

Oriental Aromatics

Ref: OAL/BSE/NSE/61/2024-25

13th August, 2024

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

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

Sub: Transcript of conference call with the Institutional Investors/Analysts

With reference to our letter dated 05th August, 2024, intimating about the conference call with the Institutional Investors/Analysts on Friday, 09th August, 2024 at 01.00 p.m. to discuss the Financial Performance of the Company for the quarter ended 30th June, 2024, please find attached herewith transcript of the aforesaid conference call.

Further, the copy of the same is also uploaded on Company's website i.e. www.orientalaromatics.com

Kindly take the information on your record.

Thanking you,
Yours Faithfully

For Oriental Aromatics Limited

Kiranpreet Digitally signed by
Kiranpreet Kaur Gill
Kaur Gill Date: 2024.08.13
17:45:31 +05'30'

Kiranpreet Gill
Company Secretary & Compliance Officer

Oriental Aromatics Ltd.

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

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

www.orientalaromatics.com

Oriental Aromatics Limited
Q1 Financial Year 2025 Earnings Conference Call
August 09, 2024

Moderator: Welcome to Oriental Aromatics Limited Q1 FY '25 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode. And there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*”, then “0” on your touch tone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Purvangi Jain from Valorem Advisors. Thank you and over to you.

Purvangi Jain: Good afternoon, everyone. And a warm welcome to you all. My name is Purvangi Jain from Valorem Advisors. We represent Investor Relations of Oriental Aromatics Limited. On behalf of the company, I would like to thank you all for participating in the company's earnings call for the 1st Quarter of the Financial Year 2025.

Before we begin, let me mention a short cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ from those anticipated. Such statements are based on management's belief as well as assumptions made by, and information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's Earnings Call is purely to educate and bring awareness about the company's fundamental business and financial quarter under review.

Now, let me introduce you to the Management participating with us in today's earnings call, and hand it over to them for their Opening Remarks.

We have with us Mr. Dharmil Bodani – Chairman and Managing Director; Mr. Shyamal Bodani – Executive Director; Mr. Girish Khandelwal – Chief Financial officer; Mr. Parag Satoskar – our Chief Executive Officer, and Ms. Kiranpreet Gill – Company Secretary.

Without any delay, I request Mr. Dharmil Bodani to start with his “Opening Remarks”. Thank you and over to you, sir.

Dharmil Bodani: Thank you, Purvangi. Good afternoon, everybody. It's a pleasure to welcome you to the earnings conference call to discuss the results of the 1st Quarter of the Financial Year 2024-2025.

Our Executive Director – Mr. Shyamal Bodani shall be briefing you all on the Operational Highlights for the past quarter. After which our CFO – Mr. Girish Khandelwal, will brief you on the financial highlights. Over to you, Shyamal. Thank you.

Shyamal Bodani: Thank you, Dharmil. Good afternoon, everybody. It's a pleasure to welcome you to the earnings conference call to discuss the results of the first quarter of financial year 2024-2025.

We are glad to inform you that the quarter gone by has seen a steady state of business across all our verticals. There has been a stable availability of raw material and healthy demand for our finished goods which enables all our divisions to operate consistently with healthy margins.

On our operational highlights, firstly the camphor division terpene chemical is showing encouraging signs of revival. We started the quarter with reduced demand due to off season however the upcoming festival season has led to a strong demand for high-quality camphor, which has always been our unique selling proposition. We have successfully

managed to increase the price of powdered camphor, and passed the price increase to most of our customers.

The fragrance and flavor division continues to perform strongly. Our fragrance division has been successful in acquiring new customers across the existing market. And businesses with old customers continue to grow. The new business opportunities that we have acquired during the year are also resulting in healthy growth signs across the board. Although there is an increase in price of certain inputs from our fragrance division, we are confident of maintaining the growth momentum in this division.

We would like to inform that the Vadodara site that produces specialty aroma ingredients went through a routine maintenance. During this maintenance, we implemented certain process reengineering projects which will enable us to make our Vadodara site more efficient in terms of effluent control & steam generation. Although this maintenance led to a temporary reduction in production volumes, we witnessed healthy growth in sales quantity compared to previous quarters for all the products manufactured. We are also encouraged by the increased allocations we have received from all our key customers for the second half of Financial year 2024-2025.

On the CAPEX front, I am glad to inform you that our hydrogenation plant, a Brownfield project at our Vadodara site, was successfully commissioned in July 2020. We have taken multiple batches of a product in this new facility, and the leads received are quite encouraging. Additionally, our greenfield project in Mahad has reached an advanced stage of commissioning and is expected to start contributing towards our top line from the second-half of the Financial Year 2024-2025. The results from the current trial productions have been encouraging and we remain optimistic about the future performance of this project.

I would like to request our CFO, Mr. Girish Khandelwal, to give the financial highlights. Thank you and over to you, Girish.

Girish Khandelwal: Thank you very much, Shyamal. I would like to welcome you all to the Conference Call.

Let me take you through our consolidated performance for the quarter. The operating revenue for the quarter was Rs. 215.8 crores, which increased by approximately 10.3% on a year-on-year basis. EBITDA reported was Rs. 22.2 crores, which has increased as compared to Rs. 20.90 crores in the previous quarter, and Rs. 90 lakhs in the corresponding quarter.

Operating EBITDA margins stood at 10.29%, which increased by 64 basis points on Q-on-Q basis and 983 basis points on Y-o-Y basis. Net profit after tax reported was Rs. 11 crores, representing a significant increase year-on-year and marginal increase in quarter-on-quarter. Profit after tax margins were reported at 5.1%. During the quarter, cash profit stood at Rs. 15.87 crores compared to the previous quarter of Rs. 15.19 crores.

Thank you. With this, we can now open the floor to the questions-and-answer session.

Moderator: Thank you very much. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the questions will attend. Our first question is from the line of Kaustubh from VNS Capital.

Kaustubh: Sir, last quarter you stated that this revival in margins to 9%, camphor did not contribute much to it, the yields were still low, and the market was still due to recover. So, how has that changed now? I mean, could you explain is this logistic issue everyone hearing about, about Red Sea, actually reducing dumping of products from China and helping our yields? Or what is it that we are exactly seeing that is benefiting camphor pricing now? And house is going to affect us to improve our margin prospects going forward in the second half of the year? That's my first question. And you said that there was a plant that went through maintenance in this quarter. So, how much better would the numbers

have been if production was there this quarter? Are we seeing some good numbers have been meaningfully better this quarter, as the shutdown was in there.

Shyamal Bodani: So, there are three questions, Parag, you can take them. On the EBITDA, the guidance will stay the same. I will just take that part of it, as given in our previous calls for the second half of the year. Parag, on the other two, you can answer.

Parag Satoskar: Sure. So, Kaustubh, relating to camphor, like Shyamal mentioned in the opening remarks, I think the deliberation that we had in the last quarter was primarily driven by excess capacity, etc. And now that camphor is a very seasonal product, and now with the season starting and I think the market realizing the difference in the quality that is there between our product and what are being offered, I think that's where we are seeing a very decent and healthy demand for our products. And there is also an increase in the price of the raw materials and we have been able to successfully pass on that price increase to the customers. So, I think a focus on quality, which is helping us differentiate ourselves from the others who are offering the product in the market. And also, the ability to then kind of have a chat with the customers and pass on the prices increase to them have been the main drivers because of which we are seeing that the camphor division is contributing in a relatively better way than what it did in the last quarter.

Shyamal Bodani: Just to add to that, Parag, we have always, if you would take the transcript of our last call, said that camphor has always maintained a positive to the EBITDA contribution. And like Parag correctly put it, due to quality, due to the increase in raw material prices, due to us being able to pass on the benefit to our customers, we will continue to see a much better contribution from our terpene chemistry overall in the numbers.

Parag Satoskar: And relating to your third question about the impact of the maintenance, primarily I think there is no impact on the top line because I think the

sales numbers for all the products that are made in our specialty ingredients division have increased compared to the last quarter. And so the demand stays constant. I think this maintenance that we took also was primarily from a process engineering perspective. So, it has not had a tremendous impact in terms of the numbers for this quarter, neither will it have an impact going forward. But the efficiencies because of the process reengineering, once they come in, will start having a positive impact on both the sustainability please, as well as the margins please.

Kaustubh: Thank you so much. Just last question, these two new capacities that are coming up, at full capacities what type of revenues can they contribute?

Parag Satoskar: So, we always mention, if you look at our old investor calls, I mean, we always are looking at, Girish, correct me if I am wrong, at 1.7x of the amount that we invest in the new plants.

Girish Khandelwal: Yes, 1.7x brownfield and 1.2x something for the greenfield.

Moderator: Thank you. Our next question is from the line of Jiten Parmar from Arun Capital. Please go ahead.

Jiten Parmar: My question is basically, can you give a break up of revenue contribution, let's say from camphor and from aroma chemicals?

Shyamal Bodani: Jiten, primarily we have always stated in our calls that if you look at the three divisions, which is the fragrance and the flavors, camphor and turbine chemicals, and the specialty aroma ingredients, the breakup of the revenue is one-third each, plus or minus a few percentage points depending on one division having a better sale during a season, etc. But if you look at it broadly, it's one-third each.

Jiten Parmar: And within camphor, I mean, synthetic camphor and this thing, sorry I am not aware of it, so if you can throw some light on this.

Shyamal Bodani: So, I think all the camphor capacity that is available in India is primarily synthetic camphor. Starting material comes from the Pinene trees, but all the subsequent processing till we convert alpha Pinene into camphor,

they are all pure synthetic chemistry. So, the natural camphor is available only from China. And it comes with its own challenges in terms of product handling etc., etc., because also the purity of that material is much higher. But the binding strength etc. makes it very complicated to use it in the Indian context.

Jiten Parmar: And what would be your take on debt, with all the expansion now?

Shyamal Bodani: Sorry?

Jiten Parmar: What will be a peak debt for the various expansions we are doing? I mean, what will the debt peak at?

Shyamal Bodani: So, like Girish mentioned in the previous question, I think the peak contribution to the top line which for us –

Dharmil Bodani: He's asking about peak debt.

Shyamal Bodani: Peak debt, okay. Girish, can you answer this question?

Girish Khandelwal: Peak debt for this financial year in the parent company, they are expecting Rs. 200 crores, and around Rs. 80 crores debt in the subsidiary company. So, total at the group level, peak debt would be Rs. 280 crores.

Shyamal Bodani: Girish, if you can also give the break up, because the debt will also be divided into working capital and long-term debt, right?

Girish Khandelwal: So, around Rs. 85 crores is the term loan in totality, and the rest is the working capital.

Shyamal Bodani: Which is supported by inventories.

Moderator: Thank you. Our next question is from the line of Manoj, an individual investor. Please go ahead.

Manoj: Thank you very much. And I compliment the management for very good results, breakthrough results. And I just want to know whether the same results would be continued for the next three quarters of this year.

- Shyamal Bodani:** Dharmil, you want to take this?
- Dharmil Bodani:** So, I definitely can give you a shorter term. I think the next two quarters are seeming to be on track with whatever guidance has been given. And then post all the elections and whatever is happening in the world, I think we will just wait till maybe October, November to see how the fourth quarter is looking. But in terms of the next two quarters, we feel definitely that we will be within guidance. And we also believe that there could be a top line growth with the new capacities coming into play. So, we see a positive outlook for the next two quarters.
- Shyamal Bodani:** So, I think just to add what Dharmil said, Manoj, primarily I think a steady state of business where you have a steady and healthy demand and a steady supply of raw material is what we have always been aspiring for over the last few quarters. And when we are seeing that situation unfolding, I think we are having a much better control in terms of what the numbers would be.
- Manoj:** And what was our guidance if you can? Because I have recently invested in this company.
- Dharmil Bodani:** Manoj, can we request you to take that from Valorem, so that we can move on to the next question, it's been given in the past. Unless, Girish, you have that guidance ready with you and maybe you can then tell Manoj.
- Girish Khandelwal:** Yes, EBITDA, our guidance is 10% to 12%.
- Moderator:** Thank you. Our next question is from the line of Saket, an individual investor. Please go ahead.
- Saket:** Sir, my question is to Dharmil bhai. Dharmil bhai, I think around 2020 we had outlined 1,000 day plan for the company which involved major CAPEX. So, now if we step back and take the clock back, considering those 1,000 days now almost we are three to four years into that. So, how has been that progress on that front? So, I understand that Mahad,

which is a greenfield CAPEX, will go live in a couple of months, if not days. But apart from that, have all other CAPEX requirements been taken care of? And while I have been following the company, but maybe because there have been, due to volatility, some downscaling of CAPEX or some change in priorities, so apologies for asking this again. So, any color on that?

Dharmil Bodani: No, not at all. I will give you a broad idea. You see, in the past if we had planned capital, I think we revised it and you can refer to it in the past calls. But whatever revision of CAPEX that we have decided to do has been completely implemented and we are looking forward to our hydrogenation capacities and our Mahad plant coming into play. And like we have mentioned in our opening remarks, we will start seeing the revenues of this I think in 3rd Quarter, is what we have said, Parag?

Parag Satoskar: Yes, for the Baroda facility.

Dharmil Bodani: Correct. So, Baroda will be 3rd Quarter, and I think the Mahad will be a quarter after that or at the same time or before.

Parag Satoskar: So, we are looking at Mahad starting to contribute in the second-half of 2024-2025.

Dharmil Bodani: Okay and the reason these timelines are a little bit hit and miss is because we await quality approvals and we there is a process in the flavor and fragrance business of how the material is approved. So, to answer your questions, we have completed all the CAPEX that was laid out. We are now implementing the plants, stabilizing it, and hopefully we will have some more CAPEX coming in the future.

Saket: I appreciate this. So, now, the second part is, I think we have been outlining that current contribution is, one-third, one-third across all the three segments. Now with these upcoming CAPEX and say, when this CAPEX starts contributing meaningfully, what could be the, revenue mix across these 3 segments?

Dharmil Bodani: This is a good question and I would like to give it at least 2 to 3 quarters to see how the needle is shifting on the different verticals. Baroda being bulk specialty with Bareilly being terpene and Mahad being specialty again, so I think I will definitely come to this answer once I have some more data.

Saket: No, fair point.

Dharmil Bodani: There will be a top line increase, and we are hopeful that we will stay in the EBITDA guidance. So, yes, I think there is positivity ahead.

Parag Satoskar : And just to add to Dharmil, I think all these products that we have introduced since 2020 where apart from the Brownfield at Baroda and the Greenfield at Mahad between 2020 and now we also have commissioned the Single Product Plant in 2021 in the middle of COVID. Then, we also did the expansion of adding a new boiler in Baroda. We expanded our capacity of camphor and terpene chemicals in Bareilly. So, all these contribute not only towards increasing the top line on the ingredient side, but it also helps our fragrance and flavor division because there are a lot of more materials that are now available internally for our perfumers to create winningly.

Saket: So, now one of the long term guidance or stable state guidance for the margin, again, I am referring to the last few quarters call was a 14% to 17% kind of margin, right? Now, currently we are guiding for 10% to 12% for this year or maybe coming quarter. So, do we see that again and I understand that there is all this geopolitical uncertainty and all those things, but say in a stable state, even the external environment is stable. So, do we hope to hit that 14% to 17% EBITDA margin, say, in the next financial year with all the new CAPEX coming in, which may be more efficient or maybe a slightly upward in terms of complexity change, so maybe higher in margin. So, is that something that we can look forward to?

Dharmil Bodani: Well, we would like to. Let us stay with the current guidance and let us see how the next two quarters go, which I continue to maintain, we are very positive about.

Saket: Okay. Thanks again Dharmil Bhai to the entire team for coming up with good numbers back to back and restoring the fate of the investors and best wishes to all of you.

Moderator: Thank you. Our next question is from the line of Kaustav from BMSPL Capital. Please go ahead.

Kaustav: So, multiple quarters ago, you came out and gave this big CAPEX outlay, and then you also came and said that we are holding back on certain CAPEX because of the business environment. So, now that things are improving. What is apart from these 2 CAPEXs that are coming up this year, could you give a little bit of color on what is our overall CAPEX outlay for the next 2 to 3 years? Where is this going to go? Is it Brownfield CAPEX in Mahad and this other plant and also how you are going to manage your cash flow situation if you are doing a lot of CAPEX, given that we are doing around 100 crores of EBITDA. If everything is fine may be 10% to 12% guidance so are you going to raise more debt? Do you have some sort of debt limit that you do not want to go about? Could you speak a little bit about that and also for the product that we are doing CAPEX that we are growing. I wanted to understand what are we so positive about, is there some China Plus One Angle? Are our global customers looking at India more for those products? Could you speak a little bit about that too?

Dharmil Bodani: So, I will take your last question first. What we are positive about is that the answer I gave was specific to the next 2 quarters when we were asked to give an answer on the outlook for the 3 quarters going forward. So, I think we have a fairly clear picture of how it is looking in the next 2 quarters, and we feel confident about that and very positive about meeting our EBITDA expectations and maybe seeing some top line growth also. So, that is where positivity lies. In terms of your questions

about where we see ourselves going, I think it is too early to say. We have come out of a very rough patch. We have seen too many uncertainties post pandemic. We clearly seem to have stabilized the business in terms of how we look at product and EBITDA contributions and how we look at our new product launches and new expansions and new CAPEX. The Baroda and the Mahad plant will be producing at least 10 new molecules because the hydrogenation plant in Baroda is a multipurpose hydrogenation plant, probably one of the most advanced in the world. Parag, you can add anything that you want to add at that point. I think let us see how the current CAPEX that we have put in place, we want to bring that to full capacity over the next 2 to 3 quarters. We want to further reduce debt. As you know, we are a conservative company. We will expand, we will have future CAPEXs, but at this point, it is too early for us to say. So, to answer you in terms of debt limits, etc. If you just see the past record of the Company, you will understand the ratios that we stay within and those will not change. So, I think most of it I have covered up. Anything else?

Parag Satoskar:

Yes, I think just to summarize what Dharmil said is that we are definitely cautiously optimistic about going forward. We feel that the India story, the China Plus One story and the product mix that we have really have an extremely symbiotic and a coherent relationship and with these new plants, we will be there to grab any and if opportunities that come by. I think another point that I would like to probably summarize what Dharmil said is that we will get into some level of a consolidation phase, where all the capacities that have been put up, we would want to achieve our objective of getting to 33% to 50% of the available market, which is our philosophy when we launch a new product I think and the third point is about the hydrogenation facility. I mean, we feel that it is one of the best hydrogenation facilities that is there in our space, if not other spaces as well. It is fully automated. It has 7 hydrogenators with all the safety features built into it, and can handle multiple high pressure reactions in a very safe manner and we are pretty confident about the products that

are going to come out from there and all the other capacities that we have built.

Kaustav: Dharmil from what stood out from what you said and correct me if I heard you wrong, you said that the new capacities you expect to utilize in the next 2 to 3 quarters, that is so.

Dharmil Bodanil: Yes, that is fair. So, let us say 2 to 3 quarters from going up to speed with the plant. So, hydrogenation will be the first, where we will go to speed and 2 to 3 quarters after that, we hope to run it to almost full capacity and with the Mahad plant, say we go live in the 4th Quarter in full capacity of production then I think 2 to 3 quarters after that it would have completely stabilize. So, next time, I should have a fairly good idea and I will also be able to answer the question of how the split has happened, whether it is still equally contributing 33, 33, 33 of all our verticals or whether there is a little change in that. Because obviously, with the new capacities, the chemical business will probably grow more than what our capacity in Bareilly is, or at the rate of which the fragrance and flavors business will grow. But we will see. Let us see how it plays out.

Moderator: Thank you. Our next question is from the line of Manas from MD advisors. Please go ahead.

Manas: Actually, most of my questions are already answered, but like any variation was there in the raw material cost during the Quarter?

Dharmil Bodani: I think we are probably seeing a pretty stable range in which the raw materials are moving when it comes to the fragrance division, where we have a uniquely high number of raw materials that we are procuring. At any given time, there are always some materials, especially in the natural space, which shows some signs of forming up in terms of pricing, but I think overall we are seeing a raw material situation, which is relatively stable. The pinene prices have gone up compared to what they were in Q3 and Q4 of last year. But the rate at which they are spiking is not

alarming and because of our quality positioning, we are able to pass it on to our customers.

Manas: Okay. So, because of that cost, there would not be a big volatility in the margins because we will be able to pass on to the customer.

Dharmil Bodani: Not for now, at least.

Moderator: Our next question is from the line of Dhruv Patel from BHR. Please go ahead.

Dhruv Patel: I just wanted to ask that the revenue growth that you are talking about in the next 2 quarters, do you have a percentage about how much you will be growing?

Dharmil Bodani: We do not have guidance as the pricing yet has to be finalized and we have a lot of other issues that we need to take care of. His question is on revenue growth. We are seeing a possibility because of the materials that are going to come through in these next 2 quarters from these new plants and also a better realization across the board. Am I right, Parag?

Parag Satoskar: Yes.

Dharmil Bodani: A better volume growth as well.

Moderator: Thank you. Our next question is from the line of Nilesh from HDFC securities. Please go ahead.

Nilesh: My question is related to this CAPEX. So, as you mentioned that there are 2 projects. So, how you are going to fund these projects and what kind of production capacity and utilization of these 2 new projects.

Girish Khandelwal: Right. So, for Downfield project, we have taken the term loan. However, the repayment is going. Only 20 crore is outstanding. Mahad project we have taken; the highest debt would be 70 crore only.

Dharmil Bodani: Yes and in terms of the capacity, I mean, the hydrogenation facility is a multi-product hydrogenation facility. A lot of the products that we are initially going to launch are products that we have been offering to the market and since we did not have this facility internally, we were getting it done outsourced. So, I think we are pretty confident of catching up with that capacity, although we are at a much lower volume utilization currently because we were doing the jobbing so we were not having the price advantage, but we are pretty confident about getting that capacity. So, our objective on the hydrogenation facility is a multi-product plant between 6 to 7 products all adding up to around 700 tons of annual capacity and we have a pretty good direction as to we will be able to kind of reach optimum between 70% to 80% of this capacity in the first 4 to 5 quarters because of the approval process of sampling, etc. that has to be followed in the fragrance and flavor space. Regarding Mahad, it is a single product plant to begin with and we will again need 3 to 4 quarters for it to be approved and sold. The first phase is around 250 metric tons.

Moderator: Thank you. Our next question is from the line of Aniket Kulkarni from BMSPI. Please go ahead.

Aniket Kulkarni: Can you tell us what the incremental depreciation from will be the both of the new facilities which will come on a, let us say quarterly run rate or an annual run rate.

Girish Khandelwal: Additional depreciation we are expecting around 8 to 10 crore a year from this CAPEX.

Aniket Kulkarni: 8 to 10 crore incremental depreciation, right?

Girish Khandelwal: Yes.

Moderator: Thank you. Our next question is from the line of Jiten Parmar from Aurum Capital. Please go ahead.

Jiten Parmar: Yes, so I have a follow-up question. Since we have done significant CAPEX, I mean we are on the verge of completing it soon and what would be the peak revenue from when this CAPEX is completed? I know it is a difficult question but assuming current selling prices, maybe a ballpark figure. Because we have done around 900 crores of top line before this CAPEX started, so what could be the peak revenue once this CAPEX is complete?

Parag Satoskar: Just to give you a number that comes. We are looking at peak contribution from all new projects adding up to us reaching around 1200 crores based on the current selling prices that we have for the products and assuming a steady state.

Jiten Parmar: So, we used to do 900 crores, and we have done about I think the 60%-70% addition. So, is the incremental CAPEX going towards basically some backward integration that is why our top line is not growing proportionately or so then the margin should improve. Either one of these two things should happen. Am I right in assuming this?

Parag Satoskar: So, Jiten to answer your question, I think Oriental from 2019 till today has been a continuous process of doing investments, adding new products, putting them in that 2 to 3 quarter zone of getting approvals, and then slowly moving, because these are all generic materials. So, when the products get approved from our customers, we also have a period of another 500 days to 800 days, where they move us from being a marginal supplier in the first set of RFQs to a major supplier over, say, 2 to 3.5 of every year. So, I think that is the reason why the overall picture, I think it is something which is continuously evolving. We still have some products which we have launched in 2022-2023 which are in that phase and that is the reason why the exact contribution, either towards the top line or towards the profitability cannot be punched in on a regularized basis. Because by the time one product reaches that level of maturity, you have invested in a newer set of products.

Dharmil Bodani: Correct. It is a moving target and once we implement this over the next few quarters after the plants get to full capacity, I believe that we will achieve a 1200 crore top line.

Parag Satoskar: And with a relatively consistent contributing factor. That is the reason why I think in the previous question, we mentioned about consolidation.

Purvangi Jain: Thank you. As there are no further questions from the participants, I now hand the conference over to Mr. Dharmil from Oriental Aromatics Limited for closing comments.

Dharmil Bodani: Thank you for participating in the Earnings Conference Call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the Company, we would be happy to address them. We are thankful to all our investors who continue to stand by us and have shown confidence in the Company's future growth plans and with this, I wish everyone a great evening.

Purvangi Jain: Thank you. On behalf of Oriental Aromatics Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.