>	<b>9,434.88</b>	<b>7,785.87</b>

For terms and conditions - Refer standalone financial statements

### 19 Trade payables

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Due to micro enterprises and small enterprises	360.37	424.67
Due to creditors other than micro enterprises and small enterprises	7,756.04	6,662.58
<b>Total</b>	<b>8,116.41</b>	<b>7,087.26</b>

Refer Note no. 34 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	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
1) Principal amount remaining unpaid	360.37	424.67
2) Interest due on above and the unpaid interest	0.81	0.94
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					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31<sup>st</sup> 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>

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31<sup>st</sup> March 2021</b>						
MSME Creditors	155.21	269.46	-	-	-	424.67
Creditors other than MSME	977.84	5,639.50	10.20	8.78	2.99	6,639.31
Disputed dues - MSME Creditors	-	-	-	-	-	-
Disputed dues - Creditors other than MSME	-	21.25	-	-	2.02	23.27
<b>Total</b>	<b>1,133.05</b>	<b>5,930.21</b>	<b>10.20</b>	<b>8.78</b>	<b>5.01</b>	<b>7,087.25</b>

### 20 Other financial liabilities

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Interest Accrued but not Due on Borrowings	24.86	8.99
Unclaimed Dividend	59.93	57.26
Lease Liabilities	23.61	60.73
Payable towards capital expenditure	303.24	457.76
<b>Total</b>	<b>411.64</b>	<b>584.76</b>

Refer standalone financial statement for Leases.

### 21 Other Current liabilities

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
Advance from customers	176.99	50.56
Statutory Dues	216.72	194.06
<b>Total</b>	<b>393.71</b>	<b>244.62</b>

### 22 Provisions

Particulars	INR (In Lakh)	
	As on 31-Mar-22	As on 31-Mar-21
<b>Provision for employee benefits :</b>		
Provision for Gratuity	173.68	105.11
Provision for Compensated Absences	24.58	31.12
<b>Total</b>	<b>198.26</b>	<b>136.23</b>

Refer standalone financial statement for Disclosure regarding Defined benefit Plans

### 23 Revenue from Operations

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
<b>Sale of Manufactured Products</b>		
Contracted Price	87,022.16	71,050.30
Less: Trade Discount, Volume Rebate etc	(386.79)	(355.90)
	86,635.37	70,694.40
<b>Other operating revenue</b>		
Export Incentives	119.25	84.85
Process waste sale	114.86	94.46
Royalty Income	9.71	9.85
<b>Total</b>	<b>86,879.19</b>	<b>70,883.55</b>

## 24 Other income

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Rent and Compensation	3.44	3.53
Taxes refund and Interest thereof	0.02	10.40
Foreign Exchange Gain (net)	216.41	80.02
Liability/Provision no longer required, written back	18.15	-
Other non-operating income	202.83	71.47
<b>Total</b>	<b>440.85</b>	<b>165.41</b>

## 25 Cost of materials consumed

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Raw Materials consumed	61,558.47	41,452.12
<b>Total</b>	<b>61,558.47</b>	<b>41,452.12</b>

## 26 Changes in inventories of finished goods, Stock-in-Trade and work-in progress

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
<b>Opening inventories</b>		
Finished goods	5,482.30	3,517.49
Work-in-progress	4,731.91	4,705.19
<b>Closing inventories</b>		
Finished goods	(8,801.56)	(5,482.30)
Work-in-progress	(5,689.97)	(4,731.91)
<b>Total</b>	<b>(4,277.32)</b>	<b>(1,991.53)</b>

## 27 Manufacturing and Operating Costs

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Consumption of Spares Parts	1,677.40	1,197.35
Power and Fuel	4,631.16	3,377.44
License Fees (Technical Knowhow)	411.56	346.43
Other Manufacturing and Operating Expenses	2,856.19	2,283.61
Repairs to Buildings	162.75	114.66
Repairs to Machinery	735.53	527.82
<b>Total</b>	<b>10,474.59</b>	<b>7,847.32</b>

## 28 Employee benefits expense

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Salaries and wages	4,313.13	3,441.81
Contribution to provident funds and other funds	226.29	182.24
Defined benefit plan expense	50.25	164.85
Workmen and Staff welfare expenses	249.57	157.38
<b>Total</b>	<b>4,839.24</b>	<b>3,946.28</b>

## 29 Finance costs

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Interest expense	246.23	131.75
Foreign Exchange loss on borrowings - attributable to Interest	86.22	59.48
Other borrowing costs	72.05	39.81
<b>Total</b>	<b>404.50</b>	<b>231.05</b>

## 30 Depreciation and amortization expense

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Depreciation on Property, Plant and Equipment	1,592.79	1,458.75
Amortization on Right to use - leases	67.07	68.50
Amortization on Intangible assets	41.36	218.69
<b>Total</b>	<b>1,701.22</b>	<b>1,745.94</b>

## 31 Other expenses

Particulars	INR (In Lakh)	
	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Rent	9.45	5.96
Insurance	254.87	295.03
Rates and Taxes	111.38	114.41
Repairs & Maintenance Others	94.20	69.85
Auditor's Remuneration and Expenses	22.62	23.54
Legal and Professional Expenses	636.57	671.58
Directors Sitting Fees	20.76	22.30
Bad Debts	-	1.27
Provision for doubtful Debts	37.39	95.27
Freight Expenses	2,059.58	1,266.02
Commission on Sales	166.94	179.75
Sales Promotion Expenses	113.10	66.93
Travelling Expenses	263.20	50.57
Corporate Social Responsibility Expenses	525.00	378.00
Net Loss on Sale / Discard of Property, Plant and Equipment	17.37	73.45
Foreign Exchange Loss (net)	0.35	-
Miscellaneous Expenses	698.69	808.05
<b>Total</b>	<b>5,031.47</b>	<b>4,121.98</b>

## 32 Composition of the Group

Information about the composition of the Group is as follows:

Particulars	Place of Incorporation	Shareholding (In %)	
		As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Oriental Aromatics &amp; Sons Limited (Incorporated during the last year)</b> (Business yet to be commencement)	India	100%	100%
<b>PT Oriental Aromatics (Proposed to be Liquidated)</b> (Business of Aroma Chemicals)	Indonesia	99%	99%

### 33 Earnings per share

Particulars	INR (In Lakh)	
	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
Earnings Per Share has been computed as under:		
Profit for the year	5,330.23	10,193.76
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (₹) (Face value of ₹ 5 per share)	15.84	30.29

### 34 Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	INR (In Lakh)	
	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
Property, plant and equipment	1,797.89	1,626.68
Less: Capital advances	(676.54)	(684.09)
Net Capital commitments	1,121.35	942.59

### 35 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. Parag Satoskar (Chief Executive Officer)
Mr. Shyamal A. Bodani (Executive Director)	Mr. Girish Khandelwal (Chief Financial Officer)
Mr. Animesh Dhar (Executive Director - Operations till 21.07.20)	Mrs. Kiranpreet Gill (Company Secretary)
Mr. Satish Ray (Executive Director - Operations)	Mrs. Indira Bodani (Relative KMP)
Mr Bhadreshkumar Pandya (Executive Director - Operations w.e.f 10.08.20)	Mrs. Anita Satoskar (Chief R&D Officer) (Relative of KMP w.e.f. 27.05.2019; KMP w.e.f. 25.03.2021)

#### 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	INR (In Lakh)			
		2021-22	2020-21	Balance as on 31-Mar-2022	Balance as on 31-Mar-2021
1	Short term employee benefits	990.64	512.28	-	(35.30)
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

Sr No	Particulars	Nature of transaction	INR (In Lakh)			
			2021-22	2020-21	Balance as on 31-Mar-2022	Balance as on 31-Mar-2021
1	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	382.33	373.80	-	-
2	Mr. Dharmil A. Bodani	Remuneration	325.10	206.26	-	(11.60)
3	Mr Shyamal A. Bodani	Remuneration	234.08	109.08	-	(9.37)
4	Mr. Animesh Dhar	Remuneration	-	33.84	-	-
5	Mr Bhadreshkumar Pandya	Remuneration	28.61	17.06	-	-
6	Mr. Satish Ray	Remuneration	24.23	21.04	-	-
7	Mr. Parag Satoskar	Remuneration	237.59	46.90	-	(14.33)
8	Ms. Anita Satoskar	Remuneration	74.86	29.40	-	-
9	Mr. Girish Khandelwal	Remuneration	51.10	36.24	-	-
10	Ms. Kiranpreet Gill	Remuneration	15.07	12.46	-	-
11	Mrs. Indira Bodani	Remuneration	27.62	23.26	-	-
12	Non-Executive Independent Director	Directors sitting fees	20.76	22.30	-	-
13	Vaishnavi Chemicals Private Limited	Rent Expenses	30.24	30.24	-	-

- Note 1 No amount in respect of related party have been written off/provided for during the year.  
2 Related parties relationship have been identified by the management and relied upon by the auditors.  
3 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.  
4 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.

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 the Board of Directors

**Vinay Somani**  
Partner

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

**Shyamal A. Bodani**  
Executive Director

Place: Mumbai  
Date: 10<sup>th</sup> May, 2022

**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, 2022

INR (In Lakh)

Sr No.	Name of the Subsidiary Company	Date of acquisition/incorporation	Reporting Currency	Exchange Rate	Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Dividend	% Equity Interest
1	PT Oriental Aromatics	07-Mar-13	Rupiah	0.005	831.85	(875.39)	17.58	61.12	-	-	2.68	-	2.68	-	99%
2	Oriental Aromatics & Sons Limited	27-Dec-19	INR	1	1440	(101.48)	1396.88	58.36	-	-	(92.42)	(14.41)	(78.01)	-	100%

