

*Oriental Aromatics Ltd.*



**ANNUAL REPORT 2019-20**

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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. Pandiya  
*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 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, 2<sup>nd</sup> 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)

## REGISTRAR AND TRANSFER AGENTS

### **Sharex Dynamic (India) Private Limited**

C-101, 247 Park, LBS Marg,  
Vikhroli (West), Mumbai – 400083.  
Tel: 022-2851 5606/ 5644/ 6338.  
Fax: 022-28512885  
Website: [www.sharexindia.com](http://www.sharexindia.com)  
Email: [support@sharexindia.com](mailto:support@sharexindia.com)

## 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

# Evoking Senses, Touching Lives

Flavours and Fragrances have the power to affect our emotions, memories, health and even influence the perception of time. Fragrances create important benefits that are ubiquitous, tangible, and valued. They solve important functional problems and they satisfy valued emotional needs. Fragrances can communicate complex ideas – creating mood, signalling cleanliness, freshness, or softness, alleviating stress, creating well-being, and triggering allure and attraction.

The limbic system, makes up the parts of the brain that play a major role in controlling our memories, behaviours, and emotions. Consequently, the limbic system also controls how we interpret and respond to smells, which explains why the sense of smell is connected to the aforementioned.

An odour has no personal significance until it becomes connected to something that has meaning. Fragrances are added to many products as it makes us feel good. Smell is the only sense that affects the memory and emotion part of the brain. If we feel good when we buy a product then we are likely to continue buying it. This is why many companies add fragrance to their products such as soap, cigarettes, washing powder. Even those in the food industry use fragrance chemicals known as flavours to their products.

Fragrances have been enjoyed for thousands of years and contribute to people's individuality, self-esteem and personal hygiene. Consumer research indicates that fragrance is one of the key factors that affect people's preference for cosmetic and personal care products. There are hundreds of fragrances created every year, in countries all over the world.

**Flavours and Fragrances together have the power to delight, to mesmerise, to allure and thus elevate everyday experiences.**



# Oriental Aromatics

An Integrated Business in Flavours, Fragrances, Speciality Aroma Chemicals and Camphor

**For over 6 decades, Oriental Aromatics Ltd. has always been more than a company; It has been a family with a unique heritage of responsible business.**

Our Founder, Mr. Keshavlal Bodani was intrigued by the mystique of perfume and thus founded the Flavours & Fragrance (F&F) division of Oriental Aromatics Limited (OAL) back in 1955. Since then, the Company has been nurtured by three generations of the Bodani's, evolving, innovating and keeping the dream alive.

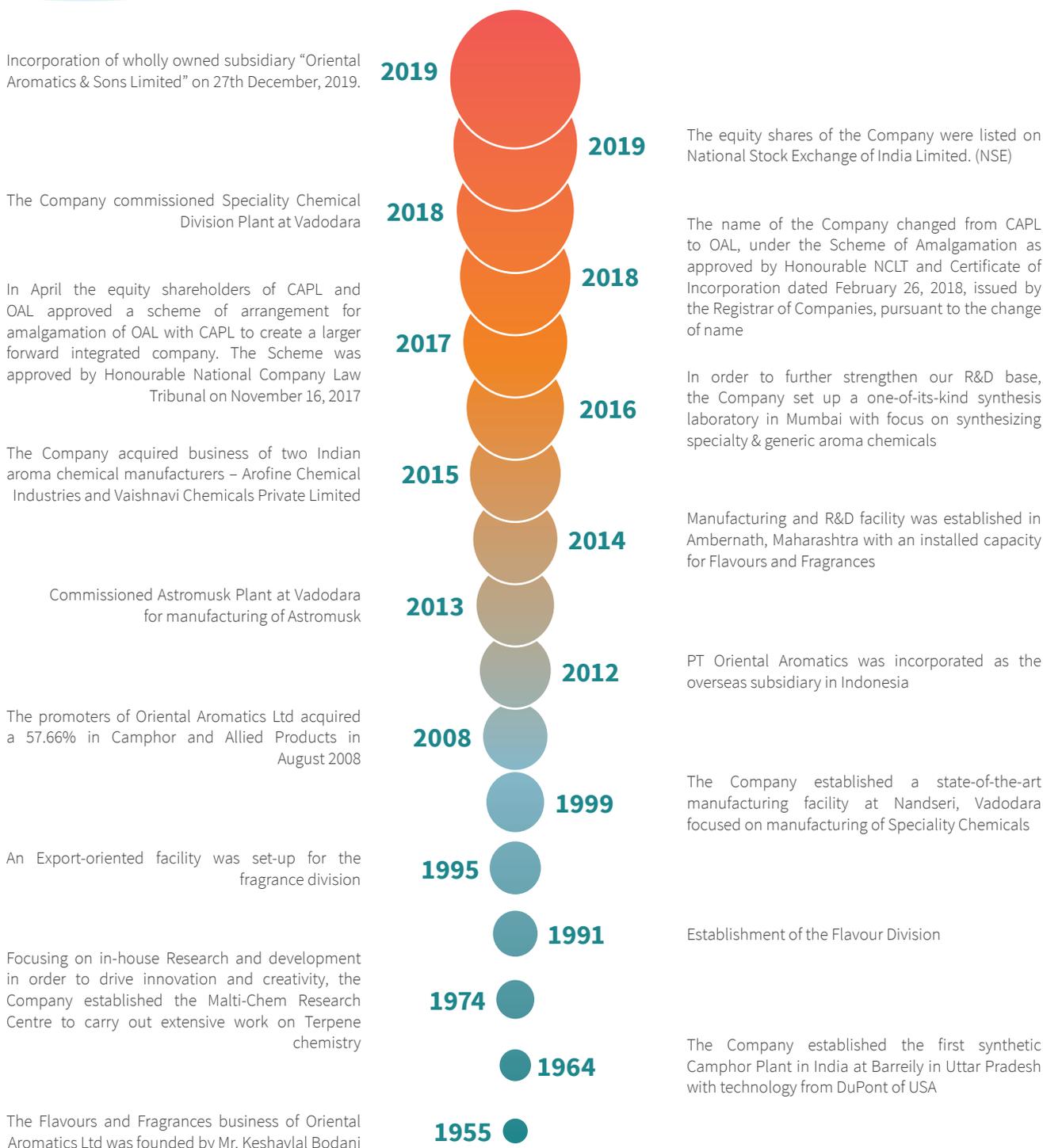
Excellent flavours and fragrance formulations require quality aroma ingredients. OAL is one of the few companies in the global Flavours and Fragrance industry which is back by the ability to develop a diverse basket of creative aroma ingredients which are used to manufacture high-quality flavours and fragrances. This combination of science and innovation has made the Company one of the few integrated players in the industry.

The Company has been a pioneer in Terpene Chemistry in India and is one of the largest manufacturers of a variety of terpene chemicals, camphor and other speciality aroma chemicals, in India. The Company's wide array of products includes Synthetic Camphor, Terpeneols, Pine Oils, Astromusk, perfumery chemicals, specialty chemicals and several other chemicals finding applications in vast array of industries ranging from Flavours & Fragrances, Pharmaceuticals, Soaps & Cosmetics, Rubber & Tyre, Paints & Varnishes and many more.

The Company creates Flavours and Fragrances that reach millions of end consumers, creating positive emotions through the senses of taste and smell. These Flavours and Fragrances have wide range of applications with industries ranging from fine fragrances, personal hygiene, home care, beauty & cosmetics and thus elevating experiences, everywhere, every day!

The OAL team believes that there is no long term value creation without values. These values are embedded in every decision and every step the Company has taken since inception. These values are built around perseverance, hard work and never say die attitude of the team. Led by passion for taste and smell, the Company puts creativity and innovation to work every day to evoke the senses.

# Our Path to Sustainable Growth



# Values to Fuel the Future Growth

Building on the success over the past years, Oriental Aromatics Ltd. aims to create further shareholder value through a profitable and responsible business GROWTH.

## Value Driven

Business integrity is a cornerstone of OAL's culture. Ethical business practices form the base of decision making thus ensuring value driven growth for the future

## Integrated Business

OAL is one of the few integrated players in the F&F Industry thus giving it a competitive edge to fuel future growth

## Heritage of Experience

With decades of experience in the niche Flavours and Fragrance Industry, OAL pursues a policy of financial strength, profitable growth and return on assets with a long term view of our business

## Viable Supply Chain

Adopting a sustainable raw material sourcing policy ensures consistent and value driven growth for the years to come

## Sustainability

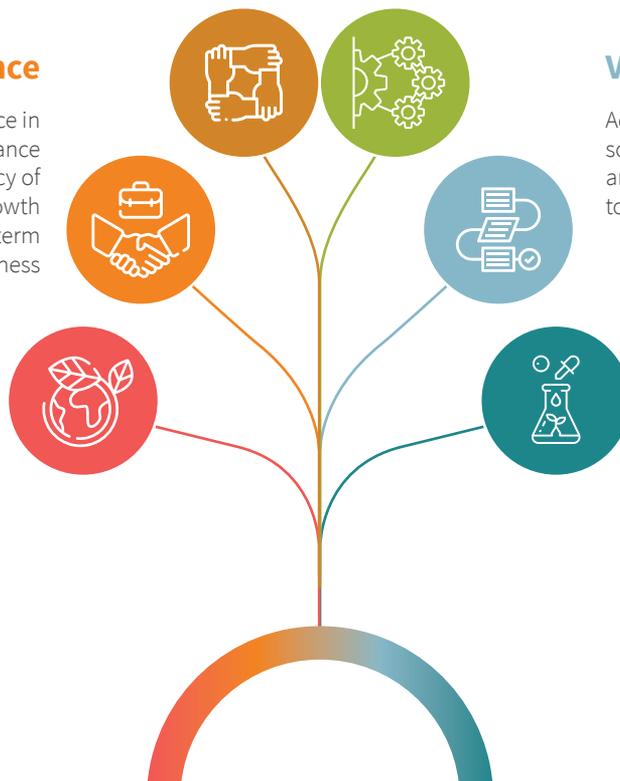
Taking the legacy to the future, sustainability is one of the fundamentals and lies at the heart of the Company's strategy and business growth.

Not only is your company environmentally and socially sustainable – The Company strongly believes in being economically sustainable and ethical in its business practices.

## Research & Innovation

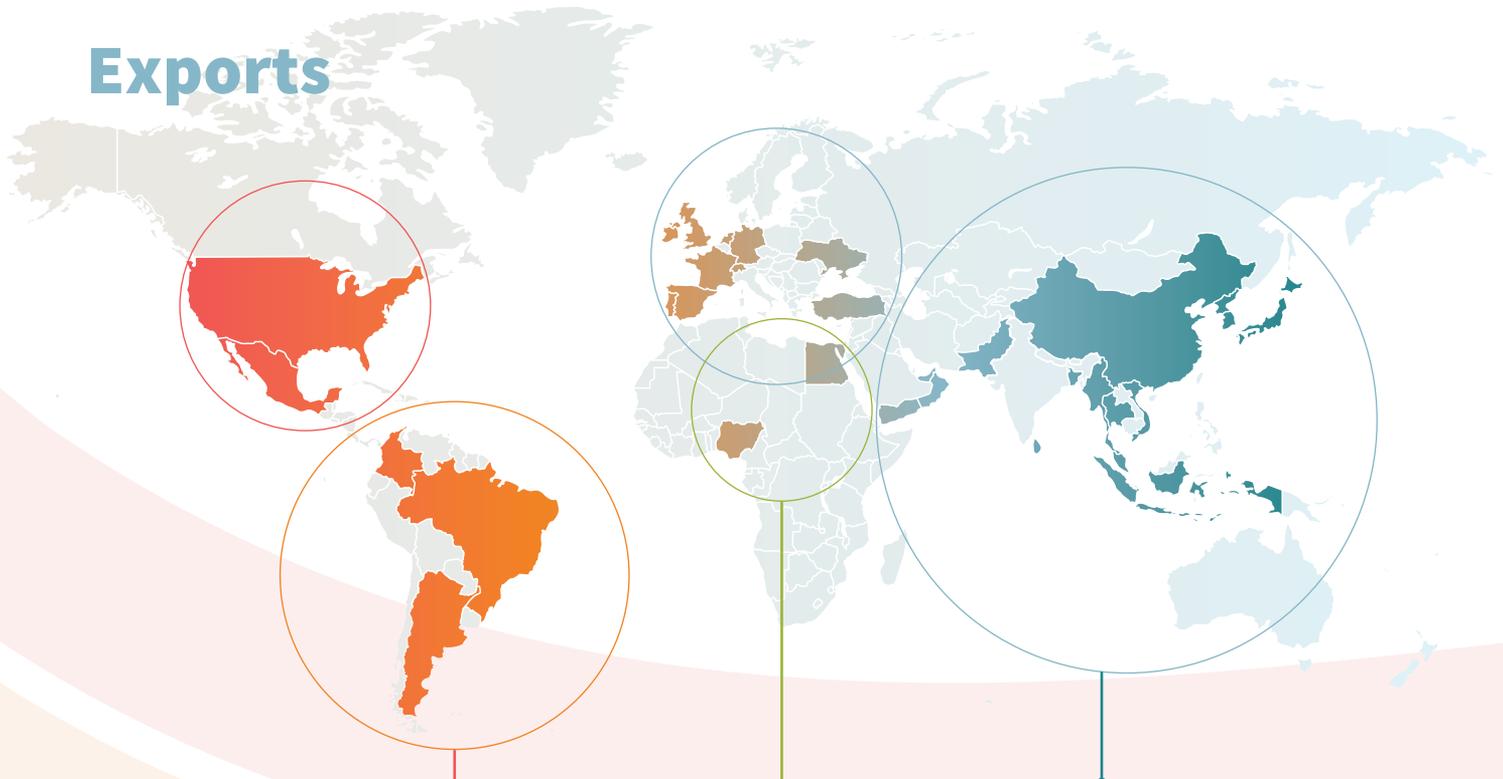
Across everything that OAL does, it apply creativity, passion & innovation to create unique and differentiated solutions for our customers.

The Company has well established R&D centres to create unique combinations of aroma chemicals along with Flavours and Fragrances



# Geographical Presence

## Exports



### North America

- Mexico
- USA

### South America

- Argentina
- Brazil
- Colombia

### Africa

- Egypt
- Nigeria

### Europe

- France
- Geneva
- Germany
- Netherlands
- Portugal
- Spain
- Switzerland
- Turkey
- UK
- Ukraine

### Asia

- Bangladesh
- China
- Hongkong
- Indonesia
- Japan
- Korea
- Malaysia
- Myanmar
- Oman
- Pakistan
- Singapore
- Sri Lanka
- Thailand
- UAE
- Vietnam
- Yemen



**Ambernath, Maharashtra**



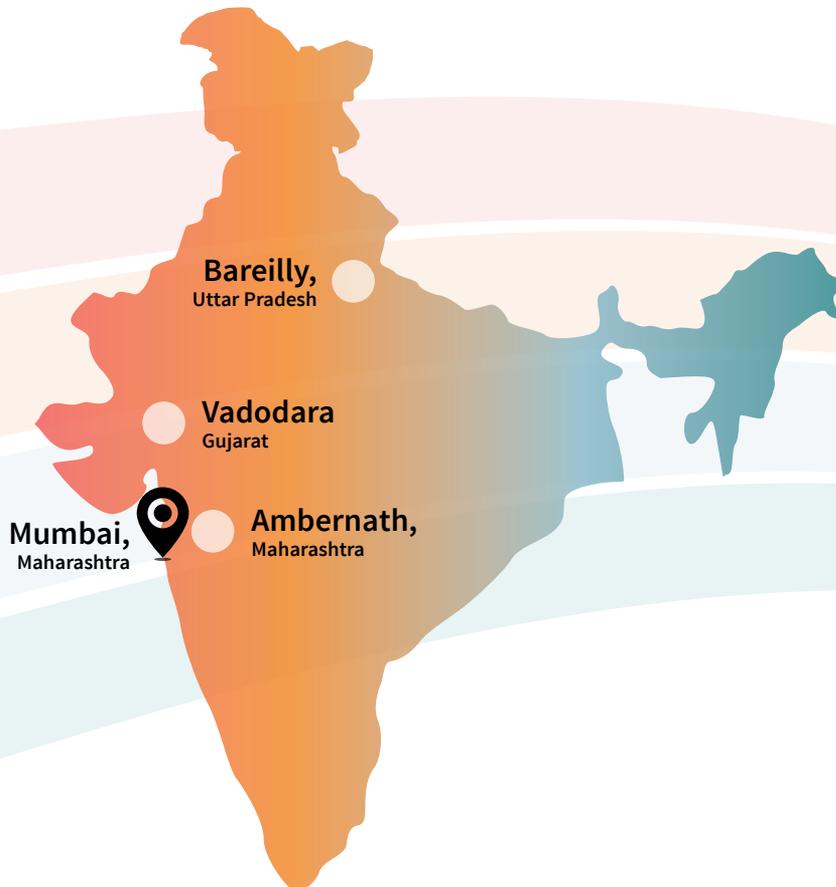
**Bareilly, Uttar Pradesh**



**Mumbai, Maharashtra**



**Vadodara, Gujarat**



## Manufacturing and R&D

# Product Portfolio

Through its value chain OAL generates innovative products and solutions created in a sustainable way for its customers and shares the success with stakeholders while shaping a better tomorrow for all.

The Company manufactures wide variety of products that influence consumers' purchase decisions every day.

## FRAGRANCE

Backed by the finest ingredients and fuelled by passion OAL produces fragrance formulations with highest levels of creativity and performance to bring the most memorable moments. The aim is to develop fragrances with highest acceptability and thus bringing added dimension to the consumer experience. Your company delivers custom designed fragrances found in fine fragrances, incense sticks, candles, and various FMCG products like soaps, shampoos, hair oils, detergents, etc.



### APPLICATIONS



## FLAVOUR

Food is a basic need of mankind but one looks forward to a variety, not only on the plate but also in other everyday needs. OAL understands how important flavour is to one's sense of being and therefore consistently innovates to satisfy its customers' evolving needs for different flavours. OAL specialises in custom flavour manufacturing and aims to reinvent the palate of taste. The Company's goal is to constantly elevate everyday experiences by delivering quality flavours used in oral hygiene, instant foods, beverages, health and wellness, dairy and snack foods.



### APPLICATIONS



## AROMA CHEMICALS

Aroma Chemicals form the building blocks for F&F formulations. Every aroma has a specific need and a unique characteristic, whether it's going to be used to mask, mimic or maximise a taste or smell. OAL is one of the top aroma chemicals manufacturers in India, and exports aroma chemicals across the world. The Company's synthetic aroma ingredients are produced in its own research and manufacturing facilities. The high quality of ingredients used ensures that they retain long-lasting freshness and remain fragrant.



Sandalwood Derivates	Musk polycyclic & Macroyclic	Pinene Derivatives	Specialty Aroma Chemicals	Generics offered by Specialty Chemicals Division
<ul style="list-style-type: none"> <li>- Mysornaol AB18019</li> <li>- Durganol AB18018</li> <li>- Shivanol AB18016</li> <li>- Shaktinol AB18017</li> </ul>	<ul style="list-style-type: none"> <li>- Astromusk Concentrate AB08072</li> <li>- Cambrettolide AB15137</li> </ul>	<ul style="list-style-type: none"> <li>- Alpha – Pinene Epoxide AB08062</li> <li>- Alpha Campholenic Aldehyde AB08061</li> <li>- Camphor GF AB08002</li> <li>- Isobornyl Acetate AB08031</li> <li>- Isoborneol AB08011</li> <li>- Terpeneol AB08019</li> <li>- Terpinyl Acetate AB08033</li> </ul>	<ul style="list-style-type: none"> <li>- Astromeran AB08066</li> <li>- Amberone AB08064</li> <li>- Astrone AB08074</li> <li>- Capinone AB08028</li> <li>- Ketone -101 AB08032</li> <li>- Safranal AB15139</li> <li>- Sealone AB18006</li> </ul>	<ul style="list-style-type: none"> <li>- Esters of Allyl alcohol</li> <li>- Esters of Geraneol &amp; Citronellol</li> <li>- Esters of Phenyl Acetic acid, Cinnamic acid</li> <li>- Esters of Cinnamic alcohol &amp; Cyclohexanol</li> <li>- Esters of Para cresol &amp; Phenyl Ethyl alcohol</li> <li>- Aromatics ethers like Nerolin crist, etc.</li> <li>- Phenoxyethyl Isobutyrate</li> <li>- Nitriles of various Aldehydes Like c12 Lauric, c10, Citronellyl Nitrile</li> </ul>

## CAMPHOR



Camphor has long enjoyed a prominent place in medicine, but its usefulness in making various other products demonstrated its viability in commerce and which is when it gained popularity. In the last 5 decades there has been a great increase in demand for this product due to its varied uses.

Camphor has a wide variety of topical uses due to its antibacterial, antifungal, and anti-inflammatory properties to treat skin conditions, improve respiratory function, and relieve pain. It is also used for its scent, as an ingredient in cooking (mainly in India), as an embalming fluid, for medicinal purposes, and in religious ceremonies.

Your company OAL is a pioneer in manufacturing synthetic camphor and is one of the largest manufacturers of Camphor in the country.

### APPLICATIONS



# Board of Directors

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

- A dynamic personality with vast experience of more than 3 decades in fragrance, flavours and chemical industry.
- Has specialized training on perfumery in Grasse, France and been instrumental in the formation and implementation of the overall strategy and vision of the group. He has been playing an important role in product selection on the chemicals side.

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

- Started his career in the year 2003 and currently he undertakes local as well as overseas marketing sales and export promotion etc.
- Plays a key role in the formation and implementation of strategy of the chemicals division (especially from the sales and marketing perspective).

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

- Serves as Whole Time Director designated as Executive Director Operations in Oriental Aromatics Limited.
- Has 22 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.

## **Mr. Bhadreshkumar A. Pandiya - Executive Director Operations**

- Has 24 years of rich experience in Chemical Manufacturing industries in Speciality Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro- intermediate and Biochemical.
- Has expertise in product development, systems improvement, strategic cost control, technical service etc.

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

- Has experience in leading international hospitality brands. Graduate in Economics, holds degree in Hospitality Management from Netherlands and Masters from Cornell, NY. Ms. Nair is responsible for designing the brand's signature programming and spearheading overall business development to create a unique proposition of smart hospitality.
- Has expertise in product development, systems improvement, strategic cost control, technical service etc.

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

- Graduated in law from the Bombay University in 1963 and qualified as a Solicitor in 1966. Appointed as Notary in 1996. Member of Maharashtra & Goa Bar Association and also a Member of the Managing Committee of the Bombay Incorporated Law Society.
- Presently holds directorship in various public and private limited companies.

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

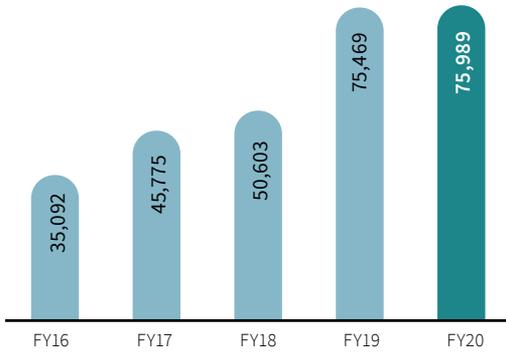
- Managing Director of Shree Dhootapapeshwar Ltd., a family led enterprise involved in manufacturing of Ayurveda healthcare formulations.
- President of an Ayurveda college and is Advisor to the Herbal and Ayush Panel at pharמעxil. He has represented the AYUSH Industry cause for the past 17 years in forums related to Ayurveda, medicinal plants and regulatory reforms.

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

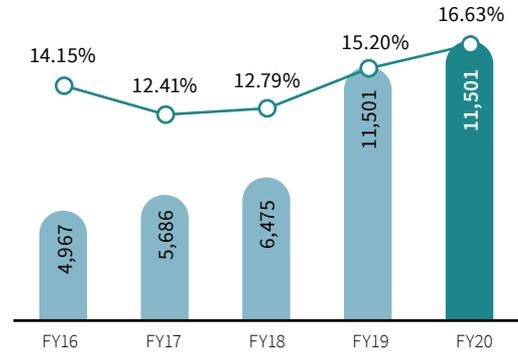
- Holds a Bachelor of Science (Physics) degree from Kings College London and a MBA (specializing in Finance and Strategy) from the London Business School. He is the Executive Vice-Chairman of Morarjee Textiles Limited and the Vice-Chairman of Piramal Renewable Energy which is also a part of Ashok Piramal Group.
- Passionately involved in tiger conservation and is a trustee of Conservation Wildlands Trust.

# Financial Highlights on Consolidated basis

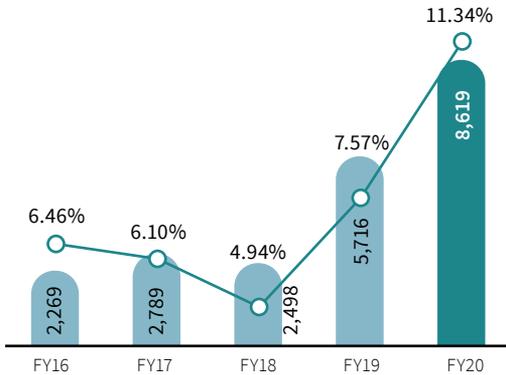
Revenue from Operations (INR in Lakhs)



EBITDA (INR in Lakhs) EBITDA Margin (%)



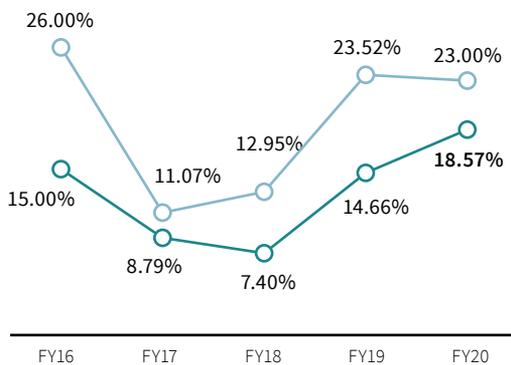
PAT (INR in Lakhs) PAT Margin (%)



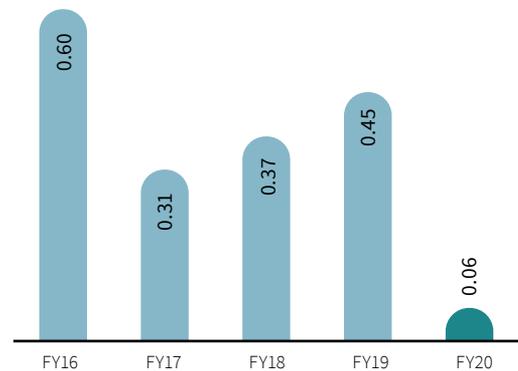
Net Worth (INR in Lakhs)



RoE (%) and RoCE (%)



Net D/E (x)



# Message from the Chairman and Managing Director



## Dear Shareholders,

I would like to express my gratitude to every shareholder who has been with us in our journey together. It gives me immense pleasure and pride to share with you the performance of your company in the financial year 2019-2020.

During the financial years 2019-20, the Company evolved to be stronger despite the world being hit by a global pandemic. Business continuity, sustainability and de-risking continue to be the mantras for the Company. The Company has been successful in enhancing the synergistic benefits of integration through amalgamation and this has clearly reflected in the financial results of FY20.

On a consolidated basis, in the financial year 2019-20, the Company reported revenues of INR 756 Cr, EBITDA stood at INR 126 Cr which increased by 10% and Net profit was reported at INR 86 Cr, which increased by 51% against the previous financial year. The Company successfully reduced a significant portion of debt through healthy cash flow generation, moreover the Board of Directors recommended an interim dividend of INR 2.5 (50%) per equity share.

Flavour and fragrance being an integral and unavoidable part of our lives, the industry will continue to grow and provide great opportunities to players like us. The FMCG growth continues to be the driver for the F&F industry. With focus on operational efficiencies through process improvements, the Company will continue to increase profitability and thus contribute to the shareholder wealth. The Asia Pacific market for flavours and

fragrances continue to be one of the fastest growing markets in the world. China being a major market for the aroma chemicals industry and the rest of the world working to diversify and reduce its reliance on the country for materials, the Indian Aroma chemicals industry stands at an advantageous position.

With decades of experience that your company holds in the F&F industry, we have a very good understanding of the tastes and preferences of the consumers in the domestic as well as the international markets. Along with this, we have been successful in establishing a sustainable sourcing policy for our raw materials with focus on geographical diversification. Your company has a robust distribution network in place which helps deliver quality products across business verticals. The Company places immense focus on innovation through research and development which has been a critical catalyst for growth.

The Company has a well thought out expansion plan in place for the next 3 years, which will be directed to further strengthening

the aroma chemicals base of the Company with a focus on generic speciality aroma chemicals. This would not only increase our supplies to the global giants in the F&F industry, but also help the Company deliver quality flavours and fragrances at more competitive prices.

On behalf of the entire Oriental Aromatics Team I express my sincere thanks to all our stakeholders for their whole-hearted support in our journey to achieving business excellence. I am confident that with the strength of our core capabilities

and a dynamic team of professionals, your company is well-positioned for a great journey ahead.

Best Wishes,

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

**With decades of experience that your company holds in the F&F industry, we have a very good understanding of the tastes and preferences of the consumers in the domestic as well as the international markets.**

# CSR Activities



**Oriental Aromatics Limited exercises its corporate values as a socially responsible entity, and recognises its responsibility for the impact of its actions on the environment, consumers, employees, communities and stakeholders.**

***OAL is supportive of community growth and development. Education is a core part of the Company's mission to help resolve the community's toughest problems.***

'The Keshavlal V. Bodani Education Foundation' is the extended arm of your Company. OAL shoulders the development of educational facilities for students having learning disabilities through its contribution to the Keshavlal V. Bodani Education foundation.

Keshavlal V. Bodani Education foundation, in association with the Gateway School of New York has established Gateway School of Mumbai which is dedicated to empowering children who find themselves challenged by mainstream educational practices. The

vision behind this partnership is to create learning opportunities and spread evidence-based practices, in the stream of education and therapies, in India and across the globe.

The school intends to help students develop the skills, knowledge, understanding and attitude necessary for them to lead fulfilling and productive lives as independently and successfully while actively contributing to the society.

The Company also made a contribution towards Prime Ministers Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) as on 31.03.2020, as a measure to contain COVID-19 pandemic.

**The Company as part of its CSR initiatives made contributions in the following fields:**

CSR activity Identified	Sector in which the project is covered	Location where Project is undertaken (Local Area/ District)
Promotion of educational facilities for the students having learning disabilities through contribution to M/s Keshavlal V. Bodani Education Foundation	Education Schedule VII (ii)	Mumbai, Maharashtra
Promotion of Education facilities by making contributions to IIT Gandhinagar	Education Schedule VII (ii)	Gujarat
PM CARES Fund	Socio Economic Development and Relief Schedule VII (viii)	

# STATUTORY REPORTS



# Management Discussion and Analysis

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## GLOBAL ECONOMY OVERVIEW

The calendar year 2019 started off with rising tensions between the world's two largest economies – US and China. US and China together account for 40% of the global GDP and the trade disputes between them had an adverse effect on the global economy and sentiment overall. This impact was not only seen in the commodities and financial markets (equities, bonds, currencies), but also impacted the output and profitability of firms leading to deterred investment decisions of businesses. However, as the year progressed, market sentiments were boosted by tentative signs on intermittent favourable news on US-China trade negotiations.

If the pain felt across global economies was not enough in 2019, the year ended off on a worse footing with the Corona Virus being first detected in December and quickly spreading across the world. COVID-19 triggered a global health crisis leading to the deepest global recession since the second world war. The baseline forecast envisions a 5.2 percent contraction in global GDP in 2020—the deepest global recession in eight decades, despite unprecedented policy support. Growth forecasts for all regions have been severely downgraded, while many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support measures. Other than essential commodities like Foods, Pharmaceuticals and FMCG, all other sectors across the world were impacted through reduced demand, supply chain disruptions, labour problems, creating a domino effect on the financials and working capital cycles.

## INDIAN ECONOMY OVERVIEW

The Indian economy started this financial year on a dull note due to the ongoing liquidity crisis. In order to achieve the governments vision of making India a USD 5 trillion economy by 2025, the finance ministry slashed domestic corporate tax rates to 25.17% in the mid year.

The Current Account Deficit narrowed primarily on account of lower non-oil, non-gold imports and robust services exports supported by software, travel and financial services. India's crude oil import bill fell by 9% Y-o-Y to \$102 billion in 2019-20 on account of price crash; though volumes remained fairly unchanged. Foreign fund outflows and the Fed's grim prognosis for the US

economy further weighed on the rupee as it touched 77 against US dollar in April 2020. The CPI inflation stood at 5.84% YoY in March 2020 higher from 2.86% in March 2019. According to the Indian Budget 2020, the real GDP growth was estimated at 5.0% in the financial year 2019-20 but due to the recent COVID-19 crisis has ensured that FY2021 will be a challenging one for India and the world. As per Fitch ratings, India's GDP growth is likely to slip to 0.8% for FY21.

## GLOBAL CHEMICAL INDUSTRY OVERVIEW

The global specialty chemicals market is expected to reach the market value of approximately USD 301 billion by 2026 and is anticipated to grow at a CAGR of around 4.8% in terms of revenue during the forecast period 2019- 2026. The market has witnessed a rebound in the number of mergers and acquisitions over the past few years owing to the rising focus of major players on inorganic growth to fill regional footprint and product portfolio.

Specialty chemicals are a specialty category in the international chemical industry with the ability to improve quality delivering special chemicals and polymers. It is commonly used in various industries, including food, animal feed, agriculture, textiles, printing, household & industrial products, telecommunications, and oil & gas. The factors such as new end-use products, accelerated creativity, demand for efficient and safe chemicals and increasing environmental concerns have given a boost to the specialty chemicals industry and set to grow at an exponential rate.

## INDIAN CHEMICAL INDUSTRY OVERVIEW

India is the sixth largest producer of chemicals in the world and also ranks 14th in export and 8th in import of chemicals (excluding Pharmaceuticals products) globally. The domestic demand for chemical products is expected to grow at approximately 9% per annum over the next 5 years. Indian chemical industry employs more than 2 million people. Total production of major chemicals and petrochemicals stood at 27,847 MT during 2018-19 which is a growth of 4.15% over previous year. The specialty chemicals constitute 22% of total chemicals and petrochemicals market in India. As of FY18, the total market size is around USD 35 Bn.

Between 2006 and 2019, the CAGR for Indian chemical companies was 15% a figure much higher than global chemical industry returns (CAGR of 8%) and the overall global equity market (CAGR of 6%). Even between 2016 and 2019, when the Indian economy faced headwinds, the chemical industry maintained returns CAGR of 17%. The demand for speciality chemicals is expected to grow at 12% CAGR from FY2019-22. With regards to geographical demand, shift in production and consumption towards Asian and Southeast Asian countries in all sectors will lead to increased demand for Chemicals and Petrochemicals.

The Covid-19 pandemic has made a lot of companies across the world realise the need to diversify the manufacturing dependence from China to other countries and for the chemical industry, India seems to be the ideal fit. This strategic shift is expected to significantly enhance the growth estimates of the Indian chemical industry over the coming years.

## **GLOBAL FLAVOUR & FRAGRANCE (F&F) INDUSTRY**

The global flavours and fragrances market was valued at US\$ 29.8 Billion in 2019. Looking forward, IMARC expects the market to grow at a CAGR of around 5.1% during 2020-2025 reaching a value of US\$ 40.6 Billion by 2025. The key end users of the flavours industry include beverages, dairy, confectionary, meat, snacks, healthcare, bakery, etc. On the other hand, some of the key end users of the fragrances industry include cosmetics and toiletries, soap and detergents, household cleaners and air fresheners, etc. Asia Pacific held a dominating share in terms of revenue in the global F&F market. The Asia Pacific Flavours and Fragrances Market attained nearly USD 7.35 billion in 2019. The region is expected to be driven by the rising demand from emerging economies in the region like China and India. China is the largest flavours and fragrances market in the Asia Pacific region, accounting for over 40% of the regional market. China was followed by Japan and India as the other significant markets in the region. In the coming years, emerging nations like China and India are projected to witness faster growth than mature markets like Japan. The regional market is being driven by the growing population and the rising middle class. The middle class, especially, is defining the consumption patterns of the region leading to the increasing demand for flavours and fragrances from their major application sectors. The potential for growth of the Asia Pacific market is also leading to increased investment into the region by major global players.

### **Growth Drivers:**

A key driver of the global flavours and fragrances market is catalyzed by a rising global population and increasing urbanization rates, rising incomes, changing lifestyle and increasing consciousness towards physical appearance, has been witnessing a strong growth in personal care products, foods and beverages which in turn are creating a strong demand for flavours and fragrances. Growing awareness among consumers towards hygiene propels the market growth. The recent outbreak of diseases including COVID-19, has increased health awareness among population, leading to frequent hand washes, thereby raising the demand for soaps.

The Asia Pacific flavours and fragrances market is being driven by the growing population and rapid urbanisation. The increase in GDP of the major markets in the region is also aiding the industry. In India, the rising penetration of fragrance-based products like soaps and detergents are aiding the industry. The flavour segment in the Asia Pacific is being driven by the increased consumption of processed foods which require additional flavouring. The segment is also witnessing a rising demand from the beverage sector due to a rising consumption of fruit juices and the consumer demand for unique flavours. The growth in the health and nutrition segment of the food and beverage sector, particularly in the urban areas, is providing a further impetus for the growth of the flavour industry.

The Asia Pacific is the fastest growing beauty market, globally. The fast-rising high-income class in the region is aiding the growth of luxury beauty products, which are propelling the fragrance sector forward. Higher penetration of fine fragrance and deodorants in the Asia Pacific flavours and fragrances market is also aiding the industry. The rising consumption of products such as room fresheners and car perfumes are further propelling the industry forward.

## **INDIAN FLAVOUR & FRAGRANCE INDUSTRY**

The Indian fragrances and flavours industry is projected to grow exponentially in the coming years due to increasing demand for personal care products, brand awareness, growing demand from the middle class due to rising disposable incomes and products now being available at affordable price points. India has made a significant impact in global fragrance oil markets by producing essential oils of menthol mint, sandal wood, jasmine, tuberose, and spices. The Indian market, just like the global F&F market is dominated by the MNCs, with the top 4 global players (Givaudan, IFF, Firmenich and Symrise) constituting over 50% of the market.

**Growth Drivers:**

**Strong end-user growth, driven by increased penetration, rising affordability –**

**F&F blends**

are mainly used by industries like F&B and FMCG. In the recent past, with rising disposable income in India, these segments have seen explosive growth. Penetration of FMCG majors like HUL, P&G in rural areas has also been a significant contributing factor.

**Premiumization of FMCG products** – Indian consumers are moving towards using high end personal care products like hair gels, lotions, skin creams and so on. These products, on an average, use a higher quality of flavours and fragrances than the usual soaps and detergents. Segments like fruit based drinks and air care market are expected to grow at +30% p.a.

**Rising exports** – Most of the major F&F houses have manufacturing plants in India from where they supply blends to their customers across the world. Even Indian players like S H Kelkar are increasingly supplying to customers outside India, with exports constituting 35% of their total sales.

**Outlook:**

OAL has decades of experience in the flavour and fragrance industry and thus is well aware and adapting to the changing customer needs. The company is present in wide range of FMCG products including soap, shampoos, detergents, hair oil, perfumes, cosmetics, air fresheners, etc under the fragrance division as well as biscuits, confectionaries, beverages, ice-creams, chocolates, etc under the flavours segment. Growing demand in the FMCG industry due to increase in per capita spending on food and consumer products in emerging countries are some of the key factors which are expected to boost the company's growth. Further, increased penetration of FMCG products in rural areas, premiumisation of personal care and cosmetic products and higher demand for processed foods is likely to drive growth for the company. In recent times, fragrances used in product categories like soaps, detergents, sanitizer, shampoos, etc have seen a spike in demand and this trend is expected to continue. The company is well prepared to benefit from the opportunities the industry has to offer.

**AROMA CHEMICALS INDUSTRY**

The global Aroma chemicals market size exceeded \$5.10 billion, globally in 2019 and is estimated to grow at over 6.0% CAGR between 2020 and 2026. Major types of aroma chemical products include benzenoids, terpenoids, and musk chemicals.

These chemical substances are widely used in applications in food & beverage, fine fragrances, cosmetics & toiletries, soaps & detergents and household thus, driving the aroma chemicals market growth.

Aroma chemicals are used in cosmetics and toiletries including aftershave, gels, lipstick, foundation, moisturizer, nail polish, shampoo, body wash, hand wash, mascara, sunscreen and toner. Aroma chemicals for cosmetics and toiletries application accounted for a market revenue of USD 1.08 billion in 2019. These chemicals help to induce natural scent profiles into the product without hindering product formulation and quality.

Terpenoids has been gaining popularity among other segments and is expected to keep major market share because they have the strong odour and are used in various applications such as in perfumery, in alternative medicines such as aromatherapy, as a fragrance ingredient in food and beverages, and essential oils. Musk chemicals are predominantly used in soaps and detergents production to incorporate strong and sweet musk odor. Musk chemicals accounted for a market revenue of USD 234.6 million in 2019. Rising demand for soaps and detergents products owing to increasing consumer awareness towards sanitation should promote the aroma chemicals market growth.

As per market analysis, aroma chemicals for foods & beverages application accounted for a revenue of \$529.4 million in 2019. Aroma chemicals are majorly used in food manufacturing owing to incorporate flavor and to improve product appeal.

**Growth Drivers:**

Global market for aroma chemicals is expected to grow considerably owing to growing markets in Asia and South America. Growing demand for foods, cosmetics, personal care and household care products is expected to be the major driving factor for the growth of aroma chemicals market. Asia Pacific is expected to be the fastest growing regional market for aroma chemicals. Huge domestic consumption of aroma chemicals in India is expected to be the key driver of the market in this region. Additionally, increasing disposable income and rapid urbanization have increased the demand for processed foods and cosmetics, which in turn is expected to propel the demand for aroma chemicals in the region.

**Outlook:**

OAL is a firm believer in Research and Development and through consistent efforts, today, is one of the established names in the domestic as well as global aroma chemicals industry. The company is one of the few integrated manufacturers of high value speciality aroma chemicals in the world while the industry enjoys high entry barriers. The company uses over 21 different chemistries for a basket of over 200 aroma chemicals it manufactures. These aroma chemicals help build innovative flavours and fragrances which are used in a wide variety of FMCG products. The company supplies essential aroma chemicals to Flavours and Fragrance manufacturers across the globe including many names for the top 10 in the global F&F industry. The company is also expected to benefit from the rest of the world looking for alternate source of materials under the effort to reduce reliance on China; which is one of the major markets supplying aroma chemicals to the world. With the rising demand for product categories like personal care, home care, instant food, etc. in the FMCG industry, there would be a higher demand for these aroma chemicals in the coming years and OAL is well positioned to capture the upcoming opportunities with the existing capacities as well the planned capital expenditures.

**CAMPHOR TABLETS MARKET**

The camphor tablets market was valued at US\$ 107 Mn in 2017, and is expected to reach US\$ 163 Mn by 2025, expanding at a CAGR of 7.6% from 2017 - 2025.

Camphor tablets are witnessed to experience high demand from various end-users in the global market. Owing to the benefits provided by camphor for various applications has led to high demand for camphor tablets in the market. Camphor provides high medicinal benefits such as pain and swelling reduction, relief from congestion and cough, relieves worn out muscles, sprains, etc. Growing demand from the pharmaceutical industry has therefore led to high demand for camphor tablets in the market. Pharmaceutical was the leading end-user segment with more than 30% share of global camphor tablets market. The medicinal properties of camphor have led to high demand for manufacturing different types of medicines for different pains and diseases. Camphor tablets are also used in manufacturing wide range of ayurvedic medicines.

**OPPORTUNITIES AND THREATS**

F&F companies occupy a strong position in the value chain of

consumer staples like food, beverages, and household-care products, as their formulations make up only a minute portion of the final product cost but play a decisive role in the consumer's purchasing decision.

For almost two decades, China has dominated most of the global chemical supply with its continuously improving technology, better infrastructure and favourable government policies. However, the Covid-19, emerging from Chinese region, has put the nation into the red flag zone, leaving consumers across the world to seek alternative venues for their product sourcing. The powering trend of de-risking of input procurement from China by global chemical leaders, offers great export as well as domestic sales opportunity for Indian speciality chemical industry.

In the current situation, rapid spread of COVID-19 has led to a spurt in demand for hygiene products globally, driving up the consumption of personal care products such as hand wash, sanitizers, etc. thus the demand for fragrances in hygiene related products.

On the other hand, rising unemployment, falling consumer demand, disrupted supply chain, factory shutdowns and ultimate restrictions on trade & commerce world over caused by Covid 19 have raised concerns of global economic slowdown.

The Company has evolved as an integrated F&F player due to forward integration of the business, with a strong presence in aroma chemicals. Management believes that the Company will be one of the key beneficiaries of the robust demand scenario in the F&F market on account of amalgamation as well as wide product acceptability.

**RISK AND CONCERNS**

**FMCG slowdown** - As we are aware FMCG sector witnessed growth slowdown in FY20, in-line with nominal GDP moderation. The slowdown in FMCG sector is expected to impact the growth rate of F&F Industry since the industry is expected to trail the growth of the FMCG Industry.

**Industry Concentration** - The F&F Industry is highly competitive and concentrated with large multi-national companies dominating majority of the world market along with strengthening their position in the Indian market making it highly unlikely for the domestic players to replace them in the near future.

**Raw Material Price Volatility** - Raw material price fluctuation and uncertainty of availability / short supply of raw materials can pose a threat to the financial performance. However, contracts typically include provisions to deal with raw material price changes, such that raw material fluctuations are ultimately passed through to customers.

**Foreign Exchange Risks** - ~30% of the Company revenues come from exports while the Company imports raw materials for manufacturing of Aroma Chemicals and thus it is exposed to the risk of fluctuations of foreign exchange rates.

### **INTERNAL CONTROL SYSTEMS AND ITS ADEQUACY:**

The Company has put in place necessary internal control system commensurate with its size and nature of business for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and also ensuring compliance with various laws and rules & regulations thereunder.

The internal control system is designed in such a manner where various risks faced by the Company are identified and assessed. The internal control system provides for well-documented policies, guidelines, authorisations and approval procedures.

Internal Auditors conduct the audit on a regular basis and remedial measures are taken wherever necessary. The Audit Committee of the Board of Directors periodically reviews audit plans, observations and recommendations of the internal auditors as well as of external auditors with reference to significant risk areas, adequacy of internal Controls etc.

### **DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

During the year under review, Company's consolidated total revenue has marginally increased from INR 75,469 lakh in 2018-19 to INR 75,989 Lakh in 2019-20. Profit after tax increased by 51% from INR 5,714 lakh to INR 8,619 lakh.

The aforesaid increase in profitability is mainly due to better sales realization, higher volumes in speciality aroma chemicals, reduction in raw material prices and also operational efficiency brought about through better and optimum utilisation of resources and proper implementation of business policies, plans and strategies.

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

### **HUMAN RESOURCES / INDUSTRIAL RELATIONS:**

Our employees are our greatest asset and we are committed to attract, retain and recognise talent. We believe in providing our employees career growth while boosting a collaborative and fair working environment. We encourage fresh minds and new ideas. The Company constantly facilitates and encourages its employees at all levels to enhance their knowledge and skills and continuously seeks to inculcate within its employees, a strong sense of business ethics and social responsibility.

The industrial relations in manufacturing units of the Company continued to be cordial throughout the year. The Company had arranged seminars and workshops for its work force for their development and to equip them to adapt to the fast-changing environment. In-house training programs are also conducted to enable the workforce to acquire necessary skills and update their knowledge. Necessary training and orientation in this regard is done on a regular basis. Your Company continuously benchmarks HR policies and practices with the best in the industry and carries out necessary improvements to attract and retain talent and build intellectual capital.

The total number of permanent employees in the Company are 653 as on 31st March, 2020.

## 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

Financial year	2020	2019	YoY Change	Reason for Change
Interest Coverage Ratio (times)	9.66	7.63	27 F	Due to reduction in interest cost on account of repayment of loans
Debt Equity Ratio (times)	0.11	0.47	(77) F	Due to decrease in borrowings
Net Profit Margin (% terms)	11.42%	6.63%	72% F	Due to better sales realization, reduction in the raw material prices and reduction in tax rates during the year.

A-Adverse F-Favourable

There were no significant changes in the following key financial ratios:

[Debtors Turnover, Inventory Turnover, Current Ratio, Operating Profit Margin (%)]

### Return On Networth:

The Details of Return on Net Worth at standalone level are as under:

Financial year	2020	2019	Reason for Change
Return on net worth (%) (Profit after tax/Net Worth)	18.71%	12.72%	The company witnessed better demand for specialty aroma chemicals, which resulted in the higher volume and value sales as compared to the last year. Despite reduction in the raw material prices the company was able to hold on to the selling prices which improved the margins. This lead to better sales realization, Strong cash flow generation and improvement in the working capital cycle thereby resulting in increase in Return on Net worth.

## POLLUTION AND ENVIRONMENT CONTROL:

All our plants are designed with appropriate Waste Management Systems and operate in harmony with the surrounding ecosystem. Highest importance is always given by the Company to ensure that the environment remains relatively pollution free. Adequate pollution control facilities are installed at both the plants as per guidelines of pollution control authority and are run as per set norms. For safety, the work force is provided with appropriate safety equipments and necessary training is provided from time to time.

not limited to statement 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.

## CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis that address expectations or projects about the future, including but

**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 48<sup>th</sup> Annual General Meeting of the members of Oriental Aromatics Limited will be held on Tuesday, 15<sup>th</sup> September, 2020 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, 2020, 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 9<sup>th</sup> March, 2020 had declared an Interim Dividend of ₹ 2.5 (i.e 50%) per equity share of face value of ₹ 5/- each for the financial year 2019-20.

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

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

### 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/- (Rupees One lakh forty-five thousand only) per annum, plus applicable taxes and re-imbursment 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, 2021, be and is hereby ratified and confirmed.”

#### 5. Appointment of Mr. Bhadreshkumar A. Pandiya as 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** pursuant to the provisions of Sections 152, 160, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014, including any statutory modification(s) or re-enactment thereof, Mr. Bhadreshkumar A. Pandiya (DIN: 08809906) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 10<sup>th</sup>, August, 2020 and who holds office up to the date of this 48<sup>th</sup> Annual General Meeting of the Company in terms of Section 161 of the Act and who is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Act, including any statutory modification(s) or re-enactment thereof, consent of the members be and is hereby accorded to the appointment of Mr. Bhadreshkumar A. Pandiya (DIN: 08809906) as a Whole-time Director designated as the ‘Executive Director-Operations’ of the Company, for a period of 5 years with effect from 10<sup>th</sup> August, 2020 on the remuneration as may be approved by the Board of Directors subject to a maximum remuneration of ₹ 50,00,000/- (Rupees Fifty lakh only) per annum and on such terms and conditions as set out in the explanatory statement attached hereto.

**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> August, 2020**

#### Registered Office:

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

**NOTES:**

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 08, 2020 and April 13, 2020 (collectively referred as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical attendance of the Members at the AGM venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 48<sup>th</sup> AGM of the Company is being held through VC / OAVM. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice. The deemed venue for the AGM shall be the Registered Office of the Company.
2. 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 Regulations (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting at the AGM will be provided by NSDL. The communication relating to remote e-voting containing details about User ID and Password, instructions and other information relating thereto is given in this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
4. 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 / Authority letter etc. with attested specimen signature of the duly authorized signatories who are authorized to vote, 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 [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com).
5. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on ‘first come first serve’ basis. This will not include large Shareholders (Shareholders holding 2% or more equity shares), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee and also the Auditors etc. who are allowed to attend the AGM without restriction on account of ‘first come first serve’ basis.
6. 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.
7. 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.
8. 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.
9. As per the MCA General Circular 20/2020 dated 05<sup>th</sup> May, 2020, 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- Sharex Dynamic (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 (II) -e-voting instructions i.e. procedure for obtaining the Login credentials for remote e-voting.
10. 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, Sharex Dynamic (India) Pvt. Ltd at [support@sharexindia.com](mailto:support@sharexindia.com) for receiving all communication, including Annual Report, Notices, Circulars, etc. from the Company electronically.
11. In line with the Ministry of Corporate Affairs (MCA) Circular No. 20/2020 dated 05<sup>th</sup> May, 2020, the Notice calling the AGM will be placed 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 (“NSE”) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice will also be 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).

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 Tuesday, 8<sup>th</sup> September, 2020 to Tuesday, 15<sup>th</sup> September, 2020 (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 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 transfer documents and all correspondence relating thereto, should be addressed to RTA at C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400 083 or at their designated email id i.e. [support@shareindia.com](mailto:support@shareindia.com).
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. 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.
18. Members holding shares in physical mode:
  - a) are requested to submit their Permanent Account Number (PAN) and bank account details to the Company/ RTA, if not registered with the Company as mandated by SEBI.
  - b) are advised to register the nomination in respect to their shareholding in the Company. Nomination Form (SH-13) is put on the Company's website [www.orientalaromatics.com](http://www.orientalaromatics.com) and can be accessed at link <http://www.orientalaromatics.com/documents/downloads/sh-13-nomination-form.pdf>
  - c) who are desirous of cancelling/ varying nomination pursuant to the Rule 19(9) of the Companies (Share Capital and Debentures) Rules, 2014, are requested to send their requests in Form No. SH-14, to the RTA of the Company.
  - d) are requested to intimate any change in address or bank mandates to the Company/ RTA.
19. Members holding shares in electronic mode:
  - a) are requested to submit their Permanent Account Number (PAN) and bank account details to their respective Depository Participants (DP) with whom they are maintaining their demat accounts.
  - b) are advised to contact their respective DP's for registering the Nomination.
  - c) are requested to intimate any change in address or bank mandates to their respective DP's
20. Non- Resident Indian members are requested to inform RTA, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
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: <http://iepf.gov.in/IEPFA/refund.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 at the AGM.
26. An interim dividend at the rate of ₹ 2.5 (50%) per equity share of ₹ 5/- each declared by the Board at its meeting held on 9<sup>th</sup> March, 2020 has been paid to all the eligible members as on 20<sup>th</sup> March 2020, 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 2020.

As per the SEBI Listing Regulations and pursuant to SEBI Circular dated 20 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 09<sup>th</sup> March, 2020 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.

However, with respect to the shares held by the shareholders in physical mode, the dividend warrants dated 27<sup>th</sup> March, 2020 could not be dispatched due to lockdown imposed by the government and temporary suspension of postal services as a precautionary measure against the spread of pandemic Novel Coronavirus (COVID 19). In view of the same, on resumption of postal services, dividend warrants dated 10<sup>th</sup> August, 2020 have been re-printed and are being dispatched to the shareholders.

**27. THE INFORMATION AND INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:**

- a) The Company is pleased to provide the facility to the members to exercise their right to vote on resolutions proposed to be passed at AGM by electronic means.
- b) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member/ beneficial owner (in case of electronic shareholding) as on the cut-off date, i.e., Tuesday, 8<sup>th</sup> September, 2020. A person who is not a member as on the cut-off date should treat this Notice for information purposes only.
- c) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Tuesday, 8<sup>th</sup> September, 2020, only shall be entitled to avail the facility of e-voting.

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

- (i) The remote voting period begins on Friday, 11<sup>th</sup> September, 2020 at 09:00 a.m. and ends on Monday, 14<sup>th</sup> September, 2020 at 05:00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, 08<sup>th</sup> September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**(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: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

**DETAILS ON STEP 1 ARE MENTIONED BELOW:**

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
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. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) 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.
  - c) How to retrieve your ‘initial password’?
    - (i) 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’.
    - (ii) If your e-mail id is not registered, please follow the steps mentioned below in **process for those shareholders whose e-mail ids are not registered**
6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**DETAILS ON STEP 2 ARE GIVEN BELOW:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status
  3. Select “EVEN” of company for which you wish to cast your vote
  4. Now you are ready for e-voting as the Voting page opens
  5. 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
  6. Upon confirmation, the message “ Vote cast successfully” will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- (iii) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) to reset the password.
- (iv) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no.: 1800-222-990 or send a request to Mr. Pratik Bhatt at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**II. Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed 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 our RTA at [support@sharexindia.com](mailto:support@sharexindia.com) and to [cs@orientalaromatics.com](mailto:cs@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 RTA at [support@sharexindia.com](mailto:support@sharexindia.com) and to [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com)

**III. Instructions for shareholders 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 the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders 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 [cs@orientalaromatics.com](mailto:cs@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 [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com). These queries will be replied by the company suitably by email.

- (vi) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**IV. Instructions for shareholders for e-voting during the AGM are as under:-**

- (i) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- (ii) Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- (iii) Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (iv) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
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 through electronic means at AGM) in fair and transparent manner.
29. The Scrutinizer, after scrutinizing the votes cast through remote e-voting and through electronic means at the AGM, will not later than three days of the conclusion of the meeting, make a consolidated Scrutiniser's Report and submit the same to the Chairman or the Company Secretary. The results declared along with the consolidated Scrutiniser's Report shall be placed on the website of the Company i.e 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.
30. 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. 15<sup>th</sup> September, 2020.

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

**Kiranpreet Gill  
Company Secretary**

**Place: Mumbai  
Date: 10<sup>th</sup> August, 2020**

**Registered Office:**

133, Jehangir Building  
2<sup>nd</sup> Floor, Mahatma Gandhi Road, Mumbai- 400001.  
CIN: L17299MH1972PLC285731  
E-mail: [cs@orientalaromatics.com](mailto:cs@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/- (Rupees one lakh forty-five thousand only) plus all applicable taxes & re-imbursement of out-of-pocket expenses for the financial year ending 31<sup>st</sup> March, 2021. 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:

Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on 10<sup>th</sup> August 2020, appointed Mr. Bhadreshkumar A. Pandiya as an Additional Director of the Company with effect from 10<sup>th</sup> August 2020 and he holds office upto the date of this 48<sup>th</sup> Annual General Meeting pursuant to the provisions of Section 161 (1) of the Companies Act, 2013. At the same meeting, the Board of Directors appointed Mr. Bhadreshkumar A. Pandiya as a Whole-time Director designated as 'Executive Director- Operations' for a period of 5 years, subject to the approval of the Members.

Mr. Bhadreshkumar A. Pandiya is a Chemical Engineer and he has 24 years of experience in different fields like Specialty Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro- intermediate and Biochemical etc. Mr. Bhadreshkumar A. Pandiya possesses requisite knowledge, experience and skill for the position of director. As required under Regulation 36 of the SEBI Listing Regulations, his brief resume is furnished and forms part of this Notice.

Mr. Bhadreshkumar A. Pandiya has conveyed his consent to act as a Director of the Company and has made the necessary disclosures and declarations. The Company has received a notice in writing from a Member proposing the candidature of Mr. Bhadreshkumar A. Pandiya for the office of Director of the Company.

Mr. Bhadreshkumar A. Pandiya is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and is not debarred from holding the office of Director pursuant to any order issued by the Securities and Exchange Board of India (SEBI). The present terms and conditions of appointment of Mr. Bhadreshkumar A. Pandiya, as approved by the Board of Directors upon recommendation of the Nomination & Remuneration Committee, are as under:

#### 1. Remuneration:

Remuneration of Mr. Bhadreshkumar A. Pandiya 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 ₹ 50,00,000/- (Rupees Fifty Lakh only) per annum as under:

- a) Gross Salary of ₹ 1,50,000/- ₹ 4,00,000/- per month.
- b) Perquisites: Perquisites classified in the Part A & Part B are included in the gross salary as above and perquisites classified in Part C are in addition to salary of Mr. Bhadreshkumar A. Pandiya 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.

**i. 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, in accordance with the practices, rules and regulations in force from time to time.
- 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.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives thereof except Mr. Bhadreshkumar A. Pandiya has any concern or interest financial or otherwise in the resolution at item no. 5 of this notice.

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

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

**Kiranpreet Gill  
Company Secretary**

**Place: Mumbai**

**Date: 10<sup>th</sup> August, 2020**

**Registered Office:**

133, Jehangir Building

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

CIN: L17299MH1972PLC285731

E-mail:cs@orientalaromatics.com

**Details of Directors seeking Appointment/Re-appointment at the 48<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:**

<b>Name of the Director</b>	<b>Mr. Shyamal A. Bodani</b>	<b>Mr. Bhadreshkumar A. Pandiya</b>
DIN	00617950	08809906
Date of Birth & Age	22 <sup>nd</sup> September 1980, 39 years	3 <sup>rd</sup> October, 1973, 46 years
Date of 1 <sup>st</sup> Appointment on the Board	22 <sup>nd</sup> August, 2008	10 <sup>th</sup> August, 2020
Qualification	B.A. (Hons.) International Business Studies, London, U.K	B. Tech (Chemical), Gujarat
Experience (including Expertise in Specific Functional Area)/ Brief Resume	Mr. Shyamal A. Bodani, Executive Director of the Company started his career in the year 2003, currently he undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company. He also looks after the business of manufacturing of fragrances and flavours in India and abroad and has contributed tremendously towards the robust growth of the Company.	Mr. Bhadreshkumar A. Pandiya is having Twenty-four years of rich experience in Chemical Manufacturing industries in Speciality Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro-intermediate and Biochemical etc.  He has expertise in product development, systems improvement, strategic cost control, technical service etc
Terms and Conditions of re-appointment	As per Agreement/Explanatory statement	As per Agreement/Explanatory statement
Directorships held in other listed Companies	NIL	NIL
Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	NIL
Inter-se relationship with other Directors and Key Managerial Personnel	Mr. Dharmil A Bodani- Brother	Not related to any Director/Key Managerial Personnel
Number of shares held in the Company as on 31 <sup>st</sup> March 2020	1,24,80,000 shares	NIL

Note: For Details such as Number of Board Meetings attended during the financial year 2019-20 by the above Directors and remuneration drawn by them, 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> August, 2020**

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

## BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 48<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, 2020 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, 2020 on a Standalone and Consolidated basis, is summarized below:

₹ in lakh

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	2019-2020	2018-2019
Revenue from Operation	75943.01	75,255.35	75,989.45	75,468.57
Other Income	702.36	127.19	737.24	127.25
<b>Profit before exceptional items, depreciation and finance costs</b>	<b>13447.47</b>	<b>11,665.71</b>	<b>13,384.15</b>	<b>11,627.47</b>
Less : Depreciation and amortisation expense	1901.86	1,771.49	1901.86	1,779.71
<b>Profit before finance costs</b>	<b>11545.61</b>	<b>9,894.22</b>	<b>11,482.29</b>	<b>9,847.76</b>
Less: Finance costs	1,195.26	1,297.00	1,192.46	1,298.58
<b>Profit before exceptional items and tax expenses</b>	<b>10,350.35</b>	<b>8,597.22</b>	<b>10,289.83</b>	<b>8,549.18</b>
Less: Exceptional Items	-	1,007.57	-	232.23
<b>Profit before tax</b>	<b>10,350.35</b>	<b>7,589.65</b>	<b>10,289.83</b>	<b>8,316.95</b>
Less : Tax expense	1,674.88	2,601.78	1,670.95	2,602.63
<b>Profit for the year</b>	<b>8,675.47</b>	<b>4,987.87</b>	<b>8,618.88</b>	<b>5,714.32</b>
<b>Attributable to :</b>				
Equity shareholders of the Company	8675.47	4,987.87	8,618.88	5,714.32
Other comprehensive income ('OCI') Income/(Loss)	(74.14)	(46.48)	(74.14)	(46.48)
<b>Total comprehensive income</b>	<b>8,601.33</b>	<b>4,941.39</b>	<b>8,544.74</b>	<b>5,667.84</b>
<b>Balance in retained earnings at the beginning of the year</b>	<b>33,060.70</b>	<b>28,276.01</b>	<b>33,514.21</b>	<b>27,545.19</b>
Add: Profit for the year (attributable to equity shareholders of the Company)	8,675.47	4,987.87	8,618.88	5,714.32
Add: Transfer to Items other comprehensive income	-	-	-	97.88
Less: Dividends including tax on dividend	1,420	203.18	1,420	203.18
<b>Balance in retained earnings at the end of the year</b>	<b>40,316.17</b>	<b>33,060.70</b>	<b>40,353.09</b>	<b>33,154.21</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 ₹ 75,943.01 Lakh as against ₹ 75,255.35 lakh for the previous year, showing a marginal increase of 0.91 %.

The Company earned a Profit after tax of ₹ 8,675.47 Lakh as against ₹ 4,987.87 lakh for the previous year, thereby registering a growth of 74%.

The Company managed to register the aforesaid growth mainly due to better sales realization, higher volumes in speciality aroma chemicals, reduction in raw material prices and also operational efficiency brought about through better and optimum utilization of resources and proper implementation of business policies, plans and strategies. Despite reduction in the raw material prices the company was able to hold on the selling prices which improved the margins.

Due to increase in the profit, the Earning per share (EPS) increased from ₹ 14.82 in the previous year to ₹ 25.78 in the year under review.

The net worth of your Company increased to ₹ 41,616.03 Lakh at the end of the FY 2020 from ₹ 34,434.69 lakh at the end of FY 2019, thereby registering a growth of 20.85%.

Your Company performed well during the year by efficiently managing the resources, which resulted into improved performance and increase in profit and EPS.

**b. Consolidated Performance:**

The consolidated total sales of your Company for the FY 2019-20, stood at ₹ 75,989.45 lakh as against ₹ 75,468.57 lakh, showing a marginal increase of 0.69 %

The Company earned a Consolidated Profit after tax of ₹ 8,618.88 lakh as against ₹ 5,714.32 lakh for the previous year, thereby registering a growth of 50.83 %.

As a result of increase in the consolidated profit, the Earning per share (EPS) also increased from ₹ 16.98 in the previous year to ₹ 25.61 in the year under review.

The Consolidated net worth of your Company increased to ₹ 41,649.53 lakh at the end of the FY 2019-20 from ₹ 34,427.96 lakh at the end of FY 2018-19, thereby registering a growth of 20.97%

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

**c. Business Impact Of COVID-19:**

In the last month of FY 2020, unfortunately the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The Company had suspended operations at all its offices and manufacturing locations in India with effect from 23<sup>rd</sup> March, 2020, to ensure the safety of its employees and their families and to contain the spread of Coronavirus (COVID-19). In view of the same initially the operations faced disruptions at its manufacturing facilities however the Company was able to resume operations soon due to the increasing demand for essential services. The Company resumed operations at all its manufacturing facilities in a phased manner with permission from the local administration to begin work. It put in place comprehensive protocols on social distancing in all its plants ensuring the safety, health and well-being of its employees.

Company's Registered/corporate office at Mumbai has been under lockdown since 23<sup>rd</sup> March, 2020, however, company has set up infrastructure and systems for smooth operations for personnel working from home, with a primary objective of ensuring the health and well-being of its employees. The Company has been proactive to tackle the challenges that have emerged due to the COVID-19 pandemic.

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 and most importantly its entire team that is working tirelessly to make sure that all the businesses stay operational during these difficult times. During the FY 2019-20, the Company evolved to be stronger despite the world being hit by a global pandemic.

The Company's focus on value maximization, supported by optimal use of its manufacturing facilities, its expansion plans and an efficient team would help in navigating any challenges in the current environment and after math of COVID-19 pandemic. Your Directors believe that Company's efforts towards being better every day will drive lasting value for all our stakeholders, and usher in a stronger tomorrow for everyone.

However due to the nature of the pandemic, its uncertain to predict the impact of COVID-19 in the near future.

**3. DIVIDEND:**

Your Directors had based on Company's performance, declared an Interim Dividend of ₹ 2.5/- per share (50%) on the Paid up Equity shares of face value of ₹ 5/- each of the Company amounting to ₹ 8,41,33,940/- (Rupees Eight Crore Forty-One Lakh Thirty-Three Thousand Nine Hundred and Forty only) for the FY 2019-2020 to those members whose names appeared on the Register of Members of the Company on the 20<sup>th</sup> March, 2020, being the Record date for payment of Interim Dividend.

Your Directors after considering various external factors in correlation to impact of unprecedented COVID-19 pandemic as well as internal factors such as the long-term growth strategy of the Company and the liquidity position including working capital requirements, have deemed it prudent not to recommend any final dividend on equity shares for the year ended 31<sup>st</sup> March, 2020.

**4. TRANSFER TO RESERVES:**

Your Directors do not propose to transfer any amount to reserves for the FY ended 31<sup>st</sup> March, 2020.

**5. SHARE CAPITAL:**

**a. Authorized Capital**

The Authorized share capital of the Company as on 31<sup>st</sup> March 2020 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 2020 stood at ₹ 168,267,880/- (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 March 31, 2020 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 2020. 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:**

Following 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:

**Change in Directorate:**

Mr. Animesh Dhar, Executive Director-Operations (DIN: 07905777) of the Company stepped down from the post of directorship on 21<sup>st</sup> July 2020 due to personal reasons. The Board in its meeting held on 10<sup>th</sup> August 2020 took note of the same and placed on record its appreciation for the contributions made by him during his tenure as a director.

Mr. Bhadreshkumar A. Pandiya (DIN: 08809906) was appointed as Additional Director in the Board meeting held on 10<sup>th</sup> August 2020 to hold office upto the date of ensuing 48<sup>th</sup> Annual General Meeting. Directors recommend his appointment, as the Whole Time Director designated as 'Executive director-Operations' of the Company for a period of five years, to the members in the 48<sup>th</sup> Annual General Meeting.

**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 2019-20, it recorded a total loss of ₹ 15.59 lakh due to closing of operations in the Company.

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 2019-20, it recorded a total loss of ₹ 21.24 lakh.

The Company has not yet commenced its operations. The Loss as stated above pertains to preliminary expenses.

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 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:**

No loans or guarantees were given and no securities were provided by the Company, except investments were made in Wholly owned subsidiary (WOS) Company during the year for which Section 186 of the Act 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 2019-20 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. Shyamal A. Bodani (DIN:00617950), Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

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

The Board of Directors at its meeting held on 10<sup>th</sup> August, 2020, upon the recommendation of the Nomination and Remuneration Committee, has appointed Mr. Bhadreshkumar A. Pandiya (DIN: 08809906), as an Additional Director on the Board of the Company. Being eligible and offering himself for appointment the Board of Directors recommends his

appointment as the Whole Time Director designated as 'Executive director-Operations' of the Company for a period of five years with effect from 10<sup>th</sup> August, 2020, to the members in the 48<sup>th</sup> Annual General Meeting.

As required under the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the ensuing General Meeting have been given under Corporate Governance Report and in the Notice of the 48<sup>th</sup> Annual General Meeting.

None of the Directors are disqualified from being appointed as Directors, as specified in Section 164 of the Companies Act, 2013.

**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 six (6) 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. 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 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 Board's 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, the independent directors as well as the working of the committees of the board. Evaluation of all the directors was carried out by chairman of the Nomination and Remuneration committee meeting in consultation with all the members of Nomination and Remuneration committee. 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 performance evaluation of the independent directors was carried out by the entire board excluding the independent 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:**

**Change in Directorate and KMP:**

There was no change in the Composition of Board of Directors during the FY 2019-20.

Mr. Harshvardhan A. Piramal (DIN: 00044972) , Mr. Prakash V Mehta (DIN: 00001366), and Mr. Ranjit A. Puranik (DIN: 00199353) were re-appointed as Independent Directors at the forty-seventh Annual General Meeting (AGM) held on 25<sup>th</sup> September, 2019 to hold office for second term of five consecutive years with effect from 25<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2024.

Further, Mr. Parag Satoskar was appointed as Chief Executive Officer and Key Managerial Personnel with effect from 27<sup>th</sup> May, 2019.

Pursuant to the provisions of Section 203 of the Act, the KMP of the Company as on 31<sup>st</sup> March, 2020 were as follows:

Mr. Dharmil A. Bodani - Chairman and Managing Director

Mr. Shyamal A Bodani -Executive director  
Mr. Animesh Dhar - 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

**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, 2020 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 said Policy. The Company has adopted a strategy for undertaking CSR activities either directly or through Keshavlal V. Bodani Education Foundation, 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.

This year, in addition to making contribution to Keshavlal V.Bodani Education Foundation your Company has also made contribution to IIT Gandhinagar situated at Baroda towards the Promotion of educational facilities as well as to the PM Care Relief Fund as part of its CSR to contain the spread of Coronavirus pandemic.

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 2019-20, the Company has spent the amount of ₹ 120 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.

**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 Nomination and Remuneration Policy was reviewed and revised by the Board on 29<sup>th</sup> June, 2020, to ensure its continued relevance and to make any amendments consequent to changes in applicable law.

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 SEBI Listing Regulations 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/corporategovernance/policies/POLMatSubsidiary.pdf>

**e. RISK MANAGEMENT:**

Pursuant to the requirement of Section 134 of the Companies Act, 2013, the Company has already in place a Risk Management Plan.

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 your Company's competitive advantage.

The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level. The Company has adopted risk management policy.

**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 2019-20. 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 2020-21.

**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 2019-20

The Cost Audit report for the FY 2018-19 was filed with Ministry of Corporate Affairs on 06<sup>th</sup> September, 2019.

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 2020-21 at a remuneration of ₹ 145000/- (Rupees One Lakh Forty-Five Thousand only) 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):**

Since the Company had not declared any dividend for the FY 2011-12, in view of the same, no shares and dividend was transferred during the FY 2019-20 pursuant to section 124(6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**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 manufacture to maximize recovery, conserve water and to minimize effluents and emissions. 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.

**27. LISTING OF SECURITIES:**

Your Directors are pleased to inform that the equity shares of the company got listed and admitted to dealings on the National Stock Exchange of India Ltd (NSE) w.e.f 11<sup>th</sup> of July, 2019. Thus the Equity Shares stand 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 2020, total 3,24,97,848 shares representing 96.57% of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the FY 2020-21 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. EXTRACT OF ANNUAL RETURN:**

Pursuant to the provisions of Section 134(3) (a) of the Companies Act, 2013, Extract of the Annual Return for the FY ended 31<sup>st</sup> March 2020 made under the provisions of Section 92(3) of the act in Form MGT 9 is attached as “Annexure-D” which forms part of this report.

**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- E” to this report.

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

In terms of 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, there were no employees except Mr. Dharmil A. Bodani, Chairman and Managing Director and Mr. Shyamal A. Bodani, Executive Director of the Company, drawing remuneration more than ₹ 1.02 crore per annum or ₹ 8.5 lakh per month during the year under review.

Mr. Dharmil A. Bodani aged 50 years, and Mr. Shyamal A. Bodani aged 39 years are both the promoters and withdraw a remuneration of ₹ 2.01 crore and ₹ 1.09 crore respectively during the year under review. The appointment of Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani is contractual as approved by the Board and members of the Company.

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-F”.

**32. INFORMATION UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

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.

**33. 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 Sharex Dynamic Pvt Ltd (RTA) in case the shares are held by them in physical form. Your Company appeals other Members also to register themselves for receiving Annual Report/documents in electronic form.

**34. 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 employees of the Company for the valuable services rendered and the commitment displayed, as well as to the financial institutions, and business associates, regulatory and governmental authorities for their co-operation, support and guidance.

**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> August, 2020

## 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 2020* (₹ in lakh)	No
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD75.35	INR
Share capital	823.73	600.00
Reserves & surplus	(860.13)	(21.24)
Total assets	57.46	575.36
Total Liabilities	93.86	3.41
Investments	0.00	0.00
Total Income	131.62	0.00
Profit/(Loss) before taxation	(15.59)	(25.16)
Provision for taxation	0.00	(3.93)
Profit/ (Loss) after taxation	(15.59)	(21.24)
Proposed Dividend	0.00	0.00
% of shareholding	99%	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  
Date: 10<sup>th</sup> August, 2020

## ANNUAL REPORT ON (CSR) ACTIVITIES

(₹ in Lakh)

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web- link to the CSR policy and projects and programs.	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. <a href="http://www.orientalaromatics.com">http://www.orientalaromatics.com</a> and the weblink thereto is: <a href="http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf">http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf</a>
The composition of the CSR Committee	1. Mr. Shyamal A. Bodani (Chairman) 2. Mr. Harshvardhan A. Piramal (Member) 3. Ms. Amruda V. Nair (Member)
Average Net Profit of the Company for last three financial years	₹ 5463.87
Prescribed CSR Expenditure (2% of the Average Net Profit as stated above)	₹ 109.28
Amount of CSR Expenditure approved by the Board	₹ 120
Details of CSR spent during the financial year; Total amount spent for the financial year  1. Amount unspent if any 2. Manner in which the amount spent during the financial year	₹ 120 Nil Details given in the below table

(₹ in Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Location where Project is undertaken (Local Area/ District)	Amount outlay (budget)	Amount spent on the projects or programs Sub heads: (1) Direct Expenditure on projects and programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
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)	Mumbai, Maharashtra	120	113.75	113.75	*Keshavlal V. Bodani Education Foundation (Implementing Agency)
2.	Promotion of Education facilities by making contributions to IIT Gandhinagar	Education Schedule VII (ii)	Gujarat		1.25	1.25	Direct
3.	PM CARES Fund	Socio-Economic Development and Relief Schedule VII (viii)			5.00	5.00	
	<b>TOTAL</b>			<b>120</b>	<b>120.00</b>	<b>120.00</b>	

## Annual Report 2019-20

### Details of Implementing Agency:

\***Keshavlal V. Bodani Education Foundation**, Mumbai, is registered under section 25 of the Companies Act, 1956 (Section 8 Company under Companies Act 2013). Keshavlal V. Bodani Education Foundation is situated at Jehangir Building, 2nd Floor, 133, M. G. Road, Fort, Mumbai 400001.

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

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**

**Date: 10<sup>th</sup> August, 2020**

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2020

*[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 including by electronic mode due to prevailing situation of lockdown 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, 2020 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, 2020 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;
  - 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

## Annual Report 2019-20

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. The following changes that took place in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act;

- (a) Re-appointment of Mr. Animesh Dhar, Whole-Time Director, at 47<sup>th</sup> Annual General Meeting (AGM) held on 25.09.2019 as Director liable to retire by rotation;
- (b) Re-appointment of Mr. Harshvardhan A. Piramal, as an Independent Director to hold office for second term of five consecutive years i.e. from 25<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2024, at AGM held on 25.09.2019;
- (c) Re-appointment of Mr. Prakash V. Mehta, as an Independent Director to hold office for second term of five consecutive years i.e. from 25<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2024 as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age, at AGM held on 25.09.2019;
- (d) Re-appointment of Mr. Ranjit A. Puranik, as an Independent Director to hold office for second term of five consecutive years i.e. from 25<sup>th</sup> September, 2019 to 24<sup>th</sup> September, 2024, at AGM held on 25.09.2019;

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All 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.

**We further report that** during the audit period the Company has;

- a) Incorporated a Wholly owned subsidiary, with the name and style of "Oriental Aromatics & Sons Limited" on 27<sup>th</sup> December, 2019 and approve investments of Rs.6 Crores;
- b) Obtained Shareholder's approval by way of Special Resolution under section 180(1) (a) of the Act at AGM held on 25<sup>th</sup> September, 2019, to authorise the Board of Directors to create charge / mortgage on assets or / and undertakings of Company upto an amount as approved under Section 180(1)(c) of the Act.
- c) Listed its Equity Shares on the National Stock Exchange Limited (NSE) and trading in its Equity Shares on NSE is effective from 11<sup>th</sup> July, 2019;

**For Shreyans Jain & Co.  
Company Secretaries**

**Place: Mumbai  
Date: 27.06.2020**

**Shreyans Jain  
(Proprietor)  
FCS No. 8519  
C.P. No. 9801  
UDIN: F008519B000390780**

**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: to the Secretarial Audit Report for the year 31<sup>st</sup> March, 2020

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.
2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management from time to time and in electronic form due to outbreak of Covid-19 and countrywide lockdown are adequate and appropriate for us to provide a basis for our opinion.
4. Where ever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Shreyans Jain & Co.**

**Shreyans Jain**  
FCS No. - 8519  
CP. No. - 9801

**Place: Mumbai**  
**Date: 27.06.2020**

**FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

as on financial year ended 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of  
The Companies (Management and Administration) Rules, 2014]**I. REGISTRATION AND OTHER DETAILS:**

CIN:	L17299MH1972PLC285731
Registration Date:	7 <sup>th</sup> April, 1972
Name of the Company:	Oriental Aromatics Ltd.
Category / Sub-Category of the Company	Public Company Limited by Shares
Address of the Registered office and contact details:	133 Jehangir Building, 2 <sup>nd</sup> Floor, Mahatma Gandhi Road, Mumbai- 400001 Tel: 91 22 43214000 Fax: 91 22 43214099 Email id: cs@orientalaromatics.com Website: www.orientalaromatics.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt Ltd. C 101, 247 Park, L.B.S Marg, Vikhroli West, Mumbai-400083 Tel No: +91 22 28515644/5606 Fax: +91 22 28512885 E-mail ID: support@sharexindia.com Website: www.sharexindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: (All the activities contributing 10% or more of the total turnover of the Company)**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Perfumery Chemicals	20118	53.47%
b.	Camphor & Isoborneol	20118	29.45%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
a	PT Oriental Aromatics Satrio Tower 24 <sup>th</sup> Floor, JL. Prof Dr Satrio, Block C4, Jakarta selatan 12950 Indonesia	N.A.	Subsidiary Company	99%	2(87)
b	Oriental Aromatics & Sons Limited 133, Jehangir Building, 2 <sup>nd</sup> Floor Mahatma Gandhi Road, Fort, Mumbai-400001.	U24110MH2019PLC335124	Wholly- Owned Subsidiary Company	100%	2(87)

**IV. SHARE HOLDING PATTERN**

**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
<b>(1). INDIAN</b>									
(a) Individual	24960000	0	24960000	74.167	24960000	0	24960000	74.167	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>24960000</b>	<b>0</b>	<b>24960000</b>	<b>74.167</b>	<b>24960000</b>	<b>0</b>	<b>24960000</b>	<b>74.167</b>	<b>0</b>
<b>(2).FOREIGN</b>									
(a) Individual (NRIs / Foreign individuals)	0	0	0	0	0	0	0	0	0
(b)Bodies Corporates	0	0	0	0	0	0	0	0	0
(c) Institutions	0	0	0	0	0	0	0	0	0
(d)Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>	<b>24960000</b>	<b>0</b>	<b>24960000</b>	<b>74.167</b>	<b>24960000</b>	<b>0</b>	<b>24960000</b>	<b>74.167</b>	<b>0</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>1. INSTITUTIONS</b>									
(a) Mutual Funds	0	0	0	0.000	0	0	0	0	0.000
(b) Banks / Financial Institutions	628	0	628	0.002	628	0	628	0.002	0.000
(c) Central Government	0	0	0	0	0	0	0	0	0
(d) State Government(s)	0	0	0	0	0	0	0	0	0
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
(h)Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i)Alternate Inv. Fund	76436	0	76436	0.227	76436	0	76436	0.227	0
(j) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>77064</b>	<b>0</b>	<b>77064</b>	<b>0.229</b>	<b>77064</b>	<b>0</b>	<b>77064</b>	<b>0.229</b>	<b>0.000</b>
<b>2.CENTRAL GOVERNMENT/STATE GOVERNMENT(S)/ PRESIDENT OF INDIA</b>									

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1 <sup>st</sup> April 2019)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>Central Government/ State Government(s)/ President of India</b>	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0
<b>3. NON-INSTITUTIONS</b>									
<b>(a) Bodies Corporate</b>									
Indian	242062	0	242062	0.719	228418	0	228418	0.679	-0.040
Overseas	0	0	0	0	0	0	0	0	0
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4436245	1312740	5748985	17.082	4627418	1155728	5783146	17.184	0.102
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1160623	62160	1222783	3.633	1212431	0	1212431	3.603	-0.031
<b>(c) Others (specify)</b>									
Non Resident Indians	157715	0	157715	0.469	159836	0	159836	0.475	0.006
NBFCs registred with RBI	652	0	652	0.002	752	0	752	0	0
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	60	0	60	0	60	0	60	0	0
Clearing Members	15586	0	15586	0.046	10143	0	10143	0.030	-0.016
IEPF	627620	0	627620	1.865	623616	0	623616	1.853	-0.012
Trusts	160832	0	160832	0.478	160832	0	160832	0.478	0.000
HUF	440217	0	440217	1.308	437278	0	437278	1.299	-0.009
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(3):-</b>	<b>7241612</b>	<b>1374900</b>	<b>8616512</b>	<b>25.603</b>	<b>7460784</b>	<b>1155728</b>	<b>8616512</b>	<b>25.601</b>	<b>0.030</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)+ (B)(3)</b>	<b>7318676</b>	<b>1374900</b>	<b>8693576</b>	<b>25.832</b>	<b>7537848</b>	<b>1155728</b>	<b>8693576</b>	<b>25.830</b>	<b>-0.002</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>32278676</b>	<b>1374900</b>	<b>33653576</b>	<b>100.00</b>	<b>32497848</b>	<b>1155728</b>	<b>33653576</b>	<b>100.00</b>	<b>0</b>

**(ii) Shareholding of promoters**

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April 2019)			Shareholding at the end of the Year (As on 31 <sup>st</sup> March 2020)			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	Dharmil Anil Bodani	12478752	37.080	0	12478752	37.080	0	0
2	Shyamal Anil Bodani	12480000	37.084	0	12480000	37.084	0	0
3	Veer Dharmil Bodani	624	0.002	0	624	0.002	0	0
4	Yuvraj Dharmil Bodani	624	0.002	0	624	0.002	0	0

**(iii) Change in Promoter and Promoter Group's Shareholding**

During the Financial year (FY) 2019-2020 there was no change in promoter and promoter group's shareholding.

**(iv) Shareholding pattern of top ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):**

Sr. No	Name	Shareholding at the beginning of the Year (01.04.2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning of the Year (01.04.2019)	% of the Shares of the company				No. of shares	% of total Shares of the company
1	Investor Education and Protection Fund Authority	627620	1.865	01-04-2019				
				02-08-2019	96	Transfer	627524	1.864
				30-08-2019	460	Transfer	627064	1.863
				20-09-2019	444	Transfer	626620	1.862
				30-09-2019	560	Transfer	626060	1.860
				11-10-2019	252	Transfer	625808	1.860
				25-10-2019	588	Transfer	625220	1.858
				08-11-2019	240	Transfer	624980	1.857
				29-11-2019	240	Transfer	624740	1.856
				27-12-2019	24	Transfer	624716	1.856
				31-01-2020	120	Transfer	624596	1.856
14-02-2020	600	Transfer	623996	1.854				
13-03-2020	352	Transfer	623644	1.853				
20-03-2020	28	Transfer	623616	1.853				
	Closing Balance			<b>31-03-2020</b>			<b>623616</b>	<b>1.853</b>
2	Girish Gulati (HUF)	98440	0.293	01-04-2019				
				17-02-2020	508	Purchase	98948	0.294
				24-01-2020	4998	Purchase	103946	0.309
				27-03-2020	520	Purchase	104466	0.310
	Closing Balance			<b>31-03-2020</b>			<b>104466</b>	<b>0.310</b>
3	Jyotsna Harish Soonderji	98944	0.294	01-04-2019				
				Closing Balance			<b>31-03-2020</b>	
4	Chakor Navinchandra Shah	97224	0.289	01-04-2019				
				11-10-2019	650	Purchase		
				Closing Balance			<b>31-03-2020</b>	
5	Aventus Phoenix Fund	76436	0.227	01-04-2019				
				Closing Balance			<b>31-03-2020</b>	
6	Niranjana Himanshu Bhatt	0	0	01-04-2019				
				23-08-2019	70960		70960	
				Closing Balance			<b>31-03-2020</b>	
7	Revati Anupam Bhat	70400	0.209	01-04-2019				
				Closing Balance			<b>31-03-2020</b>	
8	Jagat Lodha	69200	0.206	01-04-2019				
				Closing Balance			<b>31-03-2020</b>	
9	Mangesh Mohan Hirve	54968	0.163	01-04-2019				
				21-06-2019	14000	Purchase	68968	0.205
				Closing Balance			<b>31-03-2020</b>	
10	Varsha Bhavesh Shah	65996	0.196	01-04-2019				
				Closing Balance			<b>31-03-2020</b>	

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year (01.04.2019)		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares at the beginning/ end of the Year	% of the Shares of the company				No. of shares	% of total Shares of the company
1	Mr. Dharmil A. Bodani (Chairman & Managing Director)	12478752	37.080	01-04-2019				
	Closing Balance			31-03-2020	-	-	12478752	37.08
2	Mr. Shyamal A. Bodani (Executive Director)	12480000	37.084	01-04-2019				
	Closing Balance			31-03-2020	-	-	12480000	37.084
3	Mr. Animesh Dhar (Executive Director-Operations)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
4	Mr. Satish K. Ray (Executive Director-Operations)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
5	Mr. Harshvardhan A. Piramal (Non-Executive Director)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
6	Mr. Prakash V. Mehta (Non-Executive Director)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
7	Mr. Ranjit A. Puranik (Non-Executive Director)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
8	Ms. Amruda V. Nair (Non-Executive Director)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
9	Mr. Parag K. Satoskar (Chief Executive Officer)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
10	Mr. Girish Khandelwal (Chief Financial Officer)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-
11	Ms. Kiranpreet Gill (Company Secretary & Compliance Officer)	-	-	01-04-2019				
	Closing Balance			31-03-2020	-	-	-	-

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for the payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	18,341.35	0.00	0.00	18,341.35
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	53.44	0.00	0.00	53.44
<b>Total (i+ii+iii)</b>	<b>18,394.79</b>	<b>0.00</b>	<b>0.00</b>	<b>18,394.79</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	0.00	0.00	0.00	0.00
Reduction	13,286.29	0.00	0.00	13,286.29
Net Change	13,286.29	0.00	0.00	13,286.29
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	5,075.77	0.00	0.00	5,075.77
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	32.73	0.00	0.00	32.73
<b>Total (i+ii+iii)</b>	<b>5,108.50</b>	<b>0.00</b>	<b>0.00</b>	<b>5,108.50</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr. Dharmil A. Bodani	Mr. Shyamal A. Bodani	Mr. Animesh Dhar	Mr. Satish Kumar Ray	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	172.50	109.08	33.46	21.00	336.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	29.30	-	-	-	29.30
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>201.80</b>	<b>109.08</b>	<b>33.46</b>	<b>21.00</b>	<b>365.340</b>
	<b>Ceiling as per the Act</b>					<b>1027.620</b>

**B. Remuneration to other directors:**

(₹ in Lakh)

Sr. No.	Particulars of Remuneration	Name of Directors Manager				Total Amount
		Mr. Harshvardhan A. Piramal	Mr. Prakash V. Mehta	Mr. Ranjit A. Puranik	Ms. Amruda V. Nair	
<b>1</b>	<b>Independent Directors</b>					
	• Fee for attending board / committee meetings	6.20	5.80	6.20	3.00	21.20
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>6.20</b>	<b>5.80</b>	<b>6.20</b>	<b>3.00</b>	<b>21.20</b>
<b>2</b>	<b>Other Non-Executive Directors</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>-</b>
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>6.20</b>	<b>5.80</b>	<b>6.20</b>	<b>3.00</b>	<b>21.20</b>

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

(₹ in Lakh)

Sr No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO - Mr. Parag K. Satoskar	Company Secretary - Ms. Kiranpreet Gill	CFO - Mr. Girish Khandelwal	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.90	12.66	31.17	68.73
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
	Others, please specify	-	-	-	-
	<b>Total</b>	<b>24.90</b>	<b>12.66</b>	<b>31.17</b>	<b>68.73</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no Penalties/Punishment/Compounding of Offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other officers in default, during the year ended 31<sup>st</sup> March 2020.

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> August, 2020

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

## A. CONSERVATION OF ENERGY:

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

Your Company has been making continuous efforts to conserve energy and upgrade technology to optimize the energy cost. It has always been conscious of the need for conservation of energy and natural resources and considers it as a focus area. Energy efficiency improvement initiatives have been implemented across all the Plants 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:

- R&D team is constantly working to modify process and decrease batch time cycle to reduce energy consumption.
- Installation of 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.
- Efficient control and streamlining of the manufacturing process.
- Close monitoring of lighting system by providing dedicated team to avoid unwanted lighting Power

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

- Old 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 equipments: Nil

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

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

#### 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.
- R& D Centre is recognized by Department of Science and Industry Research (DSIR), Government of India.
- It has well equipped bench scale laboratories to carry out various organic reactions
- It has the facility to carry out high pressure reactions and has various lab scale fractionating columns for separation
- 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 specialty chemicals catering to diverse industries such as soaps and detergents, cosmetics, flavours and fragrances, paints and varnishes, rubber and tyre, pharmaceuticals and many more.

#### R&D Mumbai:

- In 2016, your company has also set Centre for Innovation, state-of-the-art R&D facility in Mumbai equipped with the infrastructure required 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 GC-MS, 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

## Annual Report 2019-20

- It has well equipped bench scale laboratories to carry out various organic reactions like Aldol condensation, Oxidation, Reduction, hydrogenation, hydration, 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 GLC, GCMS and other instrument to support the research work. Your company has fully equipped pilot plant at Vadodara unit along with utilities to scale up the processes

### ii. Specific areas in which R & D carried out by the Company during the financial year 2019-20

The focused areas of the Company's R&D effort during 2019-20 include:

- Our R&D Centre has developed number of molecules of Aroma Chemicals and scaled them up into commercialization. Further, R&D Centre has developed new encapsulation technology in perfume delivery system and has done new product development in personal and home care products.
- Further, R & D centre, Mumbai continued to focus on:
  - improvement of yields of existing and new products by new technologies
  - reducing costs by optimization of reaction parameters, reaction reengineering and implementing cost effective routes of synthesis on continuous basis,
  - Reduction of effluent costs by working on the ETP and using green chemistry.

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 for improvement in new developed process and reduce cost, utility, batch time cycle and energy consumption.
- Based on R&D, new manufacturing facility for continuous process for alpha Campholenic aldehyde is installed. This is key raw materials for sandal products.
- Process optimization done in-terms of yield for Rose nitrile product and successfully implemented on plant.
- New multipurpose plant has been installed which can manufacture a wide range of speciality aroma chemicals.
- We have increased the capacity of our current Sandal alcohol plant .
- R & D will enable your Company to innovate ahead of the market and competition offer products of superior value which will result in profitable growth.

### 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 ₹ 685.28 Lakh (Previous year ₹ 587.33 Lakh) of which ₹ 66.34 Lakh (previous year ₹ 44.06 Lakh) is towards capital expenditure and ₹ 618.94 Lakh (previous year ₹ 543.27 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	21,814.24
Outgo of Foreign Exchange	28,040.51

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> August, 2020

**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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2019-20:

Sr. No.	Name of Director/KMP	Designation	% increase in Remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director/to median remuneration of employees
1.	Mr. Dharmil A. Bodani	Chairman and Managing Director	25%	61.36
2.	Mr. Shyamal A. Bodani	Executive Director	20%	33.05
3.	Mr. Animesh Dhar	Executive Director - Operations	27%	10.31
4.	Mr Satish Kumar Ray	Executive Director - Operations	25%	6.46
5.	*Mr Parag K Satoskar	Chief Executive Officer	NIL	Not Applicable
6.	Mr. Girish Khandelwal	Chief Financial Officer	20%	Not Applicable
7.	Ms. Kiranpreet Gill	Company Secretary	15%	Not Applicable

\*Mr. Parag Satoskar was appointed as Chief Executive Officer (KMP) with effect from 27<sup>th</sup> May, 2019

- ii) The median remuneration of employees of the Company during the financial year was ₹ 3.30 Lakh.
- iii) In the financial year, there was an increase of 4.22% in the median remuneration of employees;
- iv) There were 612 and 653 permanent employees including directors on the rolls of Company as on 31<sup>st</sup> March 2019 and 31<sup>st</sup> March, 2020 respectively.
- v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 7.55% whereas the percentile increase in the managerial remuneration for the same financial year was 31%.

Note: While calculating the percentile increase in the managerial remuneration, the remuneration of Mr. Parag Satoskar has also been considered.

- 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 (50 years)	Chairman and Managing Director	201.80	<b>Qualification:</b> B.COM <b>Experience:</b> Mr. Dharmil A. Bodani has over three decade 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

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
2.	Shyamal A. Bodani (39 years)	Executive Director	109.08	<p><b>Qualification:</b> B.A. (Hons.) International B. Tech (Chemical Tech) Business Studies, London, U.K</p> <p><b>Experience:</b> Mr. Shyamal A. Bodani, Executive Director of the Company has over 16 years of experience.</p> <p>He undertakes local as well as overseas marketing sales and export promotion etc. and is actively involved in financial activities of the Company</p>	22.08.2008	Erstwhile Oriental Aromatics Limited	37.08%  <b>Relationship with other Director:</b> Brother of Mr. Dharmil A. Bodani

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

**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> August, 2020

# Corporate Governance Report

The Board of Directors present the Company's report on Corporate Governance for the Financial Year (FY) 2019-20 as hereunder, pursuant to the requirements 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, 1/3rd of Directors as are liable to retire by rotation, if eligible, generally offer themselves for re-election, in accordance with the provisions of Companies Act, 2013. Independent Directors are not liable to retire by rotation. The Executive Directors on the Board serve in accordance with the terms of their contracts of service with the Company.

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

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

As on 31<sup>st</sup> March 2020, 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 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, 2020 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 2019-20		*Other Directorships in Indian Companies as on 31.03.2020	**Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2020	
			Board Meetings	47 <sup>th</sup> AGM held on 25 <sup>th</sup> September, 2019		Memberships	Chairmanships
Mr. Dharmil A. Bodani (DIN:00618333)	Promoter/ Executive Director	Chairman and Managing Director	6	Yes	2	3	0
Mr. Shyamal A. Bodani (DIN:00617950)	Director	Executive Director	5	No	1	0	0
Mr. Animesh Dhar (DIN:07905777)	Executive Director	Executive Director-Operations	2	No	0	0	0
Mr. Satish Kumar Ray (DIN:07904910)		Executive Director-Operations	3	Yes	0	0	0
Mr. Harshvardhan A. Piramal (DIN:00044972)	Non-Executive Independent Director	Director	6	Yes	3	5	2
Mr. Prakash V. Mehta (DIN:00001366)		Director	6	No	6	9	3
Mr. Ranjit A. Puranik (DIN:00199353)		Director	6	Yes	1	3	1
Ms. Amruda V. Nair (DIN:06716791)		Director	3	No	1	1	0

- a. \*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.
- b. \*\*Committees considered are Audit Committee and Stakeholder Relationship Committee, including committees of Oriental Aromatics Limited, Committee memberships also include the Chairmanships.
- c. Mr. Dharmil A. Bodani and Mr. Shyamal A. Bodani are brothers. None of the other directors are related to each other.
- d. 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.
- e. Details of Directors(s) retiring or being re-appointed are given in Notice to Annual General Meeting

#### Change in Directorate:

Mr. Animesh Dhar (DIN: 07905777) Executive Director-Operations of the Company stepped down from the post of directorship on 21<sup>st</sup> July, 2020 due to personal reasons. The Board in its meeting held on 10<sup>th</sup> August, 2020 took note of the same and placed on record its appreciation for the contributions made by him during his tenure as a director.

Mr. Bhadreshkumar A. Pandiya (DIN: 08809906) was appointed as Additional Director in the Board meeting held on 10<sup>th</sup> August, 2020 to hold office upto the date of ensuing 48<sup>th</sup> Annual General Meeting. Directors recommend his appointment, as the Whole Time Director designated as 'Executive Director-Operations' of the Company for a period of five years, to the members in the 48<sup>th</sup> Annual General Meeting.

#### 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. Animesh Dhar	NIL	-
4	Mr. Satish Kumar Ray	NIL	-
5	Mr. Harshvardhan A. Pirmal	Morarjee Textiles Limited	Promoter/Executive Director
		Integra Garments and Textiles Limited	Promoter/ Non-Executive /Non Independent
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	NIL	-
9	Mr. Bhadreshkumar A. Pandiya	NIL	-

#### 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. Animesh Dhar	Product Development, System improvement, Strategic Cost control, Engineering and Technical skills
Mr. Satish Kumar Ray	Policy Formulation, Advisory, Planning, and Executive Task related to HR, Commercial, Purchase, Store, Sales, Supply Chain, Tax related matters etc.

Mr. Harshvardhan A. Piramal	Entrepreneur, Business Development, Finance and Accounting, Technical, Administration and Advisory skills
Mr. Ranjit A. Puranik	Entrepreneur, Business Management, Financial, Technical, Marketing and Advisory skills
Mr. Prakash V. Mehta	Legal, Advocacy skills, Expertise in Joint Ventures & Foreign Collaborations and various Corporate Laws
Ms. Amruda V. Nair	Designing and Brand Programming, Business development, Finance and Accounting, Administration and Advisory skills
**Mr. Bhadreshkumar A. Pandiya	Product Development, System improvement, Strategic Cost control, Engineering and Technical skills.

**Notes:**

\*Mr. Animesh Dhar ceased to be Director as on 21<sup>st</sup> July, 2020

\*\*Mr. Bhadreshkumar A. Pandiya, was appointed as an Additional Director to hold office upto the date of ensuing 48<sup>th</sup> Annual General Meeting. The Board recommends his appointment as Executive Director-Operations to the Shareholders in the 48<sup>th</sup> Annual General Meeting.

**2.5 Board Meetings:**

During Financial year 2019-20, six Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on 27<sup>th</sup> May, 2019, 09<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019, 29<sup>th</sup> November, 2019, 05<sup>th</sup> February, 2020 and 09<sup>th</sup> March, 2020.

**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 2019-20, 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 09.05.2018, from the directors who have been classified as Independent Directors as on 31.03.2020. 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 05<sup>th</sup> February, 2020, inter alia to discuss:

- i. Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- ii. Evaluation of the performance of the Chairperson of the Company, taking into account the views of the Executive and Non-Executive Directors.
- iii. 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 <http://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/familiarization-program.pdf>

Details of Familiarization Programme imparted to independent directors during the FY 2019-20 are as below:

**Date on which Familiarization programme was held:** 05.02.2020

**Areas covered:** Business Strategy, Financial Performance and challenges being faced by the Company amid COVID-19 situation.

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 2019-20 (during the year and on a cumulative basis till date)
1.	Mr. Prakash V. Mehta	1	1
2.	Mr. Harshvardhan A. Piramal	1	1
3.	Mr. Ranjit A. Puranik	1	1
4.	Ms. Amruda V. Nair	1	1

**2.7 Shareholding of Directors:**

The details of shares held by Directors as on 31<sup>st</sup> March, 2020 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, 2020.

**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, 2020. 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, 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, and a Corporate Social Responsibility 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. To review the financial statements before submission to the board for approval;
- ii. To review the Internal and Statutory Auditor’s report;
- iii. To review the weaknesses in internal controls, if any, reported by Internal and Statutory Auditors etc.
- iv. Recommending the appointment, remuneration and terms of appointment of Statutory Auditors including Cost Auditors of the Company;
- v. Scrutiny of inter-corporate loans and investments, etc.;
- vi. To approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

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 27<sup>th</sup> May, 2019, 09<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 05<sup>th</sup> February, 2020. Necessary quorum was present at the meetings. The details of the attendance of Committee Members at the aforesaid meetings are as follows:

Name of Director	Category	No of Audit Committee Meetings Attended out of 4 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	4
Mr. Prakash V. Mehta	Non-Executive Independent Director	4
Mr. Ranjit A. Puranik	Non-Executive Independent Director	4
Ms. Amruda V. Nair	Non-Executive Independent Director	2
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:

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board, policy relating to the remuneration of the Directors, key managerial personnel and other employees;
- ii. To formulate the criteria for evaluation of performance of Independent Directors and the Board;
- iii. To devise a policy on Board diversity;
- iv. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every director’s performance.
- v. 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 two times i.e on 27<sup>th</sup> May, 2019, and 09<sup>th</sup> August, 2019. 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 Committee Meetings Attended out of 2 held
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	2
Mr. Prakash V. Mehta	Non-Executive Independent Director	2
Mr. Ranjit A. Puranik	Non-Executive Independent Director	2

#### 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 2019-20 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 2019-20 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	172.50	29.30	201.80	5 years (till 21.08.2023)
Mr. Shyamal A. Bodani	Executive Director	109.08	-	109.08	5 years (till 21.08.2023)
Mr. Animesh Dhar	Executive Director-Operations	33.46	-	33.46	5 years (till 15.08.2022)
Mr. Satish Kumar Ray	Executive Director-Operations	21.00	-	21.00	5 years (till 15.08.2022)

**Note:**

The remuneration structure comprises of salary, perquisites, allowances and contribution to provident fund, and commission, if any and excludes gratuity.

**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, 2020 is as under:

Name of Directors	Sitting Fees (₹ in Lakh)
Mr. Harshvardhan A. Piramal	6.20
Mr. Prakash V. Mehta	5.80
Mr. Ranjit A. Puranik	6.20
Ms. Amruda Nair	3.00
<b>TOTAL</b>	<b>21.20</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 Independent Directors as well as the working of the Committees of the Board pursuant to the provisions of the Companies Act, 2013 and Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017.

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 performance evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated in its Board Meeting held on 05<sup>th</sup> February, 2020 and the Nomination and Remuneration committee in its meeting held on 29<sup>th</sup> June, 2020 carried out the evaluation of every Director's performance.

In the separate meeting of Independent Directors held on 05<sup>th</sup> February, 2020, 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:**

The Stakeholders Relationship Committee reviews and ensures the existence of a 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.

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 four times on 27<sup>th</sup> May, 2019, 09<sup>th</sup> August, 2019, 11<sup>th</sup> November, 2019 and 05<sup>th</sup> February, 2020. 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 Committee Meetings attended out of 4
Mr. Harshvardhan A. Piramal	Non-Executive Independent Director	4
Mr. Ranjit A. Puranik	Non-Executive Independent Director	4
Mr. Dharmil A. Bodani	Executive Director	4

**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 one investor complaint pending at the beginning of the year and had received 91 complaints during the year. All the 92 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	01
Number of Investor Complaints received during the year	91
Number of Investor Complaints resolved during the year	92
Number of pending Investor Complaints	0

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

**3.4 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 one time on 09<sup>th</sup> August, 2019. Necessary quorum was present at the meeting. Mr. Harshvardhan A. Piramal and Mr. Shyamal A. Bodani attended the meeting.

#### 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
45 <sup>th</sup> AGM (2017)	Monday, 25.09.2017 At 10:00 A.M.	At Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6 <sup>th</sup> Floor, 12K, Dubhash Marg, Kala Ghoda, Fort, Mumbai- 400001.	Adoption of Articles of Association as per the provisions of Companies Act 2013
46 <sup>th</sup> AGM (2018)	Monday, 24.09.2018 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 Ms. Amruda V. Nair as an Independent Director 2. Confirmation of appointment of Mr. Prakash V. Mehta as an Independent Director
47 <sup>th</sup> AGM (2019)	Wednesday, 25.09.2019 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.

#### 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 2019- 2020.

#### 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 [www.listing.bseindia.com](http://www.listing.bseindia.com) and NSE online portal, viz. [www.connect2nse.com](http://www.connect2nse.com) 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 (MD&A) 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.

## 6. GENERAL SHAREHOLDER INFORMATION:

a.	48 <sup>th</sup> Annual General Meeting	: <b>Day, Date, Time and Venue</b> Tuesday, 15 <sup>th</sup> September, 2020 The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 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.	Tentative Financial Calendar Financial Year	: <b>1<sup>st</sup> April 2020 – 31<sup>st</sup> March 2021</b>															
	Approval of Quarterly results for the quarter ending:																
	June, 2020	: 1 <sup>st</sup> / 2 <sup>nd</sup> Week of August, 2020															
	September, 2020	: 1 <sup>st</sup> / 2 <sup>nd</sup> Week of November, 2020															
	December, 2020	: 1 <sup>st</sup> / 2 <sup>nd</sup> Week of February, 2021															
	March, 2021	: 3 <sup>rd</sup> / 4 <sup>th</sup> Week of May, 2021 Note: The above dates are indicative.															
c.	Date of Book closure / Record date	: 08 <sup>th</sup> September, 2020 to 15 <sup>th</sup> September, 2020 (both days inclusive.)															
d.	Dividend payment date	: Final Dividend for the Financial Year 2019-2020 has not been recommended by the Board of Directors of your Company.															
e.	Listed on	: <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 2020-2021.															
f.	Stock/Scrip Code/Symbol on BSE/NSE	: BSE: Scrip Code: 500078 NSE: SYMBOL: OAL															
g.	ISIN	: INE959C01023															
h.	Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)	: L17299MH1972PLC285731															
i.	Registrar and Transfer Agents	: <b>For Physical &amp; Demat</b> M/s Sharex Dynamic (India) Pvt. Ltd. <b>Corporate Office:</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 <b>Tel:</b> 022-2851 5606/ 5644/ 6338. <b>Fax:</b> 022-28512885 Website: <a href="http://www.sharexindia.com">www.sharexindia.com</a> <b>Email :</b> support@sharexindia.com															
j.	Dematerialization of shares	: Out of 3,36,53,576 shares, 3,24,97,848 Shares equivalent to 96.57 % of the paid up capital of the Company have been dematerialised till 31 <sup>st</sup> March, 2020. The details are as under <table border="1" data-bbox="762 1466 1437 1638"> <thead> <tr> <th></th> <th>No of shares</th> <th>% of Share Capital</th> </tr> </thead> <tbody> <tr> <td>CDSL</td> <td>32,13,341</td> <td>9.55 %</td> </tr> <tr> <td>NSDL</td> <td>2,92,84,507</td> <td>87.02%</td> </tr> <tr> <td>Physical</td> <td>11,55,728</td> <td>3.43%</td> </tr> <tr> <td><b>Total</b></td> <td><b>3,36,53,576</b></td> <td><b>100%</b></td> </tr> </tbody> </table>		No of shares	% of Share Capital	CDSL	32,13,341	9.55 %	NSDL	2,92,84,507	87.02%	Physical	11,55,728	3.43%	<b>Total</b>	<b>3,36,53,576</b>	<b>100%</b>
	No of shares	% of Share Capital															
CDSL	32,13,341	9.55 %															
NSDL	2,92,84,507	87.02%															
Physical	11,55,728	3.43%															
<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 2019-2020, 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. 40 to the Annual Accounts.															

<b>m. Plant Location</b>	<ul style="list-style-type: none"> <li>i. Plot No. M-5, MIDC, Additional Ambarnath Ind Area, Village - Jambhivli, Ambarnath (E), Dist.- Thane 421 506, India.</li> <li>ii. P.O. Clutterbuckganj, Bareilly (U.P.) 243502, India.</li> <li>iii. Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391 340, India.</li> </ul>
<b>n. Address for correspondence</b>	: <b>Registered Office:</b> 133, Jehangir Building, 2 <sup>nd</sup> Floor, Mahatma Gandhi Road, Fort, Mumbai- 400 001.
<b>o. Compliance Officer</b>	: Ms. Kiranpreet Gill, Company Secretary & Compliance Officer <b>Tel:</b> +91 22 43214000/4064 <b>Email:</b> 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:

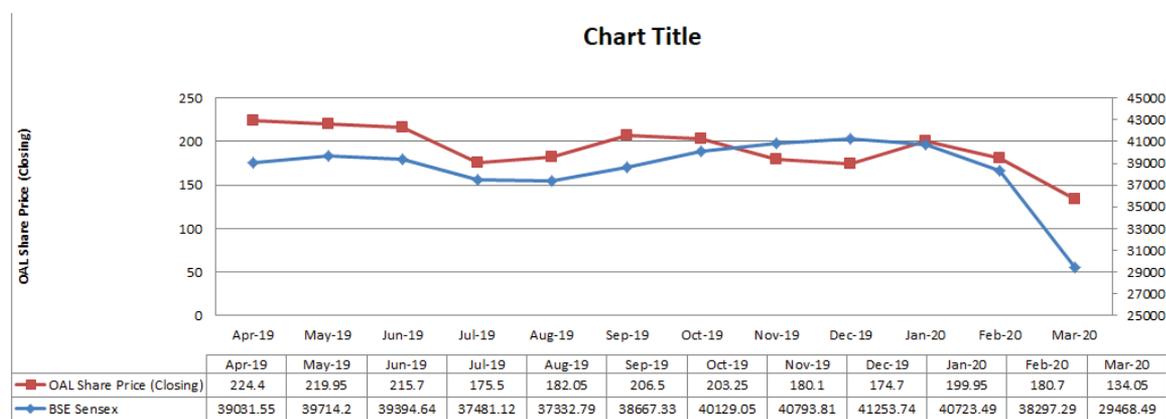
High/Low during the financial year 2019-20

Month	OAL Share Price (₹) on BSE			BSE Sensex (Closing)	OAL Share Price (₹) on *NSE			Nifty (Closing)
	High	Low	Close		High	Low	Close	
Apr 19	243.00	219.50	224.40	39031.55	-	-	-	11,748.15
May 19	234	191.65	219.95	39714.2	-	-	-	11,922.80
Jun 19	224.7	200	215.7	39394.64	-	-	-	11,788.85
Jul 19	228	169.55	175.5	37481.12	213.60	161.00	181.95	11,118.00
Aug 19	198.4	168	182.05	37332.79	197.00	163.00	187.05	11,023.25
Sep 19	231.4	176.3	206.5	38667.33	233.40	177.05	209.75	11,474.45
Oct 19	216.5	178	203.25	40129.05	217.35	184.00	203.25	11,877.45
Nov 19	210	178.35	180.1	40793.81	210.00	180.00	180.75	12,056.05
Dec 19	192.6	165	174.7	41253.74	195.00	162.15	177.10	12,168.45
Jan 20	220	173.65	199.95	40723.49	221.00	172.05	200.70	12,169.85
Feb 20	219.6	169.95	180.7	38297.29	221.50	168.00	179.25	11,201.75
Mar 20	188.8	117.05	134.05	29468.49	189.00	116.55	135.30	8,597.75

\*The Company got listed on NSE on 11<sup>th</sup> of July, 2019.

**q. Performance in Comparison:**

The performance of the Company's shares relative to the BSE Sensitive Index is given in the chart below:



r. Shareholding Pattern as at 31<sup>st</sup> March 2020.Shareholding Pattern as on quarter ended 31<sup>st</sup> March, 2020.

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	0	0
b. Alternate Investment Funds	76436	0.227
c. Banks, Financial Inst, Insurance Company, NBFC's registered with RBI (Central/State Govt. Inst./Non-Govt. Inst.)	1380	0.004
d. FIIs Holding	0	0
<b>Sub- Total</b>	<b>77816</b>	<b>0.231</b>
<b>2. Others Holding</b>		
a. Bodies Corporate	228418	0.678
b. Indian Public	6995577	20.787
c. HUF	437278	1.299
d. NRIs/OCBs/Foreign Nationals	159896	0.475
e. Clearing member	10143	0.030
f. Trusts & Charitable Institutions	160832	0.477
g. IEPF	623616	1.853
<b>Sub- Total</b>	<b>8615760</b>	<b>25.601</b>
<b>GRAND TOTAL (A+B)</b>	<b>33653576</b>	<b>100.00</b>

s. Distribution Schedule on Scrip Value as on 31<sup>st</sup> March, 2020:

Shares of Nominal Value	No. of Holders	% of Holders	Total Amount	% of Amount
Upto 5000	13769	91.482	12126000	7.206
5001 to 10000	692	4.598	5037735	2.994
10001 to 20000	313	2.080	4625930	2.749
20001 to 30000	99	0.658	2447915	1.455
30001 to 40000	56	0.372	2030490	1.207
40001 to 50000	19	0.126	835360	0.496
50001 to 100000	61	0.405	4433415	2.635
100001 to above	42	0.279	136731035	81.258
<b>TOTAL</b>	<b>15051</b>	<b>100.000</b>	<b>168267880</b>	<b>100.000</b>

## t. Share Transfer System:

Equity Shares sent for transmission/name deletion etc. except transfer in physical form are normally registered by our Registrar and Share Transfer Agent within 15 days of receipt of the documents, if documents are found in order. Shares under objection are returned within two weeks. The Board has delegated the authority for approving transmissions, name deletion etc. of the Company's securities to the Share Transfer Committee. The decisions of Share Transfer Committee are placed at the next Board Meeting.

The Company obtains from CS Shreyans Jain of Shreyans Jain & Co., Practicing Company Secretary, half-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.

Shares held in dematerialized form are electronically traded in the depository and the registrar and share transfer agent periodically receives from the depository the details of beneficiary holdings so as to update the records for sending all corporate communications and other matters.

**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 of unclaimed/unpaid dividend to the Investor Education protection Fund (IEPF):**

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. 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).

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 2020 (Amount in ₹)	Due date of Transfer to IEPF
2013-2014	26 <sup>th</sup> September 2014	5,53,753	25 <sup>th</sup> October 2021
2014-2015	24 <sup>th</sup> September 2015	4,41,647	23 <sup>rd</sup> October 2022
2015-2016	23 <sup>rd</sup> September 2016	4,33,991	22 <sup>nd</sup> October 2023
2016-2017	25 <sup>th</sup> September 2017	4,59,576	24 <sup>th</sup> October 2024
2017-2018	24 <sup>th</sup> September, 2018	4,10,216	23 <sup>rd</sup> October, 2025
2018-2019	25 <sup>th</sup> September, 2019	5,73,930	24 <sup>th</sup> October, 2026

Members who have not claimed their dividend amount may approach M/s Sharex Dynamic (India) Pvt. Ltd. for obtaining payments thereof immediately, before they are due to be transferred to the IEPF Authority.

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.

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](http://iepf.gov.in)) along with the requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. The Company has also sent voluntary request/reminder letters on 21<sup>st</sup> November, 2019, to the shareholders whose shares have got transferred in IEPF Account requesting them to claim their unclaimed dividend amount and equity shares by following the prescribed procedure under IEPF Rules.

Further, the Company had not declared any dividend for the FY 2011-12, hence no amount of unpaid dividend was due to be transferred to IEPF Account in the FY 2019-20.

**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.	Term Loans	Long term	ICRA	[ICRA]A- (Stable)	March 2020
2.	Fund-based/ Non-Fund based limit	Long term/ Short term	ICRA	[ICRA]A- (Stable)/ [ICRA]A2+	March 2020

**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 the weblink thereto is <http://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf>

**b. Except as mentioned hereunder 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:**

The Audited Annual Financial results for the year ended 31<sup>st</sup> March 2018 were submitted with 1 day delay. In view of the same the stock exchange (BSE) had levied a penalty of ₹ 5000/-. The company had duly paid the amount. The delay in submission occurred due to approval of financial results in the adjourned Board meeting held on 31<sup>st</sup> May 2018. The adjournment was intimated to the stock exchange on 30<sup>th</sup> May 2018.

**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

<http://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 2019-20. 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. 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 <http://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:

<http://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. 33 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 filed and disposed of during the year and pending as on 31<sup>st</sup> March, 2020

**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 2020 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> August, 2020

# 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 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, 2020.

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

**Parag Satoskar**  
Chief Executive officer

**Place: Mumbai**

**Date: 10<sup>th</sup> August, 2020**

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

**To the Members of  
Oriental Aromatics Limited**

This certificate contains details of compliance of conditions of corporate governance by **ORIENTAL AROMATICS LIMITED** ('the Company') for the year ended 31st March 2020, 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, in our opinion, we certify that the Company has broadly 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's Reg. No.: 113477W/ W100019**

**Vinay Somani**  
**Partner**  
**Membership No. – 143503**  
**UDIN - 20143503AAAAJN4509**

**Place: Mumbai**  
**Date: 10<sup>th</sup> August 2020**

# 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-400001, Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Oriental Aromatics Limited** having CIN: **L17299MH1972PLC285731** (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) 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, 2020** have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dharmil Anil Bodani	00618333	22/08/2008
2.	Shyamal Anil Bodani	00617950	22/08/2008
3.	Harshvardhan Ashok Piramal	00044972	22/08/2008
4.	Satish Ray Kumar	07904910	16/08/2017
5.	Animesh Dhar	07905777	16/08/2017
6.	Ranjit Anand Puranik	00199353	30/09/2008
7.	Prakash Vasantlal Mehta	00001366	05/08/2011
8.	Amruda Vivek Nair	06716791	03/10/2013

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

**For SHREYANS JAIN & CO.**  
**Company Secretaries**

**Shreyans Jain**  
**(Proprietor)**  
**FCS No. 8519**  
**C.P. No. 9801**

**UDIN: F008519B000320028**

**Place: Mumbai**

**Date: 05.06.2020**

# Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended on 31st March, 2020, 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
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, 2019 to 31 <sup>st</sup> March, 2020
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):	Perfumery Chemicals & Camphor, Isoborneol
9.	Total number of locations where business activity is undertaken by the Company: <b>Number of National Locations:</b>          <b>International Locations:</b>	<b>Five(5)</b> <b>Registered /Corporate Office:</b> 133, Jehangir Building, 2 <sup>nd</sup> Floor, M.G. Road, Mumbai-400001 <b>Plant Locations:</b> <b>Ambernath</b> Plot No. M-5, MIDC, Additional AmbernathInd Area, Village - Jambhivli, Ambernath (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>Subsidiary in Indonesia:</b> PT Oriental Aromatics Satrio Tower, 24 <sup>th</sup> Floor, JL. Prof Dr. Satrio, Bloack 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):	1,682.68
2.	Total Turnover (INR):	75,943.01
3.	Total profit after taxes (INR):	8,675.47
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? [Less than 30%, 30-60%, More than 60%]:	The Business Responsible Statement is applicable to the management as well as all the employees of the Company. The Company endeavours to encourage 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	022-23414000
5.	E-mail id	cs@orientalaromatics.com

## 2. Principle-wise (as per NVGs) 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	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.								
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?	Currently, the policy has been uploaded on the Company's website. It is being formally communicated to all relevant internal and external 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:

It is proposed to review the Business Responsibility performance 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?

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), 2015, Business Responsibility Reporting is applicable to top 1000 listed companies with effect from 26<sup>th</sup> December, 2019. In view of the same, company is publishing its Business Responsibility Report as part of its Annual Report for FY 2019-20. The Business Responsibility Report is hosted on the website of the Company viz. [www.orientalaromatics.com](http://www.orientalaromatics.com). Henceforth this will be a regular annual publication.

## 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.

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.

- (a) Austromusk
- (b) Rose Nitrile
- (c) Austomeron

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

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

- (a) All plants are Distributed Control System (DCS) controlled to keep in control all process parameters.
- (b) Major equipment is connected to vent scrubbers to mitigate any fugitive emissions to the environment.
- (c) Effluent from all the plants are treated in Effluent Treatment Plant (ETP) and then processed through reverse osmosis plant to recover 70% of the water which is recycled to process.
- (d) SCD plant additionally has recipe management system to avoid any wrong charging and maintenance of strict Standard Operating Procedure.
- (e) Variable Frequency Drive (VFD) has been provided wherever necessary to control power.
- (f) Flame proof electrical fittings are provided for electrical safety.
- (g) Fire hydrant safety system is in place for plant safety.

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

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

Over the years the Company has been able to create an effective communication within the organisation where the production teams do a well in advance planning for all the raw materials based on forecast for the forthcoming quarters, with proper lead times, thereby enabling the purchase team to buy at the optimum prices and avoid any hindrances in production even if there is scarcity.

The company has long withstanding relationships with the transporters and also it ensures to maintain more than one transporter at every point of time to create competition and avoid dependency. Approximately 70% to 75% of the inputs are sourced sustainably.

**Annual Report 2019-20**

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

Sourcing of all the Raw material, Plant & Machinery and Equipment's to the extent possible is done locally only. The Manpower for manufacturing and for all the maintenance purpose is appointed from in and around the plant only, which empowers them and also helps in the development of their surrounding areas.

- If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

In order to encourage the local supplier some of the key materials which were 100 % imported are now procured locally and also steps are being taken to approach the local and small vendors in an initiative to improve their capacity.

- 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.

Waste management is always a big challenge especially in chemical industries. We continuously strive to minimize the waste by suitably modifying our processes through research and development (R & D) efforts. R & D efforts are directed at minimizing usage of water which in turn reduces effluent, and also reduces the raw material consumption to minimize product waste.

The company has installed Effluent Treatment Plant (ETP), Reverse Osmosis (RO) plant to recover 70% of the water from ETP effluent which is recycled to process. The company also adheres to Pollution Control Board norms regarding storage and disposal of hazardous waste.

**Principle 3: HUMAN CAPITAL :**

- Please indicate the Total number of employees.: 653
- Please indicate the Total number of employees hired on temporary/contractual/casual basis: 490
- Please indicate the Number of permanent women employees: 84
- Please indicate the Number of permanent employees with disabilities; Nil
- Do you have an employee association that is recognized by management?: No
- What percentage of your permanent employees is members of this recognized employee association?: Not Applicable
- 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

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a)	Permanent Employees	15%
(b)	Permanent Women Employees	2%
(c)	Casual/Temporary/Contractual Employees	15%
(d)	Employees with Disabilities	NA

**Principle 4 : STAKEHOLDER ENGAGEMENT**

- Has the company mapped its internal and external stakeholders?  
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?  
Yes
- 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.

All employees of Oriental Aromatics Limited have been granted equal opportunity with respect to career growth, coaching and mentoring including any employees from economically weaker backgrounds. The Company through its Corporate social responsibility (CSR) initiatives undertakes the promotion of educational facilities for the students having learning disabilities and during the year has also contributed towards the PM Cares fund.

**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 Environment policy forms part of the Business Responsibility Policy. The hyperlink is <http://www.orientalaromatics.com/documents/corporate-governance/policies/BusinessResponsibilityPolicy1920.pdf>

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 is continuously endeavouring to identify opportunities to contribute in this regard and has identified a Zero Liquid Discharge ( ZLD ) Project at its plant situated at Nandesari, Vadodara. The Company is planning to undertake the same in the near future as this project will help to reduce the volume of liquid waste that requires further treatment, economically process wastewater and produce a clean stream suitable for reuse thereby being beneficial to the environment.

Further Zero Liquid Discharge (ZLD) initiative will help the Company to minimize its dependency on the Common effluent treatment plant ( CETP) and to run the plant Operations in an efficient and uninterrupted manner.

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- E of the Annual Report for FY 2019-20.

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 in compliance with the applicable environmental laws and regulations. The Company's emissions, effluents and waste are within Central and State Pollution Control Boards permissible limits.

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 2019-2020.

**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:

- (a) Flavors and Fragrance Association of India
- (b) International Federation of Essential Oil and Aroma Trade
- (c) CHEMEXCIL
- (d) Bombay Chamber of Commerce

## Annual Report 2019-20

- (e) Federation of Indian Export Organization
- (f) Export Inspection Agency
- (g) Indian Chemical Council

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)

The Company endeavours to further 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 by implementing agency the Keshavlal V. Bodani Education Foundation. The Foundation undertakes the promotion of educational facilities for the students having learning disabilities. Details of CSR initiatives are available on Corporate Social Responsibility activities for financial year 2019-20 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? YES
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 Rs. 1.20 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 2019-20.

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 intends to help students develop the 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. Initiatives conducted under CSR 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? None
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)

Yes, the company displays product information on the product label in addition to the mandatory requirements based on customer/ trade.

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?

A well-established system is in place for dealing with customer feedback. Consumers are provided multiple options to connect with the Company through email, telephone, website, etc and from their feedback provided via different means the Company evaluates the consumer satisfaction trends.

# 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, 2020, 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 31st March 2020, 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 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 period. 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> 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 ₹ 4,497.92 lakh, relating to a cash generating unit, is material to the financial statements. Besides, the assessment process is judgmental by nature as it is based on assumptions on future market and/or economic conditions. The assumptions used included future cash flow projections, discount rates, perpetuity and sensitivity analysis.</p>	<p>Our audit procedures in relation to management's impairment assessment included:</p> <ul style="list-style-type: none"> <li>- Assessing the valuation methodology and 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>- Tested 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 relating to these.</li> <li>- Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate</li> <li>- Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management.</li> <li>- We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note no. 49 to the standalone financial statements.</li> </ul> <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Standalone financial statements.</p>

2.	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Company held inventories of ₹ 16,234.42 Lakh. [Also, refer Note no. 9 of the standalone financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19). As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories, lying at various locations as on the Balance sheet date couldn't be carried out. We have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <ul style="list-style-type: none"> <li>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</li> <li>(b) Performing procedures to ensure that the changes in inventory between the last verification date and date of the Balance sheet are properly recorded (Roll back procedures)</li> <li>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</li> <li>(d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items</li> </ul> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>
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**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 Board's Report including Annexures to the Board report and Corporate Governance report 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 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.

## Annual Report 2019-20

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 are also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2016 ("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, 2020 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2020 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 Sec 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 performance in its standalone financial statements. [Refer Note No.- 37 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.

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:-20143503AAAAGI7069

Place: Mumbai  
Date: June 29, 2020

**Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Oriental Aromatics Limited of even date:**

- i.
  - a. The Company has maintained proper records, showing full including quantitative details and situation of fixed assets.
  - b. As explained to us, the Company has a phased program for physical verification of the fixed assets for all locations. In our opinion, the frequency of verification is reasonable, considering the size of the Company and nature of its fixed assets. Pursuant to the program of the physical verification of fixed assets, 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 of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for leasehold land having net block of ₹ 581.47 lakh as at March 31, 2020 (as at March 31, 2019 – ₹ 615.55 lakh) are in the name of the erstwhile entity that got merged with the Company.
- ii. The inventories have been physically verified by the management at reasonable intervals during the year. The procedures of physical verification of the inventories 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 material discrepancies were noticed on physical verification of inventories as compared to book records. Due to Covid 19 related nationwide lockdown, the Management was not able to perform year end physical verification of inventory, except at one location (holdings 34% of total inventories).
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable with respect to the loans and investments made. The Company has not provided any guarantee and security to parties covered under section 185 and 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 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 provident fund, employees' state insurance, income tax, sales tax, custom duty, cess, excise duty, service tax, goods and service tax, value added tax, and other material statutory dues during the year with 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 period 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 of income tax, goods and service tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess which have been not deposited on account of any dispute except the following:

Name of Statute	Nature of dues	₹ in lakh	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	497.26	2004-05 to 2006-07 and 2015-16 to 2016-17	High Court, Allahabad *
The Central Sales Tax Act, 1956 and Sales Tax / VAT / Entry Tax- Acts of various states	Sales Tax	5.57	2016-17	Adl. Commissioner Grade-2 (Appeal), Commercial Tax, Bareilly
The Central Excise Act, 1944	Excise Duty and Penalty	12.39	2007-08 to 2011-12	Central Tax & Service Tax Appellate Tribunal, Karnataka

\* Include ₹ 459.65 Lakh wherein department has filed an appeal.

- viii. 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 dues to banks and government. The Company did not issue any debentures during the year and in earlier years
- ix. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised. The Company has not raised any money by way of Initial public offer or further public offer (Including debt instrument) during the year or in the recent past.
- x. During the course of 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 by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations given to us and based on our examination of the books and records of the Company, the Company has paid / provided for the managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are 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 42 to the standalone financial statements).
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year or in the recent past. Therefore, the provisions of clause 3(xiv) of the Order are not applicable to the Company.
- 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. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:-20143503AAAAGI7069

Place: Mumbai  
Date: June 29, 2020

**Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of The Oriental Aromatics Limited of even date:**

**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, 2020 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorisations of management; (3) 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 (4) 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, 2020, 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.

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:-20143503AAAAGI7069

Place: Mumbai  
Date: June 29, 2020

# Standalone Balance Sheet

as at 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	As on	
		31.03.2020	31.03.2019
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	18,144.25	19,405.72
(b) Capital work - in - progress	2	174.46	80.31
(c) Goodwill on Amalgamation	49	4,497.72	4,497.72
(d) Intangible assets	3	240.15	577.25
(e) Right of use - Lease	4	736.33	-
(f) <u>Financial Assets :</u>			
(i) Investment in subsidiaries	5	600.00	-
(ii) Loan to subsidiary	6	-	-
(iii) Other financial assets	7	373.39	368.26
(g) Income Tax Assets (Net)		318.48	304.74
(h) Other non - current assets	8	63.51	35.86
<b>Total Non-Current Assets</b>		<b>25,148.29</b>	<b>25,269.86</b>
<b>2 Current assets</b>			
(a) Inventories	9	16,234.41	20,266.36
(b) <u>Financial Assets :</u>			
(i) Trade receivables	10	15,234.82	16,103.69
(ii) Cash and cash equivalents	11	1,304.91	361.91
(iii) Bank Balances Other Than (ii) above	12	182.24	125.66
(iv) Other current financial assets	13	75.36	137.29
(c) Other current assets	14	2,700.48	5,044.92
<b>Total Current Assets</b>		<b>35,732.22</b>	<b>42,039.83</b>
<b>3 Non-current assets classified as held for sale</b>		8.00	8.00
<b>TOTAL ASSETS</b>		<b>60,888.51</b>	<b>67,317.69</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
(a) Equity share capital	15	1,682.68	1,682.68
(b) Other Equity	16	44,697.81	37,516.47
<b>Total Equity</b>		<b>46,380.49</b>	<b>39,199.15</b>
<b>2 Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	152.95	1,176.47
(ii) Other Financial Liabilities	18	84.35	-
(b) Provisions	19	176.63	193.61
(c) Deferred tax liabilities (net)	34	2,605.14	3,422.89
<b>Total Non Current Liabilities</b>		<b>3,019.06</b>	<b>4,792.97</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	4,311.06	16,223.70
(ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises;		846.28	408.58
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	4,805.26	4,931.60
(iii) Other Financial Liabilities	22	1,145.60	1,455.57
(b) Other current liabilities	23	213.62	162.35
(c) Provisions	24	167.14	143.77
<b>Total Current Liabilities</b>		<b>11,488.96</b>	<b>23,325.57</b>
<b>Total Liabilities</b>		<b>14,508.02</b>	<b>28,118.54</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,888.51</b>	<b>67,317.69</b>
<b>Significant accounting policies and accompanying notes form an integral part of financial statements</b>	1-53		

As per our attached Report of even date.  
For Bagaria & Co. LLP  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

Vinay Somani  
Partner

Date : 29th June, 2020  
Place : Mumbai

For and on behalf of the Board of Directors

Dharmil A. Bodani  
Managing Director  
DIN : 00618333

Shyamal A. Bodani  
Executive Director  
DIN: 00617950

Parag Satoskar  
Chief Executive Officer

Girish Khandelwal  
Chief Financial Officer

Kiranpreet Gill  
Company Secretary

## Standalone Statement of Profit and Loss for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	For The Year Ended	
		2019-2020	2018-2019
<b>I Income</b>			
Revenue from Operations	25	75,943.01	75,255.35
Other Income	26	702.36	127.19
<b>Total Income</b>		<b>76,645.37</b>	<b>75,382.54</b>
<b>II Expenses</b>			
Cost of materials consumed	27	48,596.98	52,176.24
Changes in inventories of finished goods and work-in progress	28	(902.61)	(2,454.22)
Manufacturing and Operating Costs	29	7,117.37	6,474.78
Employee benefits expense	30	3,572.90	3,071.54
Finance costs	31	1,195.26	1,297.00
Depreciation and amortization expense	32	1,901.86	1,771.49
Other expenses	33	4,813.26	4,448.50
<b>Total expenses</b>		<b>66,295.02</b>	<b>66,785.32</b>
<b>III Profit before exceptional items and tax</b>		10,350.35	8,597.22
<b>IV Exceptional Items - loss in respect of closure of subsidiary's business</b>		-	(1,007.57)
<b>V Profit before tax</b>		<b>10,350.35</b>	<b>7,589.65</b>
<b>VI Tax expense</b>	34		
Current tax		2,516.19	2,327.60
Deferred tax charge/(credit)		(792.80)	967.27
Tax in respect of Earlier Years, Written Back		(48.51)	(693.09)
<b>VII Profit for the year</b>		<b>8,675.47</b>	<b>4,987.87</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain/(Loss)		(99.08)	(71.44)
Tax Impact Charge/(credit) on Actuarial Gain/(Loss)		(24.94)	(24.96)
<b>Other Comprehensive Income</b>		<b>(74.14)</b>	<b>(46.48)</b>
<b>IX Total Comprehensive Income for the year</b>		<b>8,601.33</b>	<b>4,941.39</b>
<b>X Earnings per equity share of ₹ 5 each</b>	35		
Before Exceptional Item (Basic & Diluted)		25.78	17.82
After Exceptional Item (Basic & Diluted)		25.78	14.82
<b>Significant accounting policies and accompanying notes form an integral part of financial statements</b>	1-53		

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

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

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

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

**Parag Satoskar**  
 Chief Executive Officer

**Girish Khandelwal**  
 Chief Financial Officer

**Kiranpreet Gill**  
 Company Secretary

# Standalone Cash Flow Statement for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	For the Year ended	
		31st March, 2020	31st March, 2019
<b>A) Cash Flow from Operating Activities</b>			
<b>Net Profit before Tax</b>		<b>10,350.35</b>	<b>7,589.65</b>
<b>Adjustments for:</b>			
Depreciation and amortization expense		1,901.86	1,771.49
Interest and Other Finance Cost		1,195.26	1,266.98
Loss / (Profit) on discarding / sale of assets (Net)		9.97	61.37
Provision for doubtful Debts and Bad debts		40.76	31.36
Excess Provision Written back		(74.13)	(104.69)
loss in respect of closure of subsidiary's business		112.00	1,007.57
Unrealised Foreign Exchange rate difference		(52.21)	27.88
<b>Operating Profit before Working Capital Changes</b>		<b>13,483.86</b>	<b>11,651.62</b>
<b>Adjustments for:</b>			
(Increase)/Decrease in Trade & Other Receivables		3,151.55	(3,798.17)
(Increase)/Decrease in Inventories		4,031.95	(6,990.11)
Increase/(Decrease) in Trade Payables & Provisions		317.39	(1,003.24)
<b>Cash generated from Operating Activities</b>		<b>20,984.75</b>	<b>(139.90)</b>
Direct Taxes (Paid) Net of Refund Received		(2,528.30)	(2,255.15)
<b>Net Cash from Operating Activities (A)</b>		<b>18,456.45</b>	<b>(2,395.05)</b>
<b>B) Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(988.40)	(1,279.06)
Sale of Property, Plant and Equipment		24.92	37.64
Investments in Subsidiary		(600.00)	-
<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(1,563.48)</b>	<b>(1,241.42)</b>
<b>C) Cash Flow from Financing Activities</b>			
Repayment of long term borrowings	46	(1,352.94)	(941.00)
Increase/(Decrease) in short term borrowings	46	(12,100.77)	6,097.12
Dividend Paid (Including Dividend Distribution Tax)		(1,420.00)	(203.18)
Payment of lease liabilities	43	(54.82)	-
Interest and Other Financial Cost		(1,021.45)	(1,189.72)
<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>(15,949.97)</b>	<b>3,763.22</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>943.00</b>	<b>126.76</b>
Cash & cash equivalents at beginning of the year	11	<b>361.91</b>	<b>235.15</b>
Cash & cash equivalents at end of the year	11	<b>1,304.91</b>	<b>361.91</b>
<b>Significant accounting policies and accompanying notes form an integral part of standalone financial statements</b>	1-53		

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

For and on behalf of the Board of Directors

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

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

**Parag Satoskar**  
 Chief Executive Officer

**Girish Khandelwal**  
 Chief Financial Officer

**Kiranpreet Gill**  
 Company Secretary

## Statement of Changes in Equity for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**a EQUITY SHARE CAPITAL**

Particulars	Notes	Amount
<b>As at 31st March 2018</b>		<b>841.34</b>
Changes in Equity Share Capital	15	841.34
<b>As at 31st March 2019</b>		<b>1,682.68</b>
Changes in Equity Share Capital		-
<b>As at 31st March 2020</b>		<b>1,682.68</b>

**b OTHER EQUITY**

Particulars	NOTE	Reserves and Surplus				Items of other comprehensive income	Total
		Capital Reserve on Amalgamation	Securities Premium	General Reserve	Retained Earnings	Actuarial gains / (losses)	
<b>Balance as at 1st April, 2018</b>		<b>266.74</b>	<b>739.82</b>	<b>4,376.64</b>	<b>28,276.01</b>	<b>(39.60)</b>	<b>33,619.61</b>
Profit for the year		-	-	-	4,987.87	-	4,987.87
Capitalisation of profit - issue of Bonus shares	15	-	(739.82)	(101.52)	-	-	(841.34)
Other Comprehensive Income for the year		-	-	-	-	(46.48)	(46.48)
Dividend Paid		-	-	-	(168.59)	-	(168.59)
Dividend Distribution Tax Paid		-	-	-	(34.59)	-	(34.59)
<b>Balance as at 31st March, 2019</b>		<b>266.74</b>	<b>-</b>	<b>4,275.12</b>	<b>33,060.69</b>	<b>(86.08)</b>	<b>37,516.47</b>
Profit for the year		-	-	-	8,675.47	-	8,675.47
Other Comprehensive Income for the year		-	-	-	-	(74.14)	(74.14)
Dividend Paid (including Interim Dividend)		-	-	-	(1,177.88)	-	(1,177.88)
Dividend Distribution Tax Paid		-	-	-	(242.12)	-	(242.12)
<b>Balance as at 31st March, 2020</b>		<b>266.74</b>	<b>-</b>	<b>4,275.12</b>	<b>40,316.17</b>	<b>(160.22)</b>	<b>44,697.81</b>
<b>Significant accounting policies and accompanying notes form an integral part of standalone financial statements</b>	1-53						

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

For and on behalf of the Board of Directors

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

**Parag Satoskar**  
 Chief Executive Officer

**Kiranpreet Gill**  
 Company Secretary

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

**Girish Khandelwal**  
 Chief Financial Officer

# Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 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 of India Limited. The Company is engaged in business of manufacturing Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavours.

### 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 ("the Act") 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. Contingent Liabilities
- ii. Measurement of defined benefit obligations

#### (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 period of lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act.

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 has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes 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 includes Raw Material, Work-in-Progress, finished goods, Stores & spares, Consumables and Packing Materials are valued at lower of cost and net realisable value.

Raw Materials – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using 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 average cost basis/moving average cost.

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 assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**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.

**(j) 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.

**(k) 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.

**(l) Borrowing costs**

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

**(m) 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.

**(n) 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. is 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.

**(o) 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:

- (i) Re-measurement of Actuarial(gains)/losses
- (ii) Return on plan assets, excluding amount recognized in effect of asset ceiling
- (iii) 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.

**(p) 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.

**(q) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

**(r) 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.

**(s) 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.

**(t) 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

**(u) 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.

**(v) 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.

**(w) 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.

**(x) Recent Accounting Developments**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable for future periods.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 2 Property, Plant and Equipment

Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>										
<b>As at 31st March 2019</b>	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	<b>80.31</b>
Additions	-	-	70.86	574.00	26.96	6.88	212.63	33.99	925.32	355.33
Disposals/Adjustment	-	-	17.99	87.14	6.02	2.02	60.33	1.59	175.08	261.18
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	4.74	-	6,162.75	14,528.36	371.49	963.28	761.70	94.43	23,518.57	174.46
<b>As at 31st March 2020</b>										
<b>Accumulated Depreciation :</b>										
<b>As at 31st March 2019</b>	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
Depreciation charge for the year	-	-	255.03	971.31	38.60	128.86	86.35	26.42	1,506.57	-
Disposals/Adjustment	-	-	1.86	63.40	5.26	1.89	34.06	1.44	107.92	-
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	-	18.78	-	-	-	-	-	-	-	-
<b>As at 31st March 2020</b>			944.26	2,795.65	253.46	516.91	167.54	64.66	4,761.27	-
<b>Net Carrying Amount :</b>										
<b>As at 31st March 2019</b>	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.72	80.31
<b>As at 31st March 2020</b>	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.25	174.46
Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>										
<b>As at 31st March 2018</b>	4.74	631.83	4,970.42	10,644.07	272.43	873.70	315.55	39.74	17,752.47	<b>3,992.30</b>
Additions	-	-	1,139.46	3,478.01	78.74	84.72	392.39	22.30	5,195.61	742.13
Disposals	-	-	-	80.57	0.63	0.01	98.54	-	179.75	4,654.12
<b>As at 31st March 2019</b>	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	80.31
<b>Accumulated Depreciation :</b>										
<b>As at 31st March 2018</b>	-	76.32	383.37	1,008.31	157.70	248.05	96.89	16.09	1,986.74	-
Depreciation charge for the year	-	7.63	242.55	895.92	62.44	141.89	60.91	23.59	1,434.94	-
Disposals	-	65.17	(65.17)	16.49	0.02	-	42.56	-	59.07	-
As at 31st March 2019	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
<b>Net Carrying Amount :</b>										
<b>As at 31st March 2018</b>	4.74	555.51	4,587.05	9,635.76	114.73	625.65	218.65	23.65	15,765.73	3,992.30
<b>As at 31st March 2019</b>	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.72	80.31

Notes:

- For information on property, plant and equipment offered as security by the Company, refer to note number - 36
- For information on Capital Commitment, refer to note number - 38
- Breakup of capital work in progress as under :-

Particulars	As at 31st March, 2020	As at 31st March, 2019
Plant & Equipment	45.54	67.31
Buildings	19.62	-
Pre-operative Expenses	-	-
Salary Expenses	22.17	-
Professional Fees	85.87	13.00
Other Expenses	1.26	-
<b>Total</b>	<b>174.46</b>	<b>80.31</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 3 Intangible assets

Particulars	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2019	1,464.50	101.96	1,566.46
Additions	0.11	1.10	1.21
Disposals	-	-	-
<b>As at 31st March 2020</b>	<b>1,464.61</b>	<b>103.06</b>	<b>1,567.67</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2019	953.98	35.23	989.21
Amortisation charge for the year	317.35	20.96	338.31
<b>As at 31st March 2020</b>	<b>1,271.33</b>	<b>56.19</b>	<b>1,327.52</b>
<b>Net Carrying Amount</b>			
<b>As at 31st March 2019</b>	<b>510.52</b>	<b>66.73</b>	<b>577.25</b>
<b>As at 31st March 2020</b>	<b>193.28</b>	<b>46.87</b>	<b>240.15</b>

Particulars	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2018	1,463.70	91.90	1,555.60
Additions	0.80	10.06	<b>10.86</b>
Disposals	-	-	-
<b>As at 31st March 2019</b>	<b>1,464.50</b>	<b>101.96</b>	<b>1,566.46</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2018	635.25	17.41	652.66
Amortisation charge for the year	318.73	17.82	336.54
<b>As at 31st March 2019</b>	<b>953.98</b>	<b>35.23</b>	<b>989.21</b>
<b>Net Carrying Amount</b>			
<b>As at 31st March 2018</b>	<b>828.45</b>	<b>74.49</b>	<b>902.94</b>
<b>As at 31st March 2019</b>	<b>510.52</b>	<b>66.73</b>	<b>577.25</b>

## 4 Right of use - Lease

Particulars	Lease-Land	Lease- Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2019	-	-	-
Additions	-	180.26	180.26
Transfer due to Ind AS116 transition	631.83	-	631.83
<b>As at 31st March 2020</b>	<b>631.83</b>	<b>180.26</b>	<b>812.09</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2019	-	-	-
Amortisation charge for the year	8.05	48.93	56.98
Transfer due to Ind AS116 transition	18.78	-	18.78
<b>As at 31st March 2020</b>	<b>26.83</b>	<b>48.93</b>	<b>75.76</b>
<b>Net Carrying Amount</b>			
<b>As at 31st March 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31st March 2020</b>	<b>605.00</b>	<b>131.33</b>	<b>736.33</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### Notes:

A. Lease hold Land - lease period of the lease hold land are as under :-

Manufacturing Presence	Net Carrying Value	Lease periods
Ambarnath, Maharashtra	581.47	92 Years
Bareilly, Uttar Pradesh	16.21	30 Years
Vadodara, Gujarat	7.32	99 Years

B. The title deed of leasehold land having net book value of ₹ 581.47 (March 31, 2019 : ₹ 588.40) are in the name of the entity that got merged with the Company. Necessary steps are being taken to transfer the same in the name of Company.

C. Refer Note No. 43 for Leases.

### 5 Investment in Subsidiaries

Particulars	As on	
	31.03.2020	31.03.2019
<b>Investment in Equity share of Subsidiaries</b>		
<b>Unquoted (At Cost)</b>		
Oriental Aromatics & Sons Limited - Wholly owned Subsidiary (Incorporated on 27th December, 2019) 6,000,000 shares at ₹ 10 each fully paid up	600.00	-
Oriental Aromatics Inc. (Liquidated in Feb. 2019) (100 shares of US\$ 1,000 each fully paid up)	-	-
PT Oriental Aromatics (Includes ₹ 782.21 on account of Conversion of Loan into series B of share Capital ) (13,52,500 shares (PY. 2,47,500 shares) of US\$ 1 each fully paid up.)	934.09	151.88
Less: Diminution on value of investment	(934.09)	(151.88)
<b>Total</b>	<b>600.00</b>	<b>-</b>

### 6 Loans to Subsidiary

Particulars	As on	
	31.03.2020	31.03.2019
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Loan to Subsidiary	-	-
Loan to Subsidiary - credit impaired	782.21	765.56
Less : Converted into Equity and fully impaired - Refer Note 5	(782.21)	-
Less: Allowance for bad and doubtful Loan	-	(765.56)
<b>Total</b>	<b>-</b>	<b>-</b>

Loan given for business purpose carrying interest rate @ 4% p.a. in the previous year

### 7 Other Financial Assets - Non Current

Particulars	As on	
	31.03.2020	31.03.2019
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Security Deposits	154.27	146.34
Bank Deposits with maturity more than 12 months (Offered as Security against Bank Guarantee given)	171.05	161.24
Recoverable in respect of acquired business	48.07	60.68
Recoverable in respect of acquired business - Impaired	13.94	-
Less: Allowance for bad and doubtful recoverable	(13.94)	-
<b>Total</b>	<b>373.39</b>	<b>368.26</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**8 Other non - current assets**

Particulars	As on	
	31.03.2020	31.03.2019
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Capital advances	63.51	35.86
<b>Total</b>	<b>63.51</b>	<b>35.86</b>

**9 Inventories**

Particulars	As on	
	31.03.2020	31.03.2019
Raw Materials	6,145.75	9,736.80
Raw Materials - in Transit	1,157.18	2,435.89
Work-in-progress	4,705.19	4,557.38
Finished goods	2,443.55	251.80
Finished goods - in Transit	1,073.94	2,510.90
Stores, Spares and Packing Materials	690.49	718.93
Stores, Spares and Packing Materials - in Transit	18.31	54.67
<b>Total</b>	<b>16,234.41</b>	<b>20,266.36</b>

**Notes:**

1. Refer Note 36 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.
2. Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to ₹ 303.66 lakh (P.Y. ₹ 92.72 lakh). These write downs 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.

**10 Trade receivables**

Particulars	As on	
	31.03.2020	31.03.2019
Trade Receivables considered good - Unsecured	15,234.82	16,103.69
Trade Receivables - credit impaired	62.40	58.13
Less: Allowance for bad and doubtful debts	(62.40)	(58.13)
<b>Total</b>	<b>15,234.82</b>	<b>16,103.69</b>

(Refer Note no.36 for Trade Receivables offered as security, Note no.40(ii) for Currency Risk, Note 40(iii) for Credit Risk and Note no. 42 for related party disclosure)

**11 Cash and cash equivalents**

Particulars	As on	
	31.03.2020	31.03.2019
<u>Balances with Banks</u>		
- In current accounts	1,290.14	354.72
Cash on hand	14.77	7.19
<b>Total</b>	<b>1,304.91</b>	<b>361.91</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 12 Other Bank Balances

Particulars	As on	
	31.03.2020	31.03.2019
Unpaid Dividend	58.47	18.94
Margin Money Accounts	113.23	106.72
Term deposits with original maturity of less than 12 months (Offered as Security against Bank Guarantee given)	10.54	-
<b>Total</b>	<b>182.24</b>	<b>125.66</b>

### 13 Other financial assets - Current

Particulars	As on	
	31.03.2020	31.03.2019
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Interest Accrued on Fixed Deposit and loan	20.79	14.36
Loan to Staff	49.43	58.17
Insurance Claim Receivable	5.13	0.36
Receivable from erstwhile subsidiary	-	64.40
<b>Total</b>	<b>75.36</b>	<b>137.29</b>

### 14 Other current assets

Particulars	As on	
	31.03.2020	31.03.2019
<b>(Unsecured, Considered good unless otherwise stated)</b>		
Export benefit receivables	7.10	15.38
VAT Credit Receivable	83.62	196.81
Balances with GST	1,518.65	3,962.11
Advances to Suppliers	692.02	556.01
Advances to Staff	14.65	16.44
Prepaid expenses	384.42	298.16
Others - receivable from Subsidiary Co.	0.02	-
<b>Total</b>	<b>2,700.48</b>	<b>5,044.92</b>

### 15 Equity Share capital

Particulars	As at	
	31st March, 2020	31st March, 2019
<b>a) Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31st March, 2020 - 70,000,000 no. of shares at ₹ 5 each.		
As at 31st March, 2019 - 70,000,000 no. of shares at ₹ 5 each.		
<b>Issued, subscribed and fully paid up</b>		
<b>Equity shares</b>	1,682.68	1,682.68
As at 31st March, 2020 - 33,653,576 no. of shares at ₹ 5 each.		
As at 31st March, 2019 - 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

- i. 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.
- ii. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- iii. 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.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## c) Reconciliation of number of shares

Particulars	As at	
	31st March, 2020	31st March, 2019
Balance as at the beginning of the year	3,36,53,576	84,13,394
Add: Shares issued during the year	-	-
Add: Issuance shares on Subdivision of Shares (refer note below)	-	84,13,394
Add: Issuance share on Bonus (refer note below)	-	1,68,26,788
Balance as at the end of the year	<b>3,36,53,576</b>	<b>3,36,53,576</b>
Note on subdivision and bonus issue		

The members of the Company through Postal Ballot on 3rd December 2018, considered and approved the following:

- Sub-division of 1 equity share of face value of ₹ 10 each into 2 equity shares of face value of ₹ 5 each; and
- Issue of 1 fully paid bonus equity share of the face value of ₹ 5 each for 1 equity share of the face value of ₹ 5 each (i.e. as adjusted for sub-division of shares).

## d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	31st March, 2020	31st March, 2019
Mr. Dharmil A. Bodani	1,24,78,752	1,24,78,752
	37.08%	37.08%
Mr. Shyamal A. Bodani	1,24,80,000	1,24,80,000
	37.08%	37.08%

## e) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016
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	-	-	-	-	-

## 16 Other Equity

Particulars	As on	
	31.03.2020	31.03.2019
<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	40,316.16	33,060.69
Items of other comprehensive income	(160.22)	(86.08)
<b>Total</b>	<b>44,697.81</b>	<b>37,516.47</b>

## B. Nature and purpose of reserves

- Capital Reserve on Amalgamation** : During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- General Reserve** : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act
- Retained Earnings** : Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- Items of other Comprehensive income** : Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 17 Non Current Financial Liabilities - Borrowings

Particulars	As on	
	31.03.2020	31.03.2019
<b>Secured</b>		
Term loan from a Bank	152.95	1,176.47
Rate of interest range from 8.10% - 9.10% (P.Y. 9.10%)		
<b>Total</b>	<b>152.95</b>	<b>1,176.47</b>

#### Loan Repayment Schedule

Particulars	As on	
	31.03.2020	31.03.2019
Payable within 1 year	611.76	941.18
Disclosed under Current Maturities of Long Term Debts refer note no.22		
Payable between 1 to 2 years	152.95	941.18
Payable between 2 to 5 years	-	235.29
<b>Total</b>	<b>764.71</b>	<b>2117.65</b>

(For details of security offered - Refer Note No.36)

### 18 Non Current Financial Liabilities - Others

Particulars	As on	
	31.03.2020	31.03.2019
Lease Liabilities	84.35	-
<b>Total</b>	<b>84.35</b>	<b>-</b>

Refer Note No. 43 for Leases.

### 19 Provisions

Particulars	As on	
	31.03.2020	31.03.2019
<b>Provision for employee benefits :</b>		
Provision for Gratuity	17.38	35.48
Provision for Compensated Absences	159.25	158.13
<b>Total</b>	<b>176.63</b>	<b>193.61</b>

### 20 Current Financial Liabilities - Borrowings

Particulars	As on	
	31.03.2020	31.03.2019
<b>Secured</b>		
Working Capital Loan from Banks	4,311.06	16,223.70
Rate of interest range from 2.90% to 9.30% (P.Y. 3.29% to 11.35%)		
<b>Total</b>	<b>4,311.06</b>	<b>16,223.70</b>

(For terms and conditions - Refer Note No.36 and 41(iv))

### 21 Trade payables

Particulars	As on	
	31.03.2020	31.03.2019
Due to micro enterprises and small enterprises	846.28	408.58
Due to creditors other than micro enterprises and small enterprises	4,805.26	4,931.60
<b>Total</b>	<b>5,651.54</b>	<b>5,340.18</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

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	As on	
	31.03.2020	31.03.2019
1) Principal amount due and remaining unpaid - (Since Paid)	846.28	408.58
2) Interest due on above and the unpaid interest	0.73	-
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	-	-

## 22 Other financial liabilities

Particulars	As on	
	31.03.2020	31.03.2019
Current maturities of long-term debt	611.76	941.18
Interest Accrued on Borrowings	32.73	53.44
Unclaimed Dividend	58.47	18.94
Lease Liabilities	53.91	-
Towards Capital Expenditure	388.73	442.02
<b>Total</b>	<b>1,145.60</b>	<b>1,455.57</b>

Refer Note No. 43 for Leases.

## 23 Other Current liabilities

Particulars	As on	
	31.03.2020	31.03.2019
Advance from customers	53.90	26.29
Statutory Dues	159.72	136.06
<b>Total</b>	<b>213.62</b>	<b>162.35</b>

## 24 Provisions

Particulars	As on	
	31.03.2020	31.03.2019
<b>Provision for employee benefits :</b>		
Provision for Gratuity	117.19	102.61
Provision for Compensated Absences	49.95	41.16
<b>Total</b>	<b>167.14</b>	<b>143.77</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 25 Revenue from Operations

Particulars	For The Year Ended	
	2019-2020	2018-2019
<b>Sales of Products</b>		
Contracted Price	76,146.92	75,447.61
Less: Trade Discount, Volume Rebate etc	(340.91)	(346.16)
<b>Sale of Manufactured Products</b>	<b>75,806.02</b>	<b>75,101.45</b>
<b>Other operating revenue</b>		
Export Incentives	77.20	74.02
Process waste sale	49.64	70.19
Royalty Income	10.16	9.70
<b>Total</b>	<b>75,943.01</b>	<b>75,255.35</b>

### 26 Other income

Particulars	For The Year Ended	
	2019-2020	2018-2019
Rent and Compensation	5.05	4.99
Taxes refund and Interest thereof	79.93	-
Foreign Exchange Gain/(Loss) (net)	517.92	-
Liability/Provision no longer required, written back	74.13	104.69
Other non-operating income	25.33	17.51
<b>Total</b>	<b>702.36</b>	<b>127.19</b>

### 27 Cost of materials consumed

Particulars	For The Year Ended	
	2019-2020	2018-2019
Raw Materials consumed	48,596.98	52,176.24
<b>Total</b>	<b>48,596.98</b>	<b>52,176.24</b>

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

Particulars	For The Year Ended	
	2019-2020	2018-2019
<b>Opening inventories</b>		
Finished goods	2,762.70	1,410.15
Work-in-progress	4,557.38	3,455.71
<b>Closing inventories</b>		
Finished goods	(3,517.49)	(2,762.70)
Work-in-progress	(4,705.19)	(4,557.38)
<b>Total</b>	<b>(902.61)</b>	<b>(2,454.22)</b>

### 29 Manufacturing and Operating Costs

Particulars	For The Year Ended	
	2019-2020	2018-2019
Consumption of Spares Parts	1,295.11	1,299.10
Power and Fuel	3,572.86	3,421.17
Licence Fees (Technical Knowhow)	432.34	339.27
Other Manufacturing and Operating Expenses	1,052.60	860.91
Repairs to Buildings	133.26	108.07
Repairs to Machinery	631.19	446.26
<b>Total</b>	<b>7,117.37</b>	<b>6,474.78</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**30 Employee benefits expense**

Particulars	For The Year Ended	
	2019-2020	2018-2019
Salaries and wages	3,135.25	2,663.27
Contribution to provident funds and other funds	191.38	148.82
Defined benefit plan expense	74.07	120.08
Workmen and Staff welfare expenses	172.19	139.37
<b>Total</b>	<b>3,572.90</b>	<b>3,071.54</b>

**31 Finance costs**

Particulars	For The Year Ended	
	2019-2020	2018-2019
Interest expense	685.10	1,294.82
Foreign Exchange (gain) / loss on borrowings	461.48	(82.12)
Other borrowing costs	48.68	84.30
<b>Total</b>	<b>1,195.26</b>	<b>1,297.00</b>

**32 Depreciation and amortization expense**

Particulars	For The Year Ended	
	2019-2020	2018-2019
Depreciation on Property, Plant and Equipment	1,563.55	1,434.94
Amortization on Intangible assets	338.31	336.54
<b>Total</b>	<b>1,901.86</b>	<b>1,771.49</b>

**33 Other expenses**

Particulars	For The Year Ended	
	2019-2020	2018-2019
Rent	5.55	57.67
Insurance	283.90	177.19
Rates and Taxes	183.12	90.97
Repairs & Maintenance Others	63.05	144.61
Auditors' Remuneration and Expenses*	19.91	22.24
Legal and Professional Expenses	454.43	584.92
Directors Sitting Fees	21.20	13.75
Bad Debts	22.55	-
Less:- Provision utilised against bad debts	(22.55)	-
Provision for doubtful Debts	26.82	31.36
Freight Expenses	2,220.05	1,836.30
Commission on Sales	141.15	157.92
Sales Promotion Expenses	105.30	84.17
Travelling Expenses	296.25	382.57
CSR Expenses - refer note no. 47	120.00	119.50
Net Loss on Sale / Discard of Property, Plant and Equipment	9.97	60.68
Provision for Expected Loss in respect of Subsidiary	112.00	-
Foreign Exchange (Gain)/Loss (net)	-	63.38
Miscellaneous Expenses - Refer Note no. 50	750.57	621.27
<b>Total</b>	<b>4,813.26</b>	<b>4,448.50</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### \*Auditor's remuneration and expenses

Particulars	2019-2020	2018-2019
- Audit Fees	11.50	13.55
- Limited Review Fees	6.00	4.00
- Certification Fees	1.10	2.90
Reimbursement of out-of-pocket expenses	1.31	1.79
<b>Total</b>	<b>19.91</b>	<b>22.24</b>

### 34 Income Taxes

#### A. Tax expense recognized in the Statement of Profit & Loss and Other Comprehensive Income

Particulars	2019-20	2018-19
Current tax	2,516.19	2,327.60
Deferred income tax	(792.80)	967.27
Deferred Tax Impact Charge/(credit) on Actuarial Gain/(Loss)	24.94	24.96
Tax in respect of Earlier Years	(48.51)	(693.09)
<b>Total income tax expense/(credit)</b>	<b>1,699.82</b>	<b>2,626.75</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 taxes is summarized below:

Particulars	2019-20	2018-19
<b>Reconciliation of effective tax rate</b>		
Profit before tax	10,350.35	7,589.65
Enacted income tax rate in India	25.17%	34.94%
Computed Expected Tax Expense	2,605.18	2,652.13
<b>Tax Expense Recognised in Statement of Profit and Loss</b>	<b>2,605.18</b>	<b>2,652.13</b>
<b>Differences due to:</b>		
Tax in respect of Earlier Years	(48.51)	(693.09)
- Amortisation on Goodwill on Amalgamation	-	387.66
- Expenses not allowable for tax purposes	18.11	320.59
- Benefit on Scientific Research expenses	-	(103.87)
- Change in tax rate	(957.40)	-
- Others	82.43	63.33
<b>Total income tax expense/(credit)</b>	<b>1,699.82</b>	<b>2,626.75</b>

#### C. Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2020 :

Particulars	As on 31.03.2019	(Credit)/charge in Statement of Profit and Loss	As on 31.03.2020
Expenses allowable for tax purposes when paid	(155.43)	56.18	(99.25)
Depreciation	3,578.32	(873.94)	2,704.38
<b>Deferred Tax Liability/(Asset)</b>	<b>3,422.89</b>	<b>(817.77)</b>	<b>2,605.13</b>

#### Movement in Deferred tax (assets)/liabilities during the year ended March 31, 2019 :

Particulars	As on 31.03.2018	(Credit)/charge in Statement of Profit and Loss	As on 31.03.2019
Expenses allowable for tax purposes when paid	(51.67)	(103.76)	(155.43)
Depreciation	2,532.24	1,046.08	3,578.32
<b>Deferred Tax Liability/(Asset)</b>	<b>2,480.57</b>	<b>942.32</b>	<b>3,422.89</b>

The Company elected to exercise the option of lower tax rate permitted under section 115BAA of the Income-tax Act, 1961. The Company, accordingly has recognized Provision for Income Tax and re-measured its Deferred Tax Liabilities basis the rate prescribed in the said section. The impact of this change has been recognized in the Statement of Profit & Loss for year ended including write back of deferred tax liabilities relating to earlier years of ₹ 957.40 lacs.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 35 Earnings per share

Particulars	2019-20	2018-19
Earnings Per Share has been computed as under:		
Profit for the year before exceptional items	8,675.47	5,995.43
Profit for the year after exceptional items	8,675.47	4,987.87
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share before exceptional items	25.78	17.82
Basic and diluted Earnings Per Share after exceptional items (Face value of ₹ 5 per share)	25.78	14.82

## 36 Assets offered as security

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

Particulars	2019-20	2018-19
<b>Current Assets</b>		
Trade receivables	15,234.82	16,103.69
Inventories	16,234.41	20,266.36
<b>Total Current assets offered as security</b>	<b>31,469.23</b>	<b>36,370.05</b>
<b>Non Current Assets</b>		
Lease-Land	7.32	7.47
Buildings	3,235.36	3,144.26
Furniture, fittings and equipment	120.73	119.98
Plant and Machinery	10,023.68	10,434.70
Others	38.60	30.43
<b>Total non-current assets offered as security</b>	<b>13,418.37</b>	<b>13,729.37</b>
<b>Total assets offered as security</b>	<b>44,887.60</b>	<b>50,099.42</b>

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

Particulars	2019-20	2018-19
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts in respect of:-		
- Disputed Labour Claims	9.96	9.96
- Disputed Excise Duty Matters	13.78	13.78
- Disputed Income Tax Matters	99.35	371.90
<b>Total</b>	<b>123.09</b>	<b>395.64</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.

## 38 Commitments

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

Particulars	As at	
	31.03.2020	31.03.2019
Property, plant and equipment	913.81	43.36
Less: Capital advances	(63.51)	(35.86)
<b>Net Capital commitments</b>	<b>850.30</b>	<b>7.50</b>

B. Refer note no. 43 for commitments of lease liabilities.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 39 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) :-

Particulars	2019-20	2018-19
<b>Accounts Head</b>		
<b>(i) Capital Expenses included in various heads :</b>		
Buildings	-	6.17
Plant & Machinery	53.81	18.22
Furniture & Fixtures	0.16	0.24
Office Equipment	1.66	-
Computer and Computer Software	0.51	-
Vehicles	-	0.04
<b>Total</b>	<b>56.14</b>	<b>24.63</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Other Manufacturing and Operating Exp	126.47	36.70
Employee Benefit Expenses	86.40	83.88
Interest	-	0.03
Depreciation	19.87	15.14
Other Expenses	42.84	119.58
<b>Total</b>	<b>275.58</b>	<b>255.33</b>

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

Particulars	2019-20	2018-19
<b>(i) Capital Expenses included in various heads :</b>		
<b>Accounts Head</b>		
Plant and Machinery	9.79	18.30
Office Equipment	-	0.20
Computer and Computer Software	0.41	0.93
<b>Total</b>	<b>10.20</b>	<b>19.43</b>
<b>(ii) Revenue Expenses included in various heads :</b>		
Cost of Material Consumed	47.46	29.63
Employee Benefit Expenses	142.81	109.31
Building Rent	32.14	30.07
Depreciation	54.43	64.03
Other Expenses	66.52	54.91
<b>Total</b>	<b>343.36</b>	<b>287.94</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**40 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 manages market risk through a finance committee, which evaluates and exercises independent control over the entire process of market risk management. The finance committee recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this finance committee 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	As at	
	31.03.2020	31.03.2019
Borrowings bearing variable rate of interest	5,075.77	18,341.35

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

Particulars	2019-20	2018-19
50 bp increase in interest rate - decrease in profits	58.54	78.52
50 bp decrease in interest rate - Increase in profits	(58.54)	(78.52)

**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	As at	
	31.03.2020	31.03.2019
Forward contracts	-	-

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### (b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March 2020

(Foreign currency In lakh)

Particulars	CHF	USD	EURO
Trade Receivable	-	98.35	-
Trade payables	0.05	18.26	0.15
Borrowings	-	44.23	-
Cash and Bank balances	-	0.06	0.01

As at 31st March 2019

(Foreign currency In lakh)

Particulars	CHF	USD	EURO
Trade Receivable	-	109.00	-
Trade payables	-	19.68	0.68
Borrowings	-	75.64	0.56
Cash and Bank balances	-	0.07	-

### Foreign Currency Risk Sensitivity

Change of 1% in Foreign currency would have following Impact on profit before tax

Particulars	F.Y. 2019-20		F.Y. 2018-19	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	(0.11)	0.11	(0.97)	0.97
USD	32.75	(32.75)	11.10	(11.10)
CHF	(0.04)	0.04	-	-
<b>Increase / (decrease) in profit or loss</b>	<b>32.60</b>	<b>(32.60)</b>	<b>10.13</b>	<b>(10.13)</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.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**Ageing of Account receivables**

Particulars	As at	
	31.03.2020	31.03.2019
Not due	9,382.15	11,747.89
0-3 months	4,735.97	3,845.28
3-6 months	830.91	120.52
beyond 6 months	348.18	448.13
<b>Total</b>	<b>15,297.21</b>	<b>16,161.82</b>

**Movement in provisions of doubtful debts**

Particulars	2019-20	2018-19
<b>Opening provision</b>	58.13	26.77
Add:- Additional provision made	26.82	31.36
Less:- Provision utilised against bad debts	(22.55)	-
<b>Closing provision</b>	<b>62.40</b>	<b>58.13</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	2019-20	2018-19
Revenue from top 3 customers (P.Y. 3 customers)	25,057.14	27,225.50
% of total Revenue	32.99%	36.18%

**iv. Liquidity Risk**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the companies short - term, medium term and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and by maturing the profiles of assets and liabilities.

The table provides details regarding the remaining contractual maturities of Company's financial liabilities.

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
<b>As at March 31, 2020</b>				
Non Current Liabilities				
Borrowings		152.95		152.95
Other Financial Liabilities	-	84.35		84.35
<b>Total Non current Liabilities</b>	-	<b>237.30</b>	-	<b>237.30</b>
Current Liabilities				
Borrowings	4,311.06			4,311.06
Trade Payables	5,651.54			5,651.54
Other Financial Liabilities	1,145.60			1,145.60
<b>Total Current Liabilities</b>	<b>11,108.20</b>	-	-	<b>11,108.20</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Less than 1 Year/On Demand	1- 5 Years	More than 5 Years	Total
<b>As at March 31, 2019</b>				
Non Current Liabilities				
Borrowings		1,176.47		1,176.47
Other Financial Liabilities		-		-
<b>Total Non current Liabilities</b>	-	<b>1,176.47</b>	-	<b>1,176.47</b>
Current Liabilities				
Borrowings	16,223.70			16,223.70
Trade Payables	5,340.18			5,340.18
Other Financial Liabilities	1,455.57			1,455.57
<b>Total Current Liabilities</b>	<b>23,019.45</b>	-	-	<b>23,019.45</b>

### Financing arrangements

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

Particulars	As at	
	31.03.2020	31.03.2019
Variable Borrowing - Cash Credit expires within 1 year	21,035.99	6,310.18
<b>Total</b>	<b>21,035.99</b>	<b>6,310.18</b>

### Impact of COVID-19

In March 2020, the WHO declared the COVID-19 outbreak as a pandemic which continues to spread across the country. On 25th March, 2020, the Government of India has declared this pandemic a health emergency, ordered temporarily close of all non-essential businesses, imposed restrictions on movement of goods/material, travel, etc. As the nature of business performed by the Company majorly fell under non-essential category, these restrictions had substantially reduced its operations at various plants between 25 to 40 days. The Company has since, after receiving applicable permissions, commenced operations including despatch of goods to its' customers at all of its manufacturing facilities and scaling up the same gradually.

On Assessment by the management, post the commencement of operation at all facilities, the impact of this pandemic on its business operations, liquidity and financial position and based on current indicators and economic conditions there is no material impact on its financial statements for the year ended March 31, 2020. However, the impact assessment of COVID-19 is a continuing process and the Company will continue to monitor any material changes to future economic conditions.

## 41 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 and investment in preference shares 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.

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:**

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

**Financial Assets and Liabilities as at 31st March' 2020**

Particulars	Non Current	Current	Total	"Routed through P & L"	Routed through OCI	Carrying at amortised cost	At Cost	Total
<b>Financial Assets</b>								
Investments in Subsidiary	600.00	-	600.00	-	-	-	600.00	600.00
Other Financial Assets	373.39	-	373.39	-	-	373.39	-	373.39
Trade receivable	-	15,234.82	15,234.82	-	-	15,234.82	-	15,234.82
Cash and Cash equivalents	-	1,304.91	1,304.91	-	-	1,304.91	-	1,304.91
Other Bank Balance	-	182.24	182.24	-	-	182.24	-	182.24
Other Current financial assets	-	75.36	75.36	-	-	75.36	-	75.36
	<b>973.39</b>	<b>16,797.33</b>	<b>17,770.72</b>	-	-	<b>17,170.72</b>	<b>600.00</b>	<b>17,770.72</b>
<b>Financial Liabilities</b>								
Borrowings	152.95	4,311.06	4,464.01	-	-	4,464.01	-	4,464.01
Other Financial Liabilities	84.35	1,145.60	1,229.95	-	-	1,229.95	-	1,229.95
Trade Payables	-	5,651.54	5,651.54	-	-	5,651.54	-	5,651.54
	<b>237.30</b>	<b>11,108.20</b>	<b>11,345.50</b>	-	-	<b>11,345.50</b>	-	<b>11,345.50</b>

**Financial Assets and Liabilities as at 31st March' 2019**

Particulars	Non Current	Current	Total	"Routed through P & L"	Routed through OCI	Carrying at amortised cost	At Cost	Total
<b>Financial Assets</b>								
Investments in Subsidiary	-	-	-	-	-	-	-	-
Other Financial Assets	368.26	-	368.26	-	-	368.26	-	368.26
Trade receivable	-	16,103.69	16,103.69	-	-	16,103.69	-	16,103.69
Cash and Cash equivalents	-	361.91	361.91	-	-	361.91	-	361.91
Other Bank Balance	-	125.66	125.66	-	-	125.66	-	125.66
Other Current financial Assets	-	137.29	137.29	-	-	137.29	-	137.29
	<b>368.26</b>	<b>16,728.55</b>	<b>17,096.81</b>	-	-	<b>17,096.81</b>	-	<b>17,096.81</b>
<b>Financial Liabilities</b>								
Borrowings	1,176.47	16,223.70	17,400.17	-	-	17,400.17	-	17,400.17
Other Financial Liabilities	-	1,455.57	1,455.57	-	-	1,455.57	-	1,455.57
Trade Payables	-	5,340.18	5,340.18	-	-	5,340.18	-	5,340.18
	<b>1,176.47</b>	<b>23,019.45</b>	<b>24,195.92</b>	-	-	<b>24,195.92</b>	-	<b>24,195.92</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 42 Related Parties Disclosure

#### a) Parties where control exists

Subsidiary : Oriental Aromatics Inc, USA (Liquidated on 07.02.2019)

Subsidiary : PT. Oriental Aromatics, Indonesia. (Proposed to be Liquidated)

Subsidiary : Oriental Aromatics & Sons Limited, India (Incorporated on 27th 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.

Arofine Chemicals Industries (w.e.f. 27.05.2019)

Vaishnavi Chemicals Private Limited (w.e.f. 27.05.2019)

##### ii) Key Management personnel and relatives :

Mr. Dharmil A. Bodani (Chairman and Managing Director)

Mr. Girish Khandelwal (Chief Financial Officer)

Mr. Shyamal A. Bodani (Executive Director)

Mrs. Kiranpreet Gill (Company Secretary)

Mr. Animesh Dhar (Executive Director - Operations)

Mrs. Indira Bodani (Relative KMP)

Mr. Satish Ray (Executive Director - Operations)

Mrs. Kinnari Panjabi (Relative KMP)

Mr. Parag Satoskar (Chief Executive Officer w.e.f. 27.05.2019)

Mrs. Anita Satoskar (Relative of KMP w.e.f. 27.05.2019)

### Transaction with the Related Parties

#### 1 Compensation to Key Management Personnel

Sr No	Particulars	2019-20	2018-19	Outstanding As at 31.03.20	Outstanding As at 31.03.19
1	Short term employee benefits	434.07	332.19	33.82	-
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	2019-20	2018-19	Outstanding As at 31.03.20	Outstanding As at 31.03.19
1	PT. Oriental Aromatics	Sales	41.31	361.97	95.08	202.84
		Conversion of Loan into Equity	782.21	-	-	-
		Impairment of Investment and loan including interest receivable	-	973.12	-	-
		Receivable write off	-	51.13	-	-
		Interest Income	-	30.89	-	-
2	Oriental Aromatics & Sons Limited	Investment in Equity Share	600.00	-	600.00	-
		Reimbursement of Expenses	26.69	-	0.02	-
3	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	113.75	117.50	-	-
4	Mr. Dharmil A. Bodani	Remuneration	201.80	162.00	14.38	0.13
5	Mr Shyamal A. Bodani	Remuneration	109.08	90.90	9.09	5.10
6	Mr. Animesh Dhar	Remuneration	33.46	26.41	2.70	-

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Sr No	Particulars	Nature of transaction	2019-20	2018-19	Outstanding As at 31.03.20	Outstanding As at 31.03.19
7	Mr. Satish Ray	Remuneration	21.00	16.26	1.62	-
8	Mr. Parag Satoskar	Remuneration	24.90	-	2.45	-
9	Mr. Girish Khandelwal	Remuneration	31.17	25.09	2.63	-
10	Mrs. Kiranpreet Gill	Remuneration	12.66	11.53	0.96	-
11	Mrs. Indira Bodani	Remuneration	21.63	18.00	1.80	-
12	Mrs. Kinnari Panjabi	Remuneration	-	3.60	-	-
13	Mrs. Anita Satoskar	Remuneration	24.90	-	2.45	-
14	Vaishnavi Chemicals Private Limited	Rent Expenses	22.68	-	-	-
		Provision made against Receivable	5.48	-	16.20	-
15	Arofine Chemicals Industries	Provision made against Receivable	8.46	-	31.87	-

**Note :**

- 1 No amount in respect of related party have been written off/provided for during the year, except disclosed above.
- 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.

**43 LEASES**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" using modified retrospective approach. The Company's lease asset classes primarily consist of leases for buildings and vehicles. These leases were classified as "Operating Leases" under Ind AS 17. On transition to Ind AS 116 "Leases", for these leases, lease liabilities were measured at the present value of remaining lease payments, discounted at the Company's incremental borrowing rate as at April 01, 2019. Right to Use if measured either at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Due to transition, 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, and therefore, these expenses for the current year are not comparable to the previous years, to that extent.

The Company has used following practical expedient, when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17.

- The company didn't recognized Right to Use and Lease liabilities for lease for which the lease terms ends within 12 months on the date of initial transition and low value assets
- The Company excluded initial direct cost from measurement of the Right to Use assets at the date of initial application.
- The Company uses hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities is 9%.

The difference between the lease obligation under Ind AS 17 and the value of the lease liability is primarily on account of inclusion of extension and termination options reasonably certain to be exercised in measuring the lease liability in accordance with Ind AS 116 and discounting the lease liabilities to the present value under Ind AS 116

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**Following are the changes in the carrying value of right of use assets for the year ended March 31, 2020 :**

Particulars	Type of Right to Use assets		Total
	Building	Land	
<b>Balance as at 1st April 2019</b>	-	-	-
Reclassified on account of adoption of Ind As 116	-	613.05	613.05
Additions	180.26	-	180.26
Deletions	-	-	-
Depreciation and amortisation expenses (Refer Note 4)	48.93	8.05	56.98
<b>Balance as at 31st March 2020</b>	<b>131.33</b>	<b>605.00</b>	<b>736.33</b>

**Following is the movement in lease liabilities during the year ended March 31, 2020:**

Particulars	Amount
<b>Balance as on April 01 2019</b>	-
Additions	180.87
Interest accrued during the year	12.81
Deletions	-
Payment of lease liabilities	54.82
<b>Balance as on March 31, 2020</b>	<b>138.86</b>
- Current lease liabilities	53.91
- Non- current lease liabilities	84.95

**Break-up of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:**

Particulars	Amount
Less than one year	64.18
One to five years	90.01
More than 5 years	-

**Short-term leases expenses incurred for the year ended 31st March, 2020:**

Particulars	Amount
Rental expense	5.55

#### 44 Post retirement benefit plans

As per Actuarial Valuation as at 31st March, 2020 and 2019 and recognised in the financial statements in respect of Employee Benefit Schemes:

##### DEFINED BENEFIT PLANS :

###### A. Balance Sheet

Particulars	As at	
	31.03.2020	31.03.2019
Present value of plan liabilities	541.05	509.64
Fair value of plan assets	406.48	371.55
<b>Plan liability net of plan assets</b>	<b>134.57</b>	<b>138.09</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

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

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April 2019</b>	371.55	509.64	138.09
Current service cost		36.15	36.15
Employer contributions	149.24		(149.24)
Return on plan assets	(6.65)		6.65
Interest cost		38.68	38.68
Interest income	28.20		(28.20)
Actuarial (gain)/loss arising from changes in financial assumptions		40.74	40.74
Actuarial (gain)/loss arising from experience adjustments		51.70	51.70
Benefit payments	(135.86)	(135.86)	-
<b>As at 31st March 2020</b>	<b>406.48</b>	<b>541.05</b>	<b>134.57</b>

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
<b>As at 1st April 2018</b>	397.53	440.25	42.72
Current service cost		29.68	29.68
Employer contributions	9.05		(9.05)
Return on plan assets	(4.67)		4.67
Interest cost		33.94	33.94
Interest income	30.63		(30.63)
Actuarial (gain)/loss arising from changes in demographic assumptions		9.88	9.88
Actuarial (gain)/loss arising from changes in financial assumptions		38.96	38.96
Actuarial (gain)/loss arising from experience adjustments		17.92	17.92
Benefit payments	(60.99)	(60.99)	-
<b>As at 31st March 2019</b>	<b>371.55</b>	<b>509.64</b>	<b>138.09</b>

**C. Statement of Profit and Loss**

Particulars	2019-20	2018-19
<b>Employee Benefit Expenses:</b>		
Current service cost	36.15	29.68
<b>Total</b>	<b>36.15</b>	<b>29.68</b>
Finance cost/(income)	10.48	3.31
<b>Net impact on the Profit / (Loss) before tax</b>	<b>46.63</b>	<b>32.99</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net	6.65	4.67
Actuarial gains/(losses) on obligation for the Period finance income/(cost)		
Actuarial gains/(losses) arising from changes in demographic	-	9.88
Actuarial gains/(losses) arising from changes in financial assumptions	40.74	38.96
Experience gains/(losses) arising on pension plan and other benefit plan liabilities	51.70	17.92
	-	-
<b>Net impact on the Other Comprehensive Income before tax</b>	<b>99.09</b>	<b>71.44</b>

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### D. Defined benefit plans Assets

Particulars	As at	
	31.03.2020	31.03.2019
Insurance Fund	406.48	371.55

### E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits 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	As at	
	31.03.2020	31.03.2019
<b>Financial Assumptions</b>		
Discount rate	6.04%	7.59%
Salary Escalation Rate	6.00%	6.00%
Number of Active Members	654	611
Per Month Salary For Active Members	117.19	102.61
<i>Weighted Average Duration of the Projected Benefit Obligation</i>	7	6

#### 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:

Current Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	513.90	571.84
Salary Escalation Rate	PVO ER+1%	569.77	515.00
Employee Turnover	PVO ET+1%	540.76	541.30

Previous Year	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	PVO DR+1%	489.49	532.22
Salary Escalation Rate	PVO ER+1%	531.13	490.10
Employee Turnover	PVO ET+1%	507.21	511.79

The sensitivity analyses 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 31st March, 2020 as follows:

Year ending 31 March,	Amount
2021	119.61
2022	49.61
2023	60.48
Thereafter	585.88

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**The defined benefit obligations shall mature after year end 31st March, 2019 as follows:**

Year ending 31 March,	Amount
2020	149.66
2021	59.80
2022	52.56
Thereafter	524.40

**45 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 gearing ratio within the industry average. The gearing ratios were as follows:

Particulars	As at	
	31.03.2020	31.03.2019
Net Debt	3,770.86	17,979.44
Equity	46,380.49	39,199.15
Total Capital Employed	50,151.35	57,178.59
<b>Gearing Ratio</b>	<b>8%</b>	<b>31%</b>

**46 Net Debt Reconciliation**

Particulars	As at 31st March 2020		As at 31st March 2019	
	Term Loan	Working Capital Loan	Term Loan	Working Capital Loan
<b>Opening Net Debt</b>	2,117.65	16,223.70	3,058.82	10,008.32
Cash Flow during the year	(1,352.94)	(12,100.77)	(941.17)	6,097.30
Foreign Exchange (Gain)/loss	-	188.13	-	118.08
<b>Closing Net Debt</b>	<b>764.71</b>	<b>4,311.06</b>	<b>2,117.65</b>	<b>16,223.70</b>

**47 Corporate Social Responsibility**

Particulars	As at	
	31.03.2020	31.03.2019
Amount required to be spent as per Section 135 of Companies Act, 2013	109.28	81.60
Amount Spent during the year		
(a) Construction/Acquisition of assets	-	-
(b) On purpose other than above	120.00	119.50

**48 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:

## Notes to the standalone financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**a. Revenue from operations**

Particulars	As at	
	31.03.2020	31.03.2019
Within India	53,843.21	53,783.37
Outside India	22,099.80	21,471.98
<b>Total</b>	<b>75,943.01</b>	<b>75,255.35</b>

**b. Non-current operating assets**

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

**49 Impairment testing of Goodwill on Amalgamation**

Goodwill on amalgamation of ₹ 4497.72 Lakh is relating to the merged business of its fragrance and flavours division ('CGU').

Goodwill is not amortised, instead it is tested for impairment annually or more frequently if indicators of impairment exist. The recoverable amount is determined based on value-in-use calculation which require the use of certain assumptions. The calculation use cash flow projections based on management approved cash flow projections for the 3-5 years period. Cash flow post that is extrapolated using the estimated growth rates.

As a result of impairment test for the year ended 31st March 2020, no goodwill impairment was identified as the fair value of the CGUs 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's would decrease below the carrying amount.

**Key assumption used as at March 31, 2020**

Discount rate – 11.5%

Terminal Growth rate – 5%

**50 Fire Insurance Claim Fire Insurance Claim**

On 05th December, 2019, a fire occurred in Catalyst plant situated at CB Ganj, Bareilly. There has been loss to assets comprising of Inventories, Plant Buildings, Plant & Machinery and other Fixed Assets etc. As per the the best estimate of the Management, the book value of the loss due to fire is ₹ 101.45 Lacs, which has been debited to the statement of profit and loss which is included in other expenses. The Company is adequately insured and in process of filling the required documents with the Insurance Company. Considering uncertainty of measuring claim amount, the Insurance claim would be recognised as per the requirements of the accounting standards on the admission/approval of the claim by the Insurance Company.

**51** The Board of Directors has not recommended any further Dividend on equity Shares for the Financial Year 2019-20. The Interim Dividend of Rs. 2.50 per equity share declared and paid ( ₹ 1014.28 lacs) is considered as Final Dividend for the Financial Year 2019-20.

**52** The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 29th June, 2020.

- 53** a) 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.
- b) Previous year's figures are not comparable on account of adoption of Ind AS 116 using modified retrospective approach. (Refer Note 43).

**As per our attached Report of even date.**  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

**Date : 29th June, 2020**  
**Place : Mumbai**

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

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

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

**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**  
 (Formerly known as Camphor and Allied Products Limited)

## Opinion

We have audited the accompanying financial statements of Oriental Aromatics Limited ("the Parent Company"), its subsidiaries (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2020, 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 than 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 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 31st March 2020, 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 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 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 period. 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 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 ₹ 4,497.92 lakh, relating to a cash generating unit, is material to the financial statements. Besides, 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 analyses.</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>- Tested 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 relating to these.</li> <li>- Tested the discount rate and long-term growth rates used in the forecast including comparison to economic and industry forecasts where appropriate</li> <li>- Performed sensitivity analysis on these key assumptions to assess potential impact of downside in the underlying cash flow forecasts and assessed the possible mitigating actions identified by management.</li> <li>- We also assessed the disclosures provided by the Company in relation to its annual impairment test in Note no. 49 to the standalone financial statements.</li> </ul> <p>These procedures performed, gave us a sufficient evidence to enable us to rely on the accounting for goodwill impairment for the purpose of our audit of the Standalone financial statements.</p>

<b>2.</b>	<p><b>Inventory – existence and valuation</b></p> <p>As at March 31, 2020, the Group held inventories of ₹ 16,234.42 Lakhs. [Also, refer Note no 7 of the consolidated financial statements]</p> <p>Inventories existence and valuation was an audit focus area because of nationwide lockdown imposed by the Government of India in view of pandemic coronavirus (COVID 19).</p> <p>As explained by the Management, due to COVID 19 related restriction on account of nationwide lockdown, physical verification of inventories, lying at various locations as on the Balance sheet date couldn't be carried out.</p> <p>We have accordingly designated this as a focus area of the audit.</p>	<p><b>Audit procedures performed:</b></p> <p>We have performed following alternative audit procedures over inventory existence and valuations.</p> <ul style="list-style-type: none"> <li>(a) Ensuring the effectiveness of the design, implementation and maintenance of controls over changes in inventory to determine whether the conduct of physical inventory verification at a date other than the date of the financial statement is appropriate and testing of those controls whether those have operated effectively.</li> <li>(b) Performing procedures to ensure that the changes in inventory between the last verification date and date of the Balance sheet are properly recorded (Roll back procedures)</li> <li>(c) Performing substantive analytical procedures to test the correctness of inventory existence and valuation</li> <li>(d) Testing of accuracy of inventory reconciliations with the general ledgers at period end, including test of reconciling items</li> </ul> <p>The procedures performed gave us a sufficient evidence to conclude about the inventory existence and valuation.</p>
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**Information Other than the Consolidated 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 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 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 including its Associates 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 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 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 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 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 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 period 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 Matters:**

- (a) We did not audit the financial statements of 2 subsidiaries (for the year ended March 31, 2019 - 1 subsidiary) included in the consolidated financial statements of the Group whose financial statements reflects total assets of ₹ 632.82 lakh as at March 31, 2020 (as at March 31, 2019 ₹ 209.46 lakh); total revenue of ₹ 87.68 lakhs, net loss of ₹ 36.83 lakhs and net cash inflow of ₹ 346.64

lakh for the year ended 31 March, 2020 (revenue of ₹ 633.13 lakh, net loss of ₹ 185.87 lakh and net cash flow of ₹ 40.87 lakh for the year ended March 31, 2019), 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 the subsidiary, 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 subsidiary and associates, is based solely on the report of other auditors.

Our opinion on the consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### **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 31st March, 2020 taken on record by the Board of Directors of the Holding Company and jointly controlled company incorporated in India, none of the directors of the Group Companies incorporated in India is disqualified as on 31st March, 2020 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 Sec 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 performance in its consolidated financial statements. [Refer Note No. 37 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 Company.

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

**Vinay Somani**  
Partner  
Membership No. 143503  
UDIN:-20143503AAAAGI7069

Place: Mumbai  
Date: June 29, 2020

# Consolidated Balance Sheet

as at 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	As at	
		31st March 2020	31st March 2019
<b>I ASSETS</b>			
<b>1 Non-current Assets</b>			
(a) Property, Plant and Equipment	2	18,144.25	19,405.72
(b) Capital work - in - progress	2	174.46	80.31
(c) Goodwill on Amalgamation	2	4,497.72	4,497.72
(d) Intangible assets	3	240.15	577.25
(e) Right of use - Lease	4	736.33	-
(f) <u>Financial Assets:</u>			
Other financial assets	5	373.39	368.26
(g) Income Tax Assets (Net)		318.74	304.74
(h) Other non - current assets	6	63.51	35.86
<b>Total Non-Current Assets</b>		<b>24,548.55</b>	<b>25,269.86</b>
<b>2 Current assets</b>			
(a) Inventories	7	16,234.42	20,290.07
(b) <u>Financial Assets:</u>			
(i) Trade receivables	8	15,143.68	15,999.77
(ii) Cash and cash equivalents	9	1,729.86	504.61
(iii) Bank Balances Other Than (ii) above	10	381.24	125.66
(iv) Other current financial assets	11	83.96	78.78
(c) Other current assets	12	2,700.50	5,044.92
<b>Total Current Assets</b>		<b>36,273.66</b>	<b>42,043.81</b>
<b>3 Non-current assets classified as held for sale</b>		8.00	8.00
<b>TOTAL ASSETS</b>		<b>60,830.21</b>	<b>67,321.67</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	44,731.31	37,509.74
<b>Total Equity</b>		<b>46,413.99</b>	<b>39,192.42</b>
<b>2 Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	152.95	1,176.47
(ii) Other Financial Liabilities	16	84.34	-
(b) Provisions		176.63	193.61
(c) Deferred tax liabilities		2,601.22	3,422.89
<b>Total Non Current Liabilities</b>		<b>3,015.14</b>	<b>4,792.97</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	4,311.07	16,223.70
(ii) Trade Payables	19		
(A) Total outstanding dues of micro enterprises and small enterprises;		846.28	408.58
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,717.19	4,942.31
(iii) Other Financial Liabilities	20	1,145.64	1,455.57
(b) Other current liabilities	21	213.76	162.35
(c) Provisions	22	167.14	143.77
<b>Total Current Liabilities</b>		<b>11,401.08</b>	<b>23,336.28</b>
<b>Total Liabilities</b>		<b>14,416.22</b>	<b>28,129.25</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>60,830.21</b>	<b>67,321.67</b>
<b>Significant accounting policies and accompanying notes form an integral part of financial statements</b>	1-37		

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
Chartered Accountants  
Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
Partner

Date : 29th June, 2020  
Place : Mumbai

For and on behalf of the Board of Directors

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

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

**Parag Satoskar**  
Chief Executive Officer

**Girish Khandelwal**  
Chief Financial Officer

**Kiranpreet Gill**  
Company Secretary

## Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	For the Year ended	
		31st March, 2020	31st March, 2019
<b>I Income</b>			
Revenue from Operations	23	75,989.45	75,468.57
Other Income	24	737.24	127.25
<b>Total Income</b>		<b>76,726.69</b>	<b>75,595.82</b>
<b>II Expenses</b>			
Cost of materials consumed	25	48,630.94	52,211.65
Changes in inventories of finished goods and work-in progress	26	(902.61)	(2,454.22)
Manufacturing and Operating Costs	27	7,108.31	6,474.78
Employee benefits expense	28	3,581.13	3,148.78
Finance costs	29	1,192.46	1,298.58
Depreciation and amortization expense	30	1,901.86	1,779.71
Other expenses	31	4,924.76	4,587.37
<b>Total expenses</b>		<b>66,436.86</b>	<b>67,046.64</b>
<b>III Profit before exceptional items and tax</b>		<b>10,289.84</b>	<b>8,549.17</b>
<b>IV Exceptional Items - Impairment of assets</b>		-	(232.23)
<b>V Profit before tax</b>		<b>10,289.83</b>	<b>8,316.95</b>
<b>VI Tax expense</b>	32		
Current tax		2,516.19	2,327.60
Deferred tax charge/(credit)		(796.73)	968.11
Tax in respect of Earlier Years, Written Back		(48.51)	(693.09)
		<b>1,670.95</b>	<b>2,602.63</b>
<b>VII Profit for the year</b>		<b>8,618.88</b>	<b>5,714.32</b>
<b>VIII Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain/(Loss) Net of Tax		(74.14)	(46.48)
<b>IX Total Comprehensive Income for the year (VII + VIII)</b>		<b>8,544.74</b>	<b>5,667.84</b>
Attributable to the owners of the parent's company			
<b>Earnings per equity share of ₹ 5 each</b>	33		
Before Exceptional Item (Basic & Diluted)		25.61	17.67
After Exceptional Item (Basic & Diluted)		25.61	16.98
<b>Significant accounting policies and accompanying notes form an integral part of financial statements</b>	1-37		

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

For and on behalf of the Board of Directors

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

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

**Parag Satoskar**  
 Chief Executive Officer

**Girish Khandelwal**  
 Chief Financial Officer

**Kiranpreet Gill**  
 Company Secretary

# Consolidated Cash Flow Statement

for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	Note No.	For the Year ended	
		31st March, 2020	31st March, 2019
<b>A) Cash Flow from Operating Activities</b>			
<b>Net Profit before Tax</b>		<b>10,289.83</b>	<b>8,316.94</b>
<b>Adjustments for:</b>			
Depreciation and amortization expense		1,901.86	1,779.71
Interest and Other Finance Cost		1,192.46	1,268.56
Bad Debts and Provision for doubtful Debts		55.85	42.34
Loss / (Profit) on discarding / sale of assets (Net)		9.97	64.33
Excess Provision Written back		(74.13)	(104.69)
Exceptional Items - Impairment of assets		-	232.23
Unrealised Foreign Exchange rate difference		2.77	(74.14)
<b>Operating Profit before Working Capital Changes</b>		<b>13,378.60</b>	<b>11,525.28</b>
<b>Adjustments for:</b>			
(Increase)/Decrease in Trade & Other Receivables		2,857.76	(3,439.23)
(Increase)/Decrease in Inventories		4,055.65	(7,006.33)
Increase/(Decrease) in Trade Payables & Provisions		330.80	(1,091.77)
<b>Cash generated from Operating Activities</b>		<b>20,622.81</b>	<b>(12.05)</b>
Direct Taxes (Paid) Net of Refund Received		(2,528.56)	(2,330.24)
<b>Net Cash from Operating Activities (A)</b>		<b>18,094.25</b>	<b>(2,342.30)</b>
<b>B) Cash Flow from Investing Activities</b>			
Purchase of Property, Plant and Equipment		(988.40)	(1,286.58)
Sale of Property, Plant and Equipment		24.92	43.67
<b>Net Cash (used in)/from Investing Activities (B)</b>		<b>(963.48)</b>	<b>(1,242.91)</b>
<b>C) Cash Flow from Financing Activities</b>			
Repayment of long term borrowings		(1,352.94)	(941.00)
Increase/(Decrease) in short term borrowings		(12,100.77)	6,093.94
Dividend Paid (Including Dividend Distribution Tax)		(1,420.00)	(203.18)
Payment of lease liabilities		(54.82)	-
Interest and Other Financial Cost		(976.99)	(1,316.91)
<b>Net Cash (used in)/from Financing Activities (C)</b>		<b>(15,905.52)</b>	<b>3,632.85</b>
<b>Net increase in cash and cash equivalents (A + B + C)</b>		<b>1,225.25</b>	<b>47.64</b>
Cash & cash equivalents at beginning of the year	9	<b>504.61</b>	<b>456.97</b>
Cash & cash equivalents at end of the year	9	<b>1,729.86</b>	<b>504.61</b>
<b>Significant Accounting Policies and accompany Notes form integral part of the Financial Statements</b>	1-37		

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

For and on behalf of the Board of Directors

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

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

**Parag Satoskar**  
 Chief Executive Officer

**Girish Khandelwal**  
 Chief Financial Officer

**Kiranpreet Gill**  
 Company Secretary

## Consolidated Statement of Changes in Equity for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**a EQUITY SHARE CAPITAL**

Particulars	Notes	Amount
<b>As at 31st March 2018</b>		<b>841.34</b>
Changes in Equity Share Capital	13	841.34
<b>As at 31st March 2019</b>		<b>1,682.68</b>
Changes in Equity Share Capital	13	-
<b>As at 31st March 2020</b>		<b>1,682.68</b>

**b OTHER EQUITY**

Particulars	NOTE	Reserves and Surplus				Items of other comprehensive income		Total
		Capital Reserve on Amalgamation	Securities Premium	General Reserve	Retained Earnings	Actuarial gains / (losses)	Foreign Currency Translation Reserve	
<b>Balance as at 1st April, 2018</b>		266.74	739.82	4,376.64	27,545.19	(56.78)	44.58	<b>32,916.19</b>
Profit for the year		-	-	-	5,714.32	-	(29.77)	<b>5,684.55</b>
Capitalisation of profit - issue of bonus shares	13		(739.82)	(101.52)				<b>(841.34)</b>
Other Comprehensive Income for the year		-	-	-		(46.48)		<b>(46.48)</b>
Transfer					97.88	17.18	(115.06)	-
Dividend Paid					(168.59)			<b>(168.59)</b>
Dividend Distribution Tax Paid		-	-	-	(34.59)	-		<b>(34.59)</b>
<b>Balance as at 31st March, 2019</b>		<b>266.74</b>	<b>-</b>	<b>4,275.12</b>	<b>33,154.21</b>	<b>(86.08)</b>	<b>(100.25)</b>	<b>37,509.74</b>
Profit for the year		-	-	-	8,618.88	-		<b>8,618.88</b>
Other Comprehensive Income for the year		-	-	-		(74.14)	-	<b>(74.14)</b>
Translation reserve for the year					-		96.82	<b>96.82</b>
Dividend Paid (including Interim Dividend)					(1,177.88)			<b>(1,177.88)</b>
Dividend Distribution Tax Paid		-	-	-	(242.12)	-		<b>(242.12)</b>
<b>Balance as at 31st March, 2020</b>		<b>266.74</b>	<b>-</b>	<b>4,275.12</b>	<b>40,353.09</b>	<b>(160.22)</b>	<b>(3.43)</b>	<b>44,731.31</b>
<b>Significant accounting policies and accompanying notes form an integral part of financial statements</b>	1-37							

As per our attached Report of even date.  
**For Bagaria & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. - 113447W/W-100019

**Vinay Somani**  
 Partner

Date : 29th June, 2020  
 Place : Mumbai

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

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

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

**Parag Satoskar**  
 Chief Executive Officer

**Girish Khandelwal**  
 Chief Financial Officer

**Kiranpreet Gill**  
 Company Secretary

# Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

### A. General Information :

The consolidated financial statements comprise financial statements of Oriental Aromatics Limited (“the Parent Company”) and its subsidiaries (hereinafter referred to as “the Group”) for the year ended 31st March, 2020.

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 of India Limited. The Company is engaged in business of manufacturing Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavours.

### B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

#### I. Statement of compliance:

The Consolidated financial Statements of the Group which comprise the Balance Sheet as at 31st March, 2020, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2020, 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 29th June, 2020.

#### 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

- IV** For other accounting policies - Refer significant accounting policies mentioned in the standalone financial statement.

## Notes to the consolidated financial statements As at and for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 2 Property, Plant and Equipment

Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>										
<b>As at 31st March 2019</b>	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	80.31
Additions	-	-	70.86	574.00	26.96	6.88	212.63	33.99	925.32	355.33
Disposals/Adjustment	-	-	17.99	87.14	6.02	2.02	60.33	1.59	175.08	261.18
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	4.74	631.83	6,162.75	14,528.36	371.49	963.28	761.70	94.43	23,518.57	174.46
<b>As at 31st March 2020</b>	-	-	6,162.75	14,528.36	371.49	963.28	761.70	94.43	23,518.57	174.46
<b>Accumulated Depreciation :</b>										
<b>As at 01st April 2019</b>	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
Depreciation charge for the year	-	-	255.03	971.31	38.60	128.86	86.35	26.42	1,506.57	-
Disposals/Adjustment	-	-	1.86	63.40	5.26	1.89	34.06	1.44	107.92	-
Reclassified on account of adoption of Ind As 116 - Refer Note No. 4	-	18.78	-	-	-	-	-	-	-	-
<b>As at 31st March 2020</b>	-	-	944.26	2,795.65	253.46	516.91	167.54	64.66	4,761.27	-
<b>Net Carrying Amount :</b>										
<b>As at 31st March 2019</b>	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.72	80.31
<b>As at 31st March 2020</b>	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	29.77	18,144.25	174.46
Particulars	Freehold Land	Lease Land	Buildings	Plant & Equipment	Office Equipment	Furniture & Fixtures	Vehicles	Computers	Total	Capital Work-In-Progress
<b>Gross Carrying Amount / Deemed Cost</b>										
<b>As at 31st March 2018</b>	4.74	631.83	4,970.42	10,644.07	272.43	873.70	315.55	39.74	17,752.47	3,992.30
Additions	-	-	1,139.46	3,478.01	78.74	84.72	392.39	22.30	5,195.61	742.13
Disposals	-	-	-	80.57	0.63	0.01	98.54	-	179.75	4,654.12
<b>As at 31st March 2019</b>	4.74	631.83	6,109.87	14,041.50	350.54	958.41	609.40	62.03	22,768.33	80.31
<b>Accumulated Depreciation :</b>										
<b>As at 31st March 2018</b>	-	76.32	383.37	1,008.31	157.70	248.05	96.89	16.09	1,986.74	-
Depreciation charge for the year	-	7.63	242.55	895.92	62.44	141.89	60.91	23.59	1,434.94	-
Disposals	-	65.17	(65.17)	16.49	0.02	-	42.56	-	59.07	-
As at 31st March 2019	-	18.78	691.09	1,887.74	220.12	389.95	115.25	39.68	3,362.61	-
Net Carrying Amount :	4.74	555.51	4,587.05	9,635.76	114.73	625.65	218.65	23.65	15,765.73	3,992.30
<b>As at 31st March 2018</b>	4.74	613.05	5,418.78	12,153.77	130.42	568.46	494.16	22.35	19,405.72	80.31
<b>As at 31st March 2019</b>	4.74	-	5,218.49	11,732.71	118.03	446.36	594.16	22.35	18,144.25	174.46

Notes:

- A. For information on property, plant and equipment offered as security by the Company, refer standalone financial statement  
 B. For information on Capital Commitment, refer standalone financial statement  
 C. Breakup of Capital work in progress as under :-

Particulars	As at 31st March, 2020	As at 31st March, 2019
Plant & Equipment	45.54	67.31
Buildings	19.62	-
Pre-operative Expenses	-	-
Salary Expenses	22.17	-
Professional Fees	85.87	13.00
Other Expenses	1.26	-
<b>Total</b>	<b>174.46</b>	<b>80.31</b>

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 3 Intangible assets

Particulars	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2019	1,464.50	101.96	1,566.46
Additions	0.11	1.10	1.21
Disposals	-	-	-
<b>As at 31st March 2020</b>	<b>1,464.61</b>	<b>103.06</b>	<b>1,567.67</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2019	953.98	35.23	989.21
Amortisation charge for the year	317.35	20.96	338.31
<b>As at 31st March 2020</b>	<b>1,271.33</b>	<b>56.19</b>	<b>1,327.52</b>
<b>Net Carrying Amount</b>			
As at 31st March 2019	<b>510.52</b>	<b>66.73</b>	<b>577.25</b>
As at 31st March 2020	<b>193.28</b>	<b>46.87</b>	<b>240.15</b>

Particulars	Technical Knowhow	Computer Software	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 31st March 2018	1,463.70	91.90	1,555.60
Additions	0.80	10.06	10.86
Disposals			
<b>As at 31st March 2019</b>	<b>1,464.50</b>	<b>101.96</b>	<b>1,566.46</b>
<b>Accumulated Amortisation</b>			
As at 31st March 2018	635.25	17.41	652.66
Amortisation charge for the year	318.73	17.82	336.54
<b>As at 31st March 2019</b>	<b>953.98</b>	<b>35.23</b>	<b>989.21</b>
<b>Net Carrying Amount</b>			
As at 31st March 2018	<b>828.45</b>	<b>74.49</b>	<b>902.94</b>
As at 31st March 2019	<b>510.52</b>	<b>66.73</b>	<b>577.25</b>

### 4 Right of use - Lease

Particulars	Lease-Land	Lease- Buildings	Total
<b>Gross Carrying Amount / Deemed Cost</b>			
As at 01st April 2019	-	-	-
Additions	-	180.26	180.26
Transfer due to Ind AS116 transition	631.83	-	631.83
<b>As at 31st March 2020</b>	<b>631.83</b>	<b>180.26</b>	<b>812.09</b>
<b>Accumulated Amortisation</b>			
As at 01st April 2019	-	-	-
Amortisation charge for the year	8.05	48.93	56.98
Transfer due to Ind AS116 transition	18.78		18.78
<b>As at 31st March 2020</b>	<b>26.83</b>	<b>48.93</b>	<b>75.76</b>
<b>Net Carrying Amount</b>			
As at 01st April 2019	-	-	-
As at 31st March 2020	<b>605.00</b>	<b>131.33</b>	<b>736.33</b>

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

## Notes:

(All amounts are in ₹ Lakh, unless stated otherwise)

- A. Lease hold Land - lease period of the lease hold land are as under :-

Manufacturing Presence	Net Carrying Value	Lease periods
Ambarnath, Maharashtra	581.47	92 Years
Bareilly, Uttar Pradesh	16.21	30 Years
Vadodara, Gujarat	7.32	99 Years

- B. The title deed of leasehold land having net book value of ₹ 581.47 (March 31, 2019 : ₹ 588.40) are in the name of the entity that got merged with the Company. Necessary steps are being taken to transfer the same in the name of Company.

- C. Refer standalone financial statement for Leases.

## 5 Other Financial Assets - Non Current

Particulars	As at	
	31.03.2020	31.03.2019
<b>Non-current</b>		
<b>Considered good</b>		
Security Deposits with Government and Others	154.27	146.34
Bank Deposits with maturity more than 12 months (Security against Guarantee given)	171.05	161.24
Recoverable in respect of acquired business	48.07	60.68
Recoverable in respect of acquired business - Impaired	13.94	-
Less: Allowance for bad and doubtful recoverable	(13.94)	-
<b>Total</b>	<b>373.39</b>	<b>368.26</b>

## 6 Other non - current assets

Particulars	As at	
	31.03.2020	31.03.2019
Capital advances	63.51	35.86
<b>Total</b>	<b>63.51</b>	<b>35.86</b>

## 7 Inventories

Particulars	As at	
	31.03.2020	31.03.2019
Raw Materials	6,145.75	9,760.51
Raw Materials - in Transit	1,157.18	2,435.89
Work-in-progress	4,705.19	4,557.38
Finished goods	2,443.55	251.80
Finished goods - in Transit	1,073.94	2,510.90
Stores, Spares and Packing Materials	690.49	718.93
Stores, Spares and Packing Materials - in Transit	18.31	54.67
<b>Total</b>	<b>16,234.42</b>	<b>20,290.07</b>

## Notes

- Refer standalone financial statements for the details in respect of inventories hypothecated /mortgaged as security for borrowings.
- Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to ₹ 303.66 lakh (P.Y. ₹ 92.72 lakh). These write downs have been recognised as an expense under "Raw Material Consumption" and "Changes in inventories of finished goods and work-in progress" in statement of Profit and Loss.

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 8 Trade receivables

Particulars	As at	
	31.03.2020	31.03.2019
Trade Receivables considered good - Unsecured	15,143.68	15,999.77
Trade Receivables - credit impaired	62.40	58.13
Less: Allowance for bad and doubtful debts	(62.40)	(58.13)
<b>Total</b>	<b>15,143.68</b>	<b>15,999.77</b>

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

Particulars	As at	
	31.03.2020	31.03.2019
<u>Balances with Banks</u>		
- In current accounts	1,715.09	497.43
Cash on hand	14.77	7.19
<b>Total</b>	<b>1,729.86</b>	<b>504.61</b>

### 10 Other Bank Balances

Particulars	As at	
	31.03.2020	31.03.2019
Unpaid Dividend	58.47	18.94
Margin Money Accounts	113.23	106.72
Term deposits with original maturity of less than 12 months (Offered as Security against Bank Guarantee given)	209.54	-
<b>Total</b>	<b>381.24</b>	<b>125.66</b>

### 11 Other financial assets - Current

Particulars	As at	
	31.03.2020	31.03.2019
Interest accrued on Fixed Deposit	21.00	14.36
Loan to Staff	49.43	58.17
Insurance claim receivable	5.13	0.36
Security Deposit	5.60	5.89
Other Receivable	2.80	-
<b>Total</b>	<b>83.96</b>	<b>78.78</b>

### 12 Other current assets

Particulars	As at	
	31.03.2020	31.03.2019
Export benefit receivables	7.10	15.38
VAT Credit Receivable	83.63	196.81
Balances with GST	1,518.65	3,962.11
Advances to Suppliers	692.02	556.01
Advances to Staff	14.65	16.44
Prepaid expenses	384.42	298.16
<b>Total</b>	<b>2,700.47</b>	<b>5,044.92</b>

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 13 a) Equity Share capital

Particulars	As at	
	31.03.2020	31.03.2019
<b>Authorised</b>		
<b>Equity shares</b>	3,500.00	3,500.00
As at 31st March,2020 - 70,000,000 no. of shares at ₹ 5 each.		
As at 31st March,2019 - 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 31st March,2020 - 33,653,576 no. of shares at ₹ 5 each.		
As at 31st March,2019 - 33,653,576 no. of shares at ₹ 5 each.		
	<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 Rs.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 at	
	31.03.2020	31.03.2019
<b>Equity Shares :</b>		
Balance as at the beginning of the year	3,36,53,576	84,13,394
Add: Shares issued during the year	-	-
Add: Issuance shares on Subdivision of Shares (refer note below)	-	84,13,394
Add: Issuance share on Bonus (refer note below)	-	1,68,26,788
Balance as at the end of the year	<b>3,36,53,576</b>	<b>3,36,53,576</b>

**Note on subdivision and bonus issue**

The members of the Company through Postal Ballot on 3rd December 2018, considered and approved the following:

- Sub-division of 1(one) equity share of face value of Rs. 10 each into 2 (Two) equity shares of face value of Rs. 5 each; and
- Issue of 1 (one) fully paid bonus equity share of the face value of Rs. 5 each for 1 (one) equity share of the face value of Rs. 5 each (i.e. as adjusted for sub-division of shares).

## d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	31.03.2020	31.03.2019
Mr. Dharmil A. Bodani	1,24,78,752	1,24,78,752
	37.08%	37.08%
Mr. Shyamal A. Bodani	1,24,80,000	1,24,80,000
	37.08%	37.08%

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

- e) For a period of 5 years immediately preceding the balance sheet date, the company has:

Particulars	31-Mar-20	31-Mar-19	31-Mar-18	31-Mar-17	31-Mar-16
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	As at	
	31.03.2020	31.03.2019
<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	40,353.09	33,154.21
Items of other comprehensive income	(160.22)	(86.08)
Foreign Currency Translation Reserve	(3.43)	(100.25)
<b>Total</b>	<b>44,731.31</b>	<b>37,509.74</b>

#### B. Nature and purpose of reserves

- Capital Reserve on Amalgamation : During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.
- General Reserve : The General reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.
- Retained Earnings : Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or other distribution paid to shareholder.
- Foreign Currency Translation Reserve : This reserve contains the accumulated balance of foreign exchange differences arising on monetary items that, in substance, form part of the Group's net investment in a foreign operation whose functional currency is other than Indian rupees. Exchange differences previously accumulated in this reserve are reclassified to profit or loss on disposal of the foreign operation.
- Items of other Comprehensive income : Difference between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

### 15 Non Current Financial Liabilities - Borrowings

Particulars	As at	
	31.03.2020	31.03.2019
<b>Secured</b>		
Term loan from a Bank	152.95	1,176.47
<b>Total</b>	<b>152.95</b>	<b>1,176.47</b>

For terms and conditions - Refer standalone financial statements

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 16 Non Current Financial Liabilities - Others

Particulars	As at	
	31.03.2020	31.03.2019
Finance Lease	84.35	-
<b>Total</b>	<b>84.35</b>	<b>-</b>

Refer standalone financial statement for Leases.

## 17 Non Current Financial Liabilities - Others

Particulars	As at	
	31.03.2020	31.03.2019
<b>Provision for employee benefits :</b>		
Provision for Gratuity	17.38	35.48
Provision for Compensated Absences	159.25	158.13
<b>Total</b>	<b>176.63</b>	<b>193.61</b>

## 18 Current Financial Liabilities - Borrowings

Particulars	As at	
	31.03.2020	31.03.2019
<b>Secured</b>		
Working Capital Loan from Banks	4,311.06	16,223.70
<b>Total</b>	<b>4,311.06</b>	<b>16,223.70</b>

For terms and conditions - Refer standalone financial statements

## 19 Trade payables

Particulars	As at	
	31.03.2020	31.03.2019
Due to micro enterprises and small enterprises	846.28	408.58
Due to creditors other than micro enterprises and small enterprises	4,717.19	4,942.31
<b>Total</b>	<b>5,563.47</b>	<b>5,350.89</b>

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:

1) Principal amount remaining unpaid - (Since Paid)	846.28	408.58
2) Interest due on above and the unpaid interest	0.73	-
3) Interest paid	-	-
4) Payment made beyond the appointed day during the year	-	-
5) Interest due and payable for the period of delay	-	-
6) Interest accrued and remaining unpaid	-	-
7) Amount of further interest remaining due and payable in succeeding years	-	-

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 20 Other financial liabilities

Particulars	As at	
	31.03.2020	31.03.2019
Current maturities of long-term debt	611.76	941.18
Interest Accrued but Due on Borrowings	-	-
Interest Accrued but not Due on Borrowings	32.73	53.44
Unclaimed Dividend	58.47	18.94
Finance Lease	53.91	-
Towards Capital Expenditure	388.73	442.02
<b>Total</b>	<b>1,145.60</b>	<b>1,455.57</b>

Refer standalone financial statement for Leases.

### 21 Other Current liabilities

Particulars	As at	
	31.03.2020	31.03.2019
Advance from customers	53.90	26.29
Statutory Dues	159.86	136.06
<b>Total</b>	<b>213.76</b>	<b>162.35</b>

### 22 Provisions

Particulars	As at	
	31.03.2020	31.03.2019
<b>Provision for employee benefits :</b>		
Provision for Gratuity	117.19	102.61
Provision for Compensated Absences	49.95	41.16
<b>Total</b>	<b>167.14</b>	<b>143.77</b>
<b>Sales of Products</b>		
Contracted Price	76,193.36	75,660.83
Less: Trade Discount, Volume Rebate etc	(340.91)	(346.16)
<b>Sale of Manufactured Products</b>	<b>75,852.45</b>	<b>75,314.67</b>
<b>Other operating revenue</b>		
Export Incentives	77.20	74.02
Process waste sale	49.64	70.18
Royalty Income	10.16	9.70
<b>Total</b>	<b>75,989.45</b>	<b>75,468.57</b>

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

## 24 Other income

Particulars	For The Year Ended	
	2019-2020	2018-2019
Rent and Compensation	5.05	4.99
Interest on VAT refund	79.93	-
Foreign Exchange Gain/(Loss) (net)	545.75	-
Liability/Provision no longer required, written back	74.13	104.69
Other non-operating income	32.38	17.57
<b>Total</b>	<b>737.24</b>	<b>127.25</b>

## 25 Cost of materials consumed

Particulars	For The Year Ended	
	2019-2020	2018-2019
Raw Materials consumed	48,630.94	52,211.65
<b>Total</b>	<b>48,630.94</b>	<b>52,211.65</b>

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

Particulars	For The Year Ended	
	2019-2020	2018-2019
<b>Opening inventories</b>		
Finished goods	2,762.70	1,410.15
Work-in-progress	4,557.38	3,455.71
<b>Closing inventories</b>		
Finished goods	(3,517.49)	(2,762.70)
Work-in-progress	(4,705.19)	(4,557.38)
<b>Total</b>	<b>(902.61)</b>	<b>(2,454.22)</b>

## 27 Manufacturing and Operating Costs

Particulars	For The Year Ended	
	2019-2020	2018-2019
Consumption of Spares Parts	1,295.11	1,299.10
Power and Fuel	3,572.86	3,421.17
License Fees (Technical Knowhow)	432.34	339.27
Other Manufacturing and Operating Expenses	1,052.60	860.91
Repairs to Buildings	133.26	108.07
Repairs to Machinery	622.13	446.26
<b>Total</b>	<b>7,108.31</b>	<b>6,474.78</b>

## 28 Employee benefits expense

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

Particulars	For The Year Ended	
	2019-2020	2018-2019
Salaries and wages	3,143.49	2,740.51
Contribution to provident funds and other funds	191.38	148.82
Defined benefit plan expense	74.07	120.08
Workmen and Staff welfare expenses	172.19	139.37
<b>Total</b>	<b>3,581.13</b>	<b>3,148.78</b>

### 29 Finance costs

Particulars	For The Year Ended	
	2019-2020	2018-2019
Interest expense	682.29	1,296.40
Foreign Exchange (gain) / loss on borrowings	461.48	(82.12)
Other borrowing costs	48.68	84.30
<b>Total</b>	<b>1,192.46</b>	<b>1,298.58</b>

### 30 Depreciation and amortization expense

Particulars	For The Year Ended	
	2019-2020	2018-2019
Depreciation on Property, Plant and Equipment	1,563.55	1,443.17
Amortization on Intangible assets	338.31	336.54
<b>Total</b>	<b>1,901.86</b>	<b>1,779.71</b>

### 31 Other expenses

Particulars	For The Year Ended	
	2019-2020	2018-2019
Rent	20.61	81.24
Insurance	283.90	177.19
Rates and Taxes	186.44	105.23
Repairs & Maintenance Others	63.05	144.61
Auditor's Remuneration and Expenses	22.26	24.09
Legal and Professional Expenses	457.17	595.81
Directors Sitting Fees	21.20	13.75
Bad Debts	51.58	10.98
Less:- Provision utilised against bad debts	(22.55)	-
Provision for doubtful Debts	26.82	31.36
Freight Expenses	2,220.05	1,856.11
Commission on Sales	142.44	176.60
Sales Promotion Expenses	105.30	84.17
Travelling Expenses	298.14	391.52
CSR Expenses	120.00	119.50
Net Loss on Sale / Discard of Property, Plant and Equipment	9.97	63.64
Expected Loss in Subsidiary	20.86	-
Foreign Exchange (Gain)/Loss (net)	-	66.55
Miscellaneous Expenses	897.54	645.02
<b>Total</b>	<b>4,924.76</b>	<b>4,587.37</b>

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

**32 Composition of the Group**

Information about the composition of the Group is as follows:

Particulars	Place of Incorporation	Shareholding (In %)	
		As at	
		31.03.2020	31.03.2019
<b>Oriental Aromatics &amp; Sons Limited</b> (Incorporated during the year) (Business yet to be commencement)	India	100%	Not applicable
<b>PT Oriental Aromatics</b> (Proposed to be Liquidated) (Business of Aroma Chemicals)	Indonesia	99%	99%

**33 Earnings per share**

Particulars	For The Year Ended	
	2019-2020	2018-2019
Earnings Per Share has been computed as under:		
Profit for the year - Before Exceptional Items	8,618.88	5,946.55
Profit for the year - After Exceptional Items	8,618.88	5,714.32
Weighted average number of equity shares outstanding (in Numbers)	3,36,53,576	3,36,53,576
Basic and diluted Earnings Per Share (Before Exceptional Items)	25.61	17.67
Basic and diluted Earnings Per Share (After Exceptional Items) (Face value of ₹ 5 per share)	25.61	16.98

**34 Related Parties Disclosure****Other Parties with whom the Company has entered into transactions during the year :****i) Enterprises over which Key Managerial Personnel are able to exercise significant influence**

Keshavlal V. Bodani Education Foundation.  
Arofine Chemicals Industries (w.e.f. 27.05.2019)  
Vaishnavi Chemicals Private Limited (w.e.f. 27.05.2019)

**ii) Key Management personnel and relatives :**

Mr. Dharmil A. Bodani (Chairman and Managing Director)	Mr. Girish Khandelwal (Chief Financial Officer)
Mr. Shyamal A. Bodani (Executive Director)	Mrs. Kiranpreet Gill (Company Secretary)
Mr. Animesh Dhar (Executive Director - Operations)	Mrs. Indira Bodani (Relative KMP)
Mr. Satish Ray (Executive Director - Operations)	Mrs. Kinnari Panjabi (Relative KMP)
Mr. Parag Satoskar (Chief Executive Officer w.e.f. 27.05.2019)	Mrs. Anita Satoskar (Relative of KMP w.e.f. 27.05.2019)

**Transaction with the Related Parties****1 Compensation to Key Management Personnel**

Sr No	Particulars	2019-20	2018-19	Outstanding As at 31.03.20	Outstanding As at 31.03.19
1	Short term employee benefits	480.60	353.79	38.07	-
2	Post-employment benefits*	-	-	-	-

\*Key Managerial Personnel and Relatives of Key Managerial Personnel who are under the employment of the company are entitled to post employment benefits and other long term benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

## Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

### 2 Disclosure in respect of material transaction with related parties

Sr No	Particulars	Nature of transaction	2019-20	2018-19	Outstanding As at 31.03.20	Outstanding As at 31.03.19
1	Keshavlal V. Bodani Education Foundation	Donation (Included in CSR Expenses)	113.75	117.50	-	-
2	Mr. Dharmil A. Bodani	Remuneration	201.80	162.00	14.38	0.13
3	Mr Shyamal A. Bodani	Remuneration	109.08	90.90	9.09	5.10
4	Mr. Animesh Dhar	Remuneration	33.46	26.41	2.70	-
5	Mr. Satish Ray	Remuneration	21.00	16.26	1.62	-
6	Mr. Parag Satoskar	Remuneration	24.90	-	2.45	-
7	Mr. Girish Khandelwal	Remuneration	31.17	25.09	2.63	-
8	Mrs. Kiranpreet Gill	Remuneration	12.66	11.53	0.96	-
9	Mrs. Indira Bodani	Remuneration	21.63	18.00	1.80	-
10	Mrs. Kinnari Panjabi	Remuneration	-	3.60	-	-
11	Mrs. Anita Satoskar	Remuneration	24.90	-	2.45	-
12	Vaishnavi Chemicals Private Limited	Rent Expenses	22.68	-	-	-
		Provision made against Receivable	5.48	-	16.20	-
13	Arofine Chemicals Industries	Provision made against Receivable	8.46	-	31.87	-

**Note :**

- No amount in respect of related party have been written off/provided for during the year, except disclosed above.
- Related parties relationship have been identified by the management and relied upon by the auditors.
- Terms and conditions of transactions: the transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.

### 35 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:

**Revenue from operations**

Particulars	As at	
	31.03.2020	31.03.2019
Within India	53,843.21	53,783.37
Outside India	22,146.24	21,685.20
<b>Total</b>	<b>75,989.45</b>	<b>75,468.57</b>

# Notes to the consolidated financial statements for the Year Ended 31st March, 2020

(All amounts are in ₹ Lakh, unless stated otherwise)

- 36 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.
- 37 a) 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.
- b) Previous year's figures are not comparable on account of adoption of Ind AS 116 using modified retrospective approach. (Refer Note 43 of standalone financial statements).

Signatures to Notes 1 to 37 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

**Vinay Somani**

Partner

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

**Dharmil A. Bodani**

Managing Director

DIN : 00618333

**Shyamal A. Bodani**

Executive Director

DIN: 00617950

**Parag Satoskar**

Chief Executive Officer

**Girish Khandelwal**

Chief Financial Officer

**Date : 29th June, 2020**

**Place : Mumbai**

**Kiranpreet Gill**

Company Secretary

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If undelivered please return to:

Registrar & Share Transfer Agent  
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Vikhroli (West), Mumbai – 400083.

Unit: *Oriental Aromatics Ltd.*