


*Oriental Aromatics*



**TRANSCRIPT  
OF  
49<sup>TH</sup> ANNUAL GENERAL  
MEETING**

**HELD ON 27<sup>TH</sup> JULY, 2021 AT 11:00 AM  
THROUGH VIDEO CONFERENCING  
(VC)/ OTHER AUDIO VISUAL MEANS  
(OAVM)**

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## **WELCOME ADDRESS & INTRODUCTION OF BOARD MEMBERS**

**Company Secretary:** Good Morning, Ladies & Gentlemen,

I Kiranpreet Gill, Company Secretary & Compliance Officer, attending the meeting from Mumbai, on behalf of the Board of Directors and entire team of Oriental Aromatics welcome you all to the 49<sup>th</sup> Annual General Meeting of the Company, which is being held through Video Conferencing, in compliance with the provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 and the circulars issued by the Ministry of Corporate Affairs.

I would like to take the opportunity to introduce the Board members and the Key Managerial Personnel of Oriental Aromatics Limited.

At the outset I would like to introduce our Chairman & Managing Director, **Mr. Dharmil Bodani**.

Our Chairman, Mr. Dharmil Bodani has rich experience of more than 3 decades in fragrance, flavours and chemical industry. He has been instrumental in the formation and implementation of the overall strategy and vision of the group.

He received specialized training on perfumery in Grasse, France. This training and experience in business has given him an in-depth understanding of how aromas can be used for commercial success.

Mr. Bodani is a firm believer of conducting business with highest corporate governance standards. His visionary and astute leadership has resulted in Oriental Aromatics emerging as one of the few fully integrated players in F&F industry, driven by research and strategic thinking.

Now I would like to request our Chairman, Mr. Dharmil Bodani, attending the meeting from Mumbai, to welcome everyone to the 49<sup>th</sup> Annual General Meeting of the Company.

**Chairman:** Good Morning, Ladies & Gentlemen,

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I extend a very warm welcome to all of you to the 49<sup>th</sup> Annual General Meeting of your Company. I thank all the members, colleagues on the Board, KMPs and auditors for joining this virtual meeting. It is a pleasure to connect with all of you again today. I hope you and your family members are safe and in good health.

I would now request **Shyamal Bodani**, to introduce himself.

**Shyamal Bodani:** Good Morning, Everyone

I am Shyamal Bodani, the Executive Director of the Company and have joined this meeting from Mumbai.

**Company Secretary:** Mr. Shyamal Bodani is the head of execution for the whole group and has contributed tremendously towards the robust growth of the Company. He plays a key role in the formation and implementation of strategy of the chemical division. He had started his career in the year 2003 and has vast experience in fragrance, flavours and chemical industry.

Mr. Shyamal Bodani oversees local as well as international marketing, sales and export promotion and is actively involved in financial activities of the Company.

He is responsible for ensuring that the projects undertaken by the Company are completed well before time and at lesser costs than budgeted. He is serving as the Chairman of Corporate Social Responsibility Committee of the Company.

Now I would request **Mr. Prakash Mehta**, to introduce himself.

**Prakash Mehta:** Good Morning, Everyone. I am Prakash Mehta, Independent Director of the Company.

**Company Secretary:** Mr. Prakash Mehta, graduated in law from the Bombay University in 1963 and qualified as a Solicitor in 1966. He was appointed as Notary in 1996. He is a member of Maharashtra & Goa Bar Association and also a Member of the Managing Committee of the Bombay Incorporated Law Society.

He has expertise in Joint Ventures & Foreign Collaborations, Property

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Law and Corporate Laws. He is presently, one of the Senior Partners of Malvi Ranchoddas & Co. and is holding directorships in various public and private limited companies.

Now I would request **Mr. Ranjit Puranik**, to introduce himself.

**Ranjit Puranik:** Good Morning, Everyone

I am Ranjit Puranik, Independent Director of the Company and have joined this meeting from Mumbai and it's a pleasure to be at this 49th Annual General Meeting.

**Company Secretary:** Mr. Ranjit Puranik is serving as the Managing Director of Shree Dhootapapeshwar Ltd., a family led enterprise involved in manufacturing of Ayurveda healthcare formulations.

He has represented the AYUSH Industry cause for the past 18 years in many forums related with Ayurveda, medicinal plants and regulatory reform. As Trustee of All India Ayurveda Congress and World Ayurveda Foundation, he is involved with active advocacy for all matters within the realm of Ayurveda.

He also serves as President of Ayurvediya Prasarak Mandal and is Advisor to the Herbal and AYUSH Panel at PHARMEXCIL.

Now I would request **Mr. Harshvardhan Piramal**, to introduce himself.

**Harshvardhan Pirama:** Good Morning, Everyone

I am Harshvardhan Piramal, Independent Director of the Company and have joined this meeting from Mumbai.

**Company Secretary:** Mr. Harshvardhan Piramal is the Executive Vice-Chairman of Morarjee Textiles Limited and the Vice-Chairman of Piramal Renewable Energy which is also a part of Ashok Piramal Group.

He is also serving as the Chairman of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of Oriental Aromatics.

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He holds a MBA degree, specializing in Finance and Strategy from the London Business School. Mr. Harshvardhan is a sports enthusiast and is also passionately involved in tiger conservation and is a trustee of Conservation Wildlands trust.

Now I would request **Ms. Amruda Nair**, to introduce herself.

**Amruda Nair:** Good Morning, Everyone.

I am Amruda Nair, Independent Director of the Company and have joined this meeting from Mumbai.

**Company Secretary:** Ms. Amruda has a global perspective and rich experience with leading international hospitality brands. In 2010, she served as Head of Asset Management for Leela Palaces, Hotels and Resorts. In 2018, she founded Araiya Hotels & Resorts, an India-based, boutique hotel brand. Ms. Amruda was a part of Hotelier India's Power List 2016 and has also won many prestigious awards including the Rising Star – South Asia award, 2016.

She is the associate committee member of Sahachari Foundation, an NGO which stands for 'women who walk together' in support of societal responsibility and empowerment and is also the Vice President of Apne Aap Women's Collective, an anti-trafficking organization.

Now I would request **Mr. Bhadreshkumar Pandya**, to introduce himself

**Mr. Bhadreshkumar Pandya:** Good Morning, Everyone.

I am Bhadresh kumar Pandya, Executive Director-Operations of the Company and have joined this meeting from Vadodara.

**Company Secretary:** Mr. Bhadresh Pandya is a Chemical Engineer and is serving as an Occupier of the factory situated at Vadodara. He has more than two decades of rich experience in Chemical Manufacturing industry, Speciality Chemicals, Aromatic, Petrochemical, Hydrogenation, Agro-intermediate and Biochemical industry.

Now I would request **Mr. Satish Ray**, to introduce himself.

**Satish Ray:** Good Morning, Everyone.

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I am Satish Ray, Executive Director-Operations of the Company and have joined this meeting from Bareilly.

**Company Secretary:** Mr. Satish Ray is serving as an Occupier of the factory situated at Bareilly. He has more than two decades of diversified experience in Factory operations, Human resource management and other fields like Policy Formulation, Planning, Commercial, Supply Chain, Taxation, Insurance and claim management.

Now I would request Mr. **Parag Satoskar**, to introduce himself.

**Parag Satoskar:** Good morning Everyone.

I am Parag Satoskar, Chief Executive Officer of the Company and have joined this meeting from Mumbai.

**Company Secretary:** Mr. Parag Satoskar has rich experience of more than 2 decades in chemical, fragrance and flavor industry. His techno commercial background enables him to play a key role in executing strategies at Oriental Aromatics. He is responsible for overall management of the functioning of all divisions. Sustainability and implementing the right processes are the two key areas in his scope to ensure that the Company keeps achieving its growth targets.

Now I would request **Mr. Girish Khandelwal** to introduce himself.

**Girish Khandelwal:** I am Girish Khandelwal, Chief Financial Officer of the Company and have joined this meeting from our Head Office situated in Mumbai.

**Company Secretary:** Mr. Girish Khandelwal has been associated with the Company since 2010. He has been instrumental in managing the company's finances prudently, including financial planning, taxation, management of financial risks and financial reporting.

Now I would request Jinal and Anusha from the Company Secretary Team to introduce themselves.

**Jinal Shah** Hello Everyone, Good Morning this is Jinal Shah, Assistant Company Secretary of the Company, I have joined this meeting from Mumbai, India.

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**Anusha Bafna** Hello Everyone, Good Morning. I am Anusha Bafna, Joint Assistant Company Secretary of the Company, I have joined this meeting from Mumbai, India.

**Company Secretary:** Anusha is also the Moderator of the Company.

Apart from the management team, CS Shreyans Jain, our Secretarial Auditor and Mr. Ravindra Bafna, representative of Statutory Auditor, Bagaria & Co LLP have also joined this meeting.

Now I would request them to introduce themselves.

**Shreyans Jain:** I am Shreyans Jain, the Secretarial Auditor of the Company and have joined this meeting from Mumbai.

**Ravindra Bafna :** I am Ravindra Bafna, representative of Statutory Auditor, Bagaria & Co LLP, and have joined this meeting from Mumbai.

**Company Secretary:** Thank you Shreyans and Mr. Ravindra for joining this meeting today.

As the requisite quorum is present, I request our Chairman to call the meeting to order.

## **CHAIRMAN'S DECLARATION CALLING MEETING TO ORDER**

**Chairman:** Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The requisite quorum for the meeting being present, I call the meeting to order.

Now I would request our Company Secretary, Kiran to highlight certain points with respect to today's proceedings.

**Company Secretary:** Thank you, Dharmil.

The joining to this meeting opened 15 minutes before the scheduled time of the commencement of the meeting, which is 11:00 am and it will remain open for another 15 minutes after the end of the meeting.

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Further, as mentioned in the notice, the facility of participation at the AGM through video conferencing or other audio/visual means has been made available for 1000 members on first come first serve basis, except for large shareholders, promoters, institutional investors, directors, key managerial personnel, the chairperson of the audit committee, nomination and remuneration committee, and stakeholders relationship committee as well as the auditors who are allowed to attend the AGM without any restrictions on account of first come first serve basis.

To transact the business as mentioned in the notice, the members were provided an opportunity to inspect all documents/Registers referred to in the notice and the explanatory statement by writing to the company at its email ID, i.e [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com) till the date of AGM. The said documents/registers are also available to Members in electronic mode for inspection throughout the meeting, and the same is available on website of the Company [www.orientalaromatics.com](http://www.orientalaromatics.com) under the head Investor Relations-Inspection documents.

The registered office of the company at 133, Jehangir Building, 2<sup>nd</sup> Floor, M.G. Road, Fort, Mumbai, shall be deemed to be the venue for this meeting and proceedings of the meeting shall be deemed to be made here at.

The Company has received, 4 authorization letters, authorizing representatives to attend the AGM on their behalf representing 0.47 % of the voting Capital. As physical attendance of Members has been dispensed with, the facility for appointment of proxies by the Members is not available for this meeting.

We have received requests from **five** members for registration as a speaker shareholder in the AGM. All those shareholders have been provided specific links to login to the meeting by NSDL and we shall be inviting them to speak one by one. We request speakers to confine their questions to the financial statements, Board's report and Agenda of the Annual General Meeting.

Further, your Company is also providing the facility of e-voting during the AGM. Members who had not exercised their right to vote through remote e-voting are entitled to vote during the meeting. Therefore, only



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those of you who have not already cast your votes through remote e-voting are entitled to vote at this Meeting by using the electronic voting system, which is now available on the screen. This electronic voting facility will close 15 minutes after the conclusion of the AGM.

Members are requested to refer to the instructions provided in the notice for seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers.

With this, I now hand over the proceedings to the Chairman and request him to deliver his formal address.

## **CHAIRMAN'S MESSAGE**

**Chairman:**

Dear Shareholders,

I wholeheartedly thank each one of you for being with us in our journey. Financial Year 20-21 had been challenging for all of us as the Covid-19 pandemic had a significant impact on the lives, livelihoods, and businesses. Last year, had been extremely challenging, even your Company was not spared by the wrath of Covid-19. All our manufacturing sites had undergone shut down for a period of forty days in the first quarter; however, your Company was able to compensate for it, in the rest of the year. During the year, the sales declined marginally by 7%, primarily due to plant shutdown, however your Company was able to clock 18% growth in profitability and achieve its highest ever profit after tax by surpassing the 100 Cr mark in the current financial year for the first time since its inception.

Sustainability, Innovation, Business Continuity and De-Risking has helped your Company evolve stronger than ever. Your Company is slowly gearing up to maximize the opportunities that will come along its way and overcome the challenges that it might face on the path of its growth and success. Our focus and interest on R&D continued this year and I am glad to inform that your Company continued to spend on projects related to Innovation and Sustainability.

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Flavours and Fragrances form the backbone of the FMCG industry as they are a critical part of the everyday essential products. Due to this, the impact of the Covid-19 pandemic on demand has not been as significant as it has been on other industries. Additionally, due to the pandemic during the year, the country witnessed an increase in demand for health and hygiene products which in turn has led to increased number of product launches in this category by the FMCG industry. This led to a higher demand for Flavours and Fragrances required for development of these products.

India being a developing economy, the expected growth rate for the Flavours and Fragrances industry is higher than the global average; thus the industry is expected to continue to grow, providing more opportunities for players like us. We are confident that the aforementioned factors and expected growth in the economy will enable your Company to continue its growth strategy in the Flavours and Fragrances division.

Your Company is proud to be one of the very few fully integrated players in the global Flavours and Fragrances (F&F) industry. We are glad to have achieved this position due to strategic acquisitions and amalgamations done over the years and a robust product development strategy. Your Company has the capability and the capacities to manufacture a wide portfolio of Speciality aroma chemicals which form the building blocks of modern Flavours and Fragrances. These Speciality aroma ingredients are not only used for captive consumption, but also sold to global Flavours and Fragrances houses, family-owned Flavours and Fragrances compounding, globally and in India. China is a major manufacturer and exporter of Speciality aroma chemicals. Due to the Covid pandemic, most of the flavours and fragrance manufactures across the world are highly focusing on diversification and hence looking to reduce reliance on China for their aroma chemical supplies. This augurs very well for the Indian Speciality Aroma chemicals industry and will definitely benefit a player like Oriental Aromatics.

With over 6 decades of experience that your Company holds in the F&F industry, we have a very good understanding of the tastes and preferences

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of the consumers in the domestic as well as the international markets. During the year, we witnessed a spike in certain raw material prices in our flavour and fragrance division. These raw material prices had a significant impact especially in the second half of the Financial Year. However, with an established, diversified and sustainable raw material sourcing policy, we were successful in combating the situation and not only maintained but also increased our profitability in this division.

Innovation is the key to success; hence your Company places immense focus on research and development across all its four divisions. The innovation program includes projects which are related to new product launches in the area of flavours, fragrances and Speciality Aroma ingredients, continuous process reengineering of our products to achieve better value and sustainability and last but not the least projects related to green chemistry and green factories.

In order to fuel future growth and capture significant market share across all its operating divisions, your Company has a well thought out expansion plan which is in place for the next 3 years (we call it our “1000 Day Program”). This includes further strengthening of our Speciality aroma chemicals base as well as building new manufacturing plants to augment the capacities in Camphor, Turpene chemicals and Speciality Aroma ingredients. This expansion will be a key milestone for your Company.

To conclude, on behalf of the entire Oriental Aromatics Team I would like to express my heart felt gratitude to all our stakeholders, which foremost includes our employees who have worked extremely hard even during the pandemic, also our other partners like suppliers, vendors, distributors for supporting us during the year, and lastly but most importantly our shareholders for showing confidence in our Company. Valuable suggestions, guidance and unflinching support of my colleagues on the Board are also gratefully appreciated.

I am confident, that with the strength of our core capabilities and our dynamic team of professionals, OAL is well-positioned for an exciting

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journey ahead that it's embarking on for the next few years. We thank you for your trust and look forward to your continued support on the journey ahead.

**Now I would request Shyamal to address the members.**

## **EXECUTIVE DIRECTOR'S MESSAGE**

**Shyamal:**

Good morning and a warm welcome to everyone on behalf of the entire team of Oriental Aromatics Ltd. I highly appreciate your attendance and am grateful for your support over these years. I hope all of you and your families are safe and healthy in these unprecedented times.

As mentioned by Dharmil, despite the uncertainties, the company has emerged stronger and we have been able to deliver a robust financial performance in FY20-21. We manufacture a wide portfolio of speciality aroma chemicals which form the building blocks of modern flavours and fragrances and are an important part of everyday essential products. Further, camphor is used for religious purposes and has applications in the pharmaceutical industry, hence the demand to a great extent is covid proof. To conclude, due to the essential nature of the business, we do not anticipate any dent on the demand going ahead as well.

OAL has made continuous efforts over the years to build a sustainable business. We focus on up gradation through continuous process re-engineering which also helps improve efficiencies and profitability. Diversification has also been a vital element towards our sustainability. We ensure diversification across our product portfolio, customer base as well as our raw material supplies.

We have been progressively moving ahead on the path of integration with focus on consolidation and innovation. Over the years, the company has invested in R&D and through organic as well as inorganic means has increased exposure in speciality aroma ingredients. We are one of the very

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few companies to plan a major capex in recent times despite the uncertainties that prevail in order to further increase our exposure in the speciality aroma chemicals, which reflects our confidence in the future of the business. Further, we are also looking to add capacities for camphor at Mahad which will help expand our geographical presence in the central and southern parts of India.

Oriental Aromatics Limited recognizes its responsibility as an important stakeholder in the society and works as a socially responsible entity. Education is a core part of the Company's mission to help resolve the community's toughest problems. We continue to empower children who find themselves challenged by mainstream educational practices through 'Keshavlal V. Bodani Education Foundation', an extended arm of Oriental Aromatics Ltd. We have also made donations to the Nandesari Education Trust, Chief Minister Relief Fund to combat COVID-19 and the Kasturba Gandhi Balika Vidyalaya at Vadodara.

I am pleased to inform that your Company and the Gateway School of Mumbai had organized two vaccination drives on 20<sup>th</sup> June, 2021 & 2<sup>nd</sup> July, 2021 respectively, for its employees and their families. Employees, who were finding it a herculean task to get vaccinated, comfortably got vaccinated along with their family members at the Gateway Campus. In the first vaccination drive 707 people got jab. The second drive extended free vaccination for the beneficiaries of Udayan Care, an NGO. This effort by Gateway School and your Company resulted in 519 people getting the jab, bringing the total to 1226 individuals. I hope you would also have got vaccinated by now, and if not, I urge you to get vaccinated to help drive up immunity, to protect yourself and your loved ones and to get the society back to normal.

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

Thank you.

**PROCEEDINGS OF THE MEETING**

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**Chairman:** Thank You Shyamal.

I now proceed with the formal business of the meeting.

The Annual Report for the Financial Year 2020-21, containing the Notice convening the Meeting together with the audited annual financial statements as on 31<sup>st</sup> March, 2021 as well as the reports of the Board of Directors and Auditors thereon had already been circulated electronically to the Members of the Company. I hope that most present here have got an opportunity to go through the Annual Report.

With your permission, I take the Notice as read.

Members may please note that as the Statutory Auditor's Report and the Secretarial Auditor's Report do not contain any adverse qualifications, observations or comments on financial transactions or other matters, it is not necessary to read them as per the provisions of the Companies Act, 2013. Therefore I request the members to take the reports as read.

I would like to inform that CS Shreyans Jain, Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the remote e-voting and voting at the AGM in a fair and transparent manner as stipulated under the Companies (Management & Administration) Rules, 2014.

We now take up the resolutions as set forth in the Notice. In short, the resolutions are as under:

1. To consider and adopt the Annual Standalone and Consolidated Financial Statements and Reports thereon. (Ordinary Resolution)
2. To confirm the payment of interim Dividend on Equity shares. (Ordinary Resolution)
3. To appoint Mr. Bhadresh Kumar Pandya (DIN: 08809906) who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)

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4. To ratify the remuneration to be paid to M/s V. J. Talati & Co. Cost Auditor, for the conduct of the audit of the cost accounting records of the Company. (Ordinary Resolution)
5. To revise the terms of appointment of Mr. Dharmil A. Bodani (DIN: 00618333), Managing Director. (Special Resolution).
6. To revise the terms of appointment of Mr. Shyamal A. Bodani (DIN: 00617950), Executive Director. (Special Resolution).
7. To approve remuneration of related party, Ms. Anita Satoskar (Ordinary Resolution).

As all the Resolutions mentioned in the Notice of the AGM have already been put to vote through e-voting, the resolutions are not to be proposed or seconded by Members at the meeting. As the objective and implications of the Resolutions have been explained in detail in the Explanatory Statement accompanying the Notice, the same is not being repeated.

Now I would request our Company Secretary to explain the Voting Process.

## **VOTING**

**Company Secretary:** All the eligible Members as on the cut-off date i.e. 20<sup>th</sup> July, 2021 are entitled to cast their vote electronically through the e-voting services provided by NSDL on all resolutions mentioned in the Notice of the AGM in compliance with the provisions of Companies Act, 2013 and rules made thereunder and SEBI (Listing and Obligations Disclosures Requirement) Regulations, 2015.

Accordingly, your Company had provided the facility for electronic voting which began at 9 a.m. on 23<sup>rd</sup> July, 2021 and ended at 5 p.m. on 26<sup>th</sup> July, 2021 and has now been disabled for voting.

As informed earlier, members who have not already cast their votes through remote e-voting are entitled to vote at this Meeting by using the electronic voting system, which is already available on the screen.

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Members are requested to Vote on the resolutions. This electronic voting facility will close 15 minutes after the conclusion of the AGM.

The outcome of the meeting will be a cumulative count of the valid votes cast through remote e-voting and voting at the AGM.

The Consolidated Voting Results and the Report of the Scrutinizer will be displayed on the website of the Company i.e [www.orientalaromatics.com](http://www.orientalaromatics.com), NSDL Website i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and will also be intimated to the Stock Exchanges within stipulated time.

Now I would like to invite the registered speakers one by one, to express their views or ask questions.

Speakers are requested to keep their questions, if any, brief and specific and avoid repeating the questions that have been asked by earlier speakers. Further I would like to inform that when I take your name, your mike will be opened by the moderator of this meeting. You will also have to unmute mike from your end and enable your web-cam, if you wish to appear on the video and thereafter you may share your views/opinions and comments.

Now I request our first speaker Ms. Vasudha Vikas Dakwe to kindly ask her queries.

**Moderator:**

Ms Vasudha Vikas Dakwe you are now unmuted and being placed in the meeting. You can now start your video and ask your queries.

**Ms Vasudha Vikas Dakwe :**

Hello, very good afternoon to Respected Chairman Sir and Board of Directors and my Fellow Shareholders, myself Vasudha from Thane. I would like to congratulate the company secretary & her team for sending me the soft copy of the report well in advance which is clear and transparent. I would also like to thank Jinal Madam for helping me login this meeting. I would like to ask what is our next two years Capex plan. I would also like to ask what is our R&D expenditure and which new fragrance is coming in this Financial Year. Please share your views.

I also hope that in our next AGM which is our 50<sup>th</sup> AGM, the pandemic situation will be over and we will meet personally. With this I support all the resolutions. Thank you very much.



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**Chairman:** Thankyou, Vasudha Maam for your questions. I would ask Mr. Parag to answer your questions.

**Parag Satoskar:** Good Morning and Thankyou Vasudha Maam for your questions.

As Dharmil mentioned in his Chairman's speech that we have a very aggressive time bound capex plan which we internally call as our 1000 day programme where we are going to have a combination of some greenfield projects which are being completed and commissioned, as we speak in Vadodara, we are putting a single- product dedicated plant which we are currently manufacturing in our multi-product plant which will be commissioned by October and then by end of Q4 in the current year we should be commissioning our multi-purpose hydrogenation facility in Vadodara so the investment in Vadodara is going to be anywhere in between 130 to 140 Crores and in our Bareilly plant we are doing a combination of projects where our projects are on process of re-engineering where using our current infrastructure, we are kind of tweaking a little bit and increasing the capacity of our existing products as most of our plants in Bareilly are running at maximum capacity.

So you know these projects will involve an investment of around 10 crores and will be commissioned at various times in Q3 & Q4 of the current year and we will start getting the benefits of these additional quantities by then. We are also implementing a program of installing a new, sustainable and green boiler system in Bareilly along with the electric co-generation plant which will help us to reduce the cost of electricity and boiler system that we are installing there is going to use rice husk which is freely available in the surrounding area on a sustainable basis rather than coal so it's a more sustainable way of producing steam which is required by our plant.

Last and the most important piece of our capex strategy is our investment in Mahad, Maharashtra where we plan to build a Camphor plant which will help in providing our customers globally a de- risk strategy of making camphor in two different geographical sites and will also help us to serve our camphor customers in India in a better way because our plant in western India can cater to the markets in South and West, whereas the plant in North India can cater to the markets in North and East. So we are still in the process of finalizing the size of the Camphor plant and along

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with that in Mahad we will also put some additional plants which will be either multi-product or single-product depending on the product mix that comes out from our R&D.

I'll now come to the Question where you have asked about the R&D expenditure. As Dharmil and Shyamal reiterated that innovation and R&D are the key pillars for our strategy going forward and we have an internal target of investing 3-4% of our Annual profits at least in R&D. I am very glad that we have expanded our team in the R&D Centre in Mumbai and we have also installed an environmental laboratory in the R&D Centre so that all products that come out of R&D are also validated from sustainability and green chemistries. So I hope I have answered your questions Vasudha madam.

**Company Secretary:** Thank you Mrs Vasudha Vikas Dakwe for your participation. Now I request our second speaker Mr. Aspi Bhesania to kindly ask his queries.

**Moderator:** Mr. Aspi Bhesania you are now unmuted and being placed in the meeting. You can now start your video and ask your queries.

**Mr. Aspi Bhesania:** Sir, we had a very nice meeting so far and Our Company has completed 49 years, how do you propose to celebrate the golden jubilee next year? In the Q1 of Current Year, is similar to Q4 of last year, however it is more than double YoY ( Year on year), which is excellent and I congratulate the entire management for the same.

Sir, can we maintain this growth rate and can we improve on the margins, since margins have not improved YoY? For last 3 years, our revenue is moving in the range of 700 to 750crores, when do you break this range and move upwards? Sir, why is tax so high, during the year PBT increased by only 30% verses tax is double? Sir dividend of Rs. 2.50 per share is appreciated, however if there are growth opportunities as mentioned big capex, you can skip the dividend also. Sir, how do you propose to finance the Capex, since we are debt-free now?

Thank you sir and All the Best.

**Chairman:** Thankyou, Mr. Aspi for your kind words. I'll request Parag and Girish to answer the questions. In terms of we celebrating the golden jubilee, I look forward to meeting you and I hope we are all out of this pandemic by

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then.

**Parag Satoskar:**

Good Morning and Thankyou Mr. Aspi for your questions.

So, in terms of the jump from 700 crores, as I said in my statement to the earlier shareholder that we have an active capex plan and the plants are being commissioned as we speak, so as these plants come into fusion, you know we are definitely going to see a contribution towards the top line because of the additional capacity that we are going to get out of these products. And I think work on the bottom-line or in the profitability of the Company is 24\*7 ongoing processes where all our teams are working continuously and Dharmil and Shyamal in their speech outlined a few of the contours based on which this is done.

So, one area is where we leverage the strength that we have in our Balance Sheet and the plants that we have where we have adequate storage that when we get the opportunity of buying the raw materials at a lower price we go ahead and purchase it. When we get an opportunity to pass over a price increase to a customer since we do not have long term contracts and our contracts are anywhere between 1 to 3 months. You know as Company, we have the ability of not retaining the loss with us but kind of sharing it with the partner, if the raw material pricing goes up, by passing on the price side to our customers.

So Mr. Aspi working on profitability is 24 by 7 efforts of all the teams and we have been pretty successful in kind of ensuring that we keep the profitability between our internal targeted and guided figure of 15 to 17 % of EBITDA and as we keep saying that on a sustainable basis this is the number that we want to stay in but if the opportunities come and if we have the right set of products we will always try to increase it.

**Chairman:**

Just to add to parag if you do the basic where we have in all our earning calls also with the capex that we are putting in place in our 1000 day program and Parag if you were to take a figure , what is the moving target?

**Parag Satoskar:**

So correct, I think assuming that we have an investment of between 250 to 275 crores with a multiplication factor of 1.7.

**Chairman:**

So we are looking to add 500 crores to the top line in the next three years, so you will see this target definitely improve and move and also this in turn will help us keep our guidance of 15 to 17% EBITDA and like you

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we are keen also to first hit the four digit. So our goal is to get to the 1000 crore in these 1000 days for sure.

**Mr. Aspi Bhesania:** Thank you very much.

**Girish Khandelwal:** Mr Aspi regarding your tax liability question I just want to clarify that in the financial year 2020 there was a reversal of the defer tax because there was change in the tax rates. So we have adopted the new tax rate of 25% that is why you are seeing the double tax provision in the current year so there was reversal of the deferred tax.

**Mr. Aspi Bhesania:** Okay sir, thank you very much thank you  
**Company Secretary:** Thank you Mr. Aspi for your participation. Now i request Mr Bimal Agarwal to kindly ask the queries.

**Moderator:** Mr Bimal Agarwal has not joined the meeting due to technical issues. However, he has conveyed his message which he has asked to be read out in this meeting.

First of all he has thanked the company secretary and the team for sending the direct link of the AGM. His question is that what is the five-year plan? And in the ongoing pandemic there is no business but all company shares are hitting record high so he wants to know that any particular reason behind this. He also wants to know if it's possible to get a plant visit for the shareholders. This is his query.

**Chairman:** So Anusha, I'll start from back. Plant visit like we've said in the past you know we are in the process of putting up a Virtual video presentation for all our locations and once that is ready we'll be glad to show it to the shareholders and the second question So the share prices being rising I guess is the support of the shareholding community I can't speak much on that. As regards to the five-year plan it's been really answered by Parag.

**Moderator:** We can move to the next shareholder. Mr Yusuf Rangwala you have been unmuted and moved to the panelist you may now start your video and ask your questions.

**Mr Yusuf Rangwala:** Good Morning Madam. I am very thankful to Ms. Jinal Shah for giving me a link for this meeting. I'm very thankful madam. I heard your speech Chairman sir and my first question is that our main competition in this same business is S H Kelkar, they are manufacturing very different type, I visited them. Point number 2 let's have a physical meet or a plant visit next year on 50<sup>th</sup> AGM sir. Point number 3, the balance sheet is very nice sir. I am very happy with our company and company secretary who is a very hard working person. Thumbs up to you and your team. Thank you very much.

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**Chairman:** Thank you Mr. Yusuf, very nice to have jovial shareholders like you, who keep supporting the company. I don't think there were any questions rights.

**Company Secretary:** Thank You Mr. Yusuf for your participation. Now I request the next speaker Mr. Nirav Jimudia.

**Moderator:** Mr Nirav Jimudia has not joined this meeting, we can move to the next shareholder.

**Company Secretary:** Now I request Mr. Shubham Bohra to kindly unmute yourself and ask your queries please.

**Mr. Shubham Bohra:** Hello Good Morning Chairman Sir the entire Board, the Kmp's and the secretarial team. A big thanks to the Secretarial Team for doing this meeting so seamlessly, helping all the shareholders join and connect. So a big thanks to the Secretarial Team.

Firstly, I would like to thank the chairman so very much on the behalf of all shareholders because sir the way you and your management have mitigated the covid risk is commendable. If I'm not wrong OAL has become a multibagger in last one year and as a shareholder that's the last thing that we want and i really really hope that it continues this dream run.

And just for the sake of the convention the question that i would like to ask is that the flavors and fragrances industry in india is growing in double digit and i think we are definitely beating that so I just want to ask if that's all possible in the coming years also and if we see any drop in the end user, consumer demand for the next few years. That's it from my end sir. Thank you Sir.

**Chairman:** Shubham thank you for your question, your continued support and your kind words. I believe that you know we've laid out in our 1000 day program I've just explained to a couple of other of our shareholders what we are up to in terms of this 1000 day program with the capex and with the additional revenues that we would add so yes I do see the company's growth continuing and the guidance also will stay at 15 to 17 annually. Besides that you know we continue to focus on the strategy that we've put in place and i hope that in the future you know you will continue to see what you have been seen so far.

**Mr. Shubham Bohra:** Surely sir, thank you so much sir.

**Company Secretary:** Thank you Shubham for your participation. We hope most of the queries raised by the members have been dealt with. Should there be any further

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queries, then we request the members to address the same to us at the email id: [cs@orientalaromatics.com](mailto:cs@orientalaromatics.com) and we would be happy to furnish our response.

## **VOTE OF THANKS**

**Chairman:**

On behalf of the Board of Directors, I would like to thank all the Members for attending and participating in this Annual General Meeting. Wishing you and your family good health and happiness.

I now declare the proceedings of the 49<sup>th</sup> Annual General Meeting of the Company as closed.

Thank You Everyone