Oriental Aromatics

Ref: OAL/BSE/NSE/24/2019-20
28th August, 2019

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

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

**Sub: Annual Report of the Company for the Financial Year 2018-19**

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

Dear Sir/Ma'am,

Pursuant to Regulation 34(1) of the 'Listing Regulations', we hereby submit the Annual Report of the Company for the Financial Year 2018-19 along with the Notice of the 47th Annual General Meeting of the Company.

You are requested to take the same on your record.

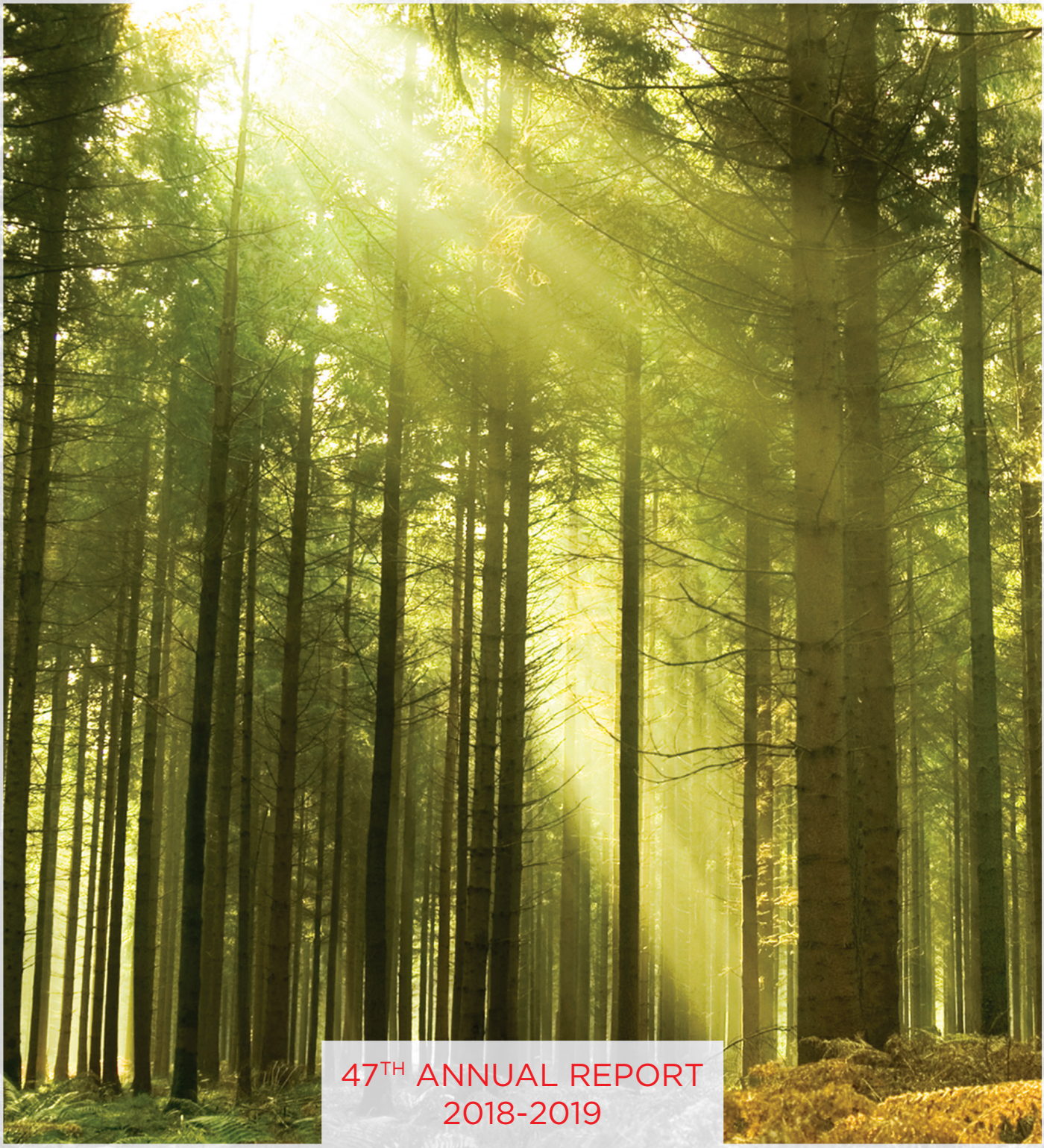
Thanking you,
Yours Faithfully,
For Oriental Aromatics Limited

Kiranpreet Gill
Company Secretary & Compliance Officer

ORIENTAL AROMATICS LIMITED MUMBAI

Encl: As above

Oriental Aromatics



# 47TH ANNUAL REPORT 2018-2019

# Oriental Aromatics Ltd.

Formerly Camphor and Allied Products Products Limited

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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. Animesh Dhar, *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, StandfordJunction of S.V.Road
Barfiwala Marg, Andheri (West),
Mumbai-400 058

## CORPORATE IDENTIFICATION NUMBER
L17299MH1972PLC285731

## REGISTERED/ CORPORATE OFFICE
133 Jehangir Building, 2nd Floor,
Mahatma Gandhi Road, Mumbai -400 001
Tel. 91 22 43214000
Fax: 91 22 43214099
Website: www.orientalaromatics.com
Email: cs@orientalaromatics.com

## REGISTRAR AND TRANSFER AGENTS
**Sharex Dynamic (India) Private Limited**
**Registered Office Address:**
Unit No. I, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai- 400 072

**Corporate Office Address**
C-101, 247 park, LBS Marg,
Vikhroli (West), Mumbai – 400083.
Tel: 022-2851 5606/ 5644/ 6338.
Fax: 022-28512885
Website: www.sharexindia.com
Email:support@sharexindia.com

## BANKERS
The Hongkong and Shanghai Banking Corporation Limited (HSBC)
HDFC Bank Ltd.
Standard Chartered Bank
Kotak Mahindra Bank Limited
Citi Bank N.A.

## WORKS
**Vadodara**
Plot No 3, GIDC Ind Estate, Nandesari,
Vadodara-391 340, Gujarat, India
Tel: +91 265 2842200
Fax: +91 265 2840224

**Bareilly**
P.O. Clutterbuckganj,
Dist. Bareilly (U.P) 243 502, India
Tel: +91 581 2561115/2561128
Fax: +91 581 2561112

**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

# WHY FLAVOURS & FRAGRANCES?

The sense of smell is the first of all our senses to develop. Even before we are born, our sense of smell is fully formed and functioning.

A study indicates that 80% of the flavours we taste come from what we smell and that 75% of emotions are triggered by smell.

Flavours and Fragrances are an integral part of our day to day life, right from the aroma of a soap bar to the scent of a perfume, or from the taste of an ice cream to other confectioneries. Although it accounts for only 1% - 5% of the total cost of a finished product, the popularity of the brands among consumers depend on flavours and fragrances.

# A HERITAGE OF EXPERIENCE IN FLAVOURS, FRAGRANCES, CAMPHOR AND AROMA INGREDIENTS

Since inception, Oriental Aromatics Limited (Formerly Camphor & Allied Products Limited) has been a pioneer in the field of Terpene Chemistry in India.

Oriental Aromatics Limited, engaged in the business of manufacturing of flavours and fragrances since 1955, under the prolific leadership of Mr. Anil K. Bodani, took a successful step forward in 2008 by acquiring a controlling stake in Camphor and Allied Products Limited, which was a global supplier of Camphor and Aroma Chemicals, the key raw materials for the Flavour and Fragrance industry.

In 2017, Oriental Aromatics Limited was amalgamated with Camphor and Allied Products Limited and the name of Camphor and Allied Products Limited was later changed to Oriental Aromatics Limited with effect from 26th February, 2018.

Oriental Aromatics Limited (Formerly Camphor and Allied Products Limited), hereinafter referred to as "the Company"/ "OAL", has benefited immensely as the amalgamation has resulted in Constructive synergies between the aroma ingredients and fragrance compounding business. Today the Company has garnered a significant footing in the global arena and is named amongst one of the few fully integrated F&F Companies worldwide.

The Company is one of the largest manufacturers of variety of terpene chemicals, camphor and other speciality aroma chemicals, in India. The Company's vast product range includes Synthetic Camphor, Terpineols, 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 also provides custom designed fragrances that are found in fine fragrances, incense sticks, candles, and various FMCG products like soaps, shampoos, hair oils, detergents, etc. and it also provides flavours for ice-creams, bakeries, confectioneries, beverages, chewing gums, chocolates etc. The Company has evolved as a one shop solution provider for the fragrance and flavour industry.

The continued trust reposed on us by our suppliers and customers is the legacy which has been built over years of perseverance and hard work of our team. Having consolidated our position, we are fervently looking forward to grow from strength to strength and raise the bar of performance year after year as we have laid the foundations for a future of orderly, sustainable and profitable growth.

# OUR JOURNEY

**2019** — Listing of Equity shares on National Stock Exchange of India Limited. (NSE)

**2018** — The name of the company changed from CAPL to OAL, under the Scheme of Amalgamation as approved by Honourable NCLT and Certificate of Incorporation dated February 26, 2018, issued by the Registrar of Companies, pursuant to the change of name

**2018** — Commissioned Speciality Chemical Division Plant at Vadodara

**2017** — In April the equity shareholders of CAPL and OAL approved a scheme of arrangement for amalgamation of OAL with CAPL to create a larger forward integrated company. The Scheme was approved by Honourable National Company Law Tribunal on November 16, 2017

**2016** — Set up a one-of-its-kind synthesis laboratory in Mumbai with focus on synthesising speciality & generic aroma chemicals

**2015** — The company acquired business of two Indian aroma chemical manufacturers - Arofine Chemical Industries and Vaishnavi Chemicals Private Limited

**2014** — Manufacturing and R&D facility was established in Ambernath, Maharashtra with an installed capacity for Flavours and Fragrances

**2013** — Commissioned Astromusk Plant at Vadodara

**2012** — PT Oriental Aromatics was incorporated in Indonesia as the overseas subsidiary

**2008** — In August 2008, controlling stake of 57.66% was bought over by the promoters, Oriental Aromatics Limited; a key customer of Camphor & Allied Products and a creator and manufacturer of flavours and fragrances located in Mumbai, India

**1999** — State-of-the-art manufacturing facility, established at Nandesari, Vadodara

**1995** — Setting up of the Export-oriented facility

**1991** — Establishment of the Flavour Division

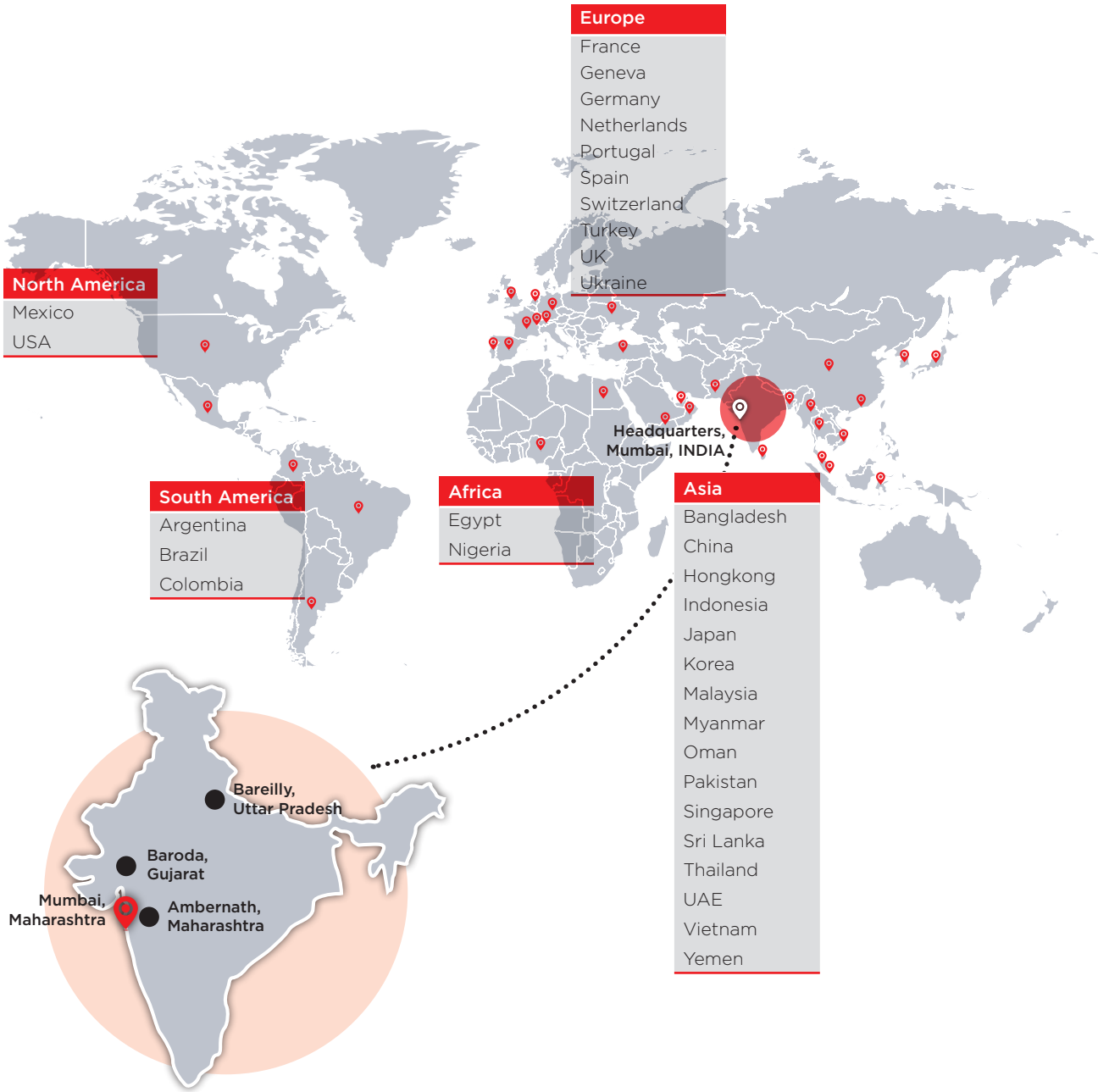
**1974** — Since commencement, the company has focused on in-house research and development. The Malti-Chem Research Centre was established to carry out extensive work on Terpene chemistry

**1964** — The first Synthetic Camphor plant with technology from DuPont of USA was established in Bareilly, Uttar Pradesh

**1955** — Mr. Keshavlal Bodani founded Oriental Aromatics (Fragrances and Flavours business)

# GEOGRAPHICAL PRESENCE

Headquartered in Mumbai, India, OAL caters to customers all over the world and has gained a strong foothold in North America, Europe, and the Middle East.



# R&D SETUP

## The Company fosters excellence through innovation and gives utmost importance to Research and Development. The company has been investing in its R&D capabilities.

The aim is to create aroma ingredients which are high value, low volume and are generic in nature. We strive to continuously reengineer the current processes and to make the Company future ready by incorporating green chemistry in its manufacturing process to make it one of the most sustainable manufacturers of Aroma Chemicals .

# The Company has the following R&D labs:

**Centre for Innovation at Mumbai, Maharashtra.**

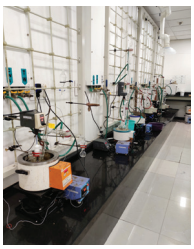
In 2016, Oriental Aromatics had also set up a Centre for Innovation, state-of-the-art R&D facility in Mumbai equipped with the infrastructure required for research and new product development. It is a state-of-the-art synthesis lab dedicated to research on aroma chemicals having between 20- 25 research associates. The technology involved is Head-space GC-MS, Flash chromatography, UV along with regular analytical set-up. It is also recognised by the Department of Scientific & Industrial Research (DSIR) of the Government of India.

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

In 2017-18 and 2018-19, our R&D unit has developed number of molecules of Aroma Chemicals and scaled them up into commercialization.

In 2018-19, R&D Centre has developed new encapsulation technology in perfume delivery system and has done new product development in personal and home care products.



**Process re-engineering lab (pilot plant) at Vadodara, Gujarat**

In 1974, OAL established an in-house R&D centre to carry out extensive work on Terpene chemistry. R&D centre is recognized by the Department of Scientific & Industrial Research (DSIR) of the Government of India and is well equipped with bench scale laboratories to carry out various organic reactions. Also, the centre 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 speciailty chemicals catering to various industries such as soaps and detergents, cosmetics, flavours and fragrances, paints and varnishes, rubber and tyre, pharmaceuticals and many more.

# MANUFACTURING PRESENCE

## Ambernath, Maharashtra

There is a state-of-the-art manufacturing facility that started operations in 2014 with a total capacity of 6,000 MT per annum. It is a very versatile manufacturing facility capable of producing fragrances as well as flavours and it even has a modern R&D and QA infrastructure.

## Bareilly, Uttar Pradesh

The Company established the First Synthetic Camphor plant backed by technology from DuPont, USA in 1964. This plant produces more than 12000 MT per annum of pine based chemicals annually and has chemical operations such as fractionation, esterification, saponification, hydrogenation, dehydrogenation, oxidation, peroxidation, pyrolysis, etc. The vast product range includes Pharma Grade accredited with WHO-GMP and USFDA, Synthetic Camphor (Technical Grade), Terpineols, Pine Oils, Isobornyl Acetate, Terpene Resins, etc.

# Vadodara, Gujarat

The-state-of-the-art manufacturing facility was set up at Vadodara, Gujarat in 1999 and having production capacity of more than 6,700 MT per annum of special aroma chemicals annually. Products manufactured at this plant are of international standards and 75% of the annual production is exported all over the world. The plant produces Alpha Pinene Epoxide, Alpha Campholenic Aldehyde, Musk, Astromusk, Sandalica, Sandalalcohol, etc. Chemical operations handled at this plant include epoxidation peroxidation, hydrogenation, aldol condensation, cyclization, esterification, bromination, etc.

# PRODUCT PORTFOLIO

## FRAGRANCE

OAL delivers innovative fragrance formulations supplying fine fragrance and perfume raw materials. The Company continually strives to find the best balance between creativity and functional needs to develop fragrances with the highest acceptance and the best release performance in the final product.

## FLAVOUR

The company caters to flavours used in oral hygiene, instant foods, beverages, health and wellness, dairy and snack foods. The flavours are formulated to give a food product a unique flavour and to maintain flavour consistency between different product batches or after recipe changes. OAL understands how important taste is to our sense of being i.e. sweet, salted, bitter, sour, spicy, savoury. Custom flavour manufacturing is one of OAL's specialties.

# AROMA CHEMICALS

OAL offers a broad spectrum of aroma chemicals that are used in flavours and fragrances.

| Sandalwood Derivates | Musk polycyclic & Macrocyclic | Pinene Derivatives | Specialty Aroma Chemicals | Generics offered by Specialty Chemicals Division |
|---|---|---|---|---|
| Bacdanol | Astromusk | Alpha – Pinene epoxide | Astromeran | Esters of Allyl alcohol |
| Mysornaol | Cambrettolide | Alpha-Campholenic | Amberone | Esters of Geraneol & Citronellol |
| | | Camphor | Astrone | Esters of Phenyl Acetic acid, Cinnamic acid |
| | | Isoborneol | Capinone | Esters of Cinnamic alcohol & Cyclohexanol |
| | | Terpineol | Ketone 101 | Esters of Para cresol & Phenyl Ethyl alcohol |
| | | Terpinyl Acetate | Safranal | Aromatics ethers like Nerolin crist, etc. |
| | | | | Phenoxyethyl Isobutyrate |
| | | | | Nitriles of various Aldehydes Like c12 Lauric, c10, citronellyl nitrile |

# CAMPHOR

OAL is one of the established manufacturers of Camphor in India. 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.

# MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR

**Dear Shareholders,**

**At the outset, I sincerely thank each one of you for being with us in our journey. It gives me immense pleasure to share with you the outstanding performance of your Company in the financial year 2018-19.**

The financial year 2018-19 reflects the consolidated picture of the amalgamated entity. The operational synergies achieved by the amalgamation resulted in your company becoming one of the few forward integrated players in aroma chemicals in the flavour and fragrance industry. As a result, your company delivered one of its strongest performances for this financial Year.

On a standalone basis, the Company's revenue stood at INR 753 Cr, which represented an increase of 49% against the previous financial year, EBITDA stood at INR 116 Cr, which increased by 66%, and Net Profit was reported at INR 50 Cr, which increased by 64%.

Looking at the consolidated numbers, during the financial year 2018-19, the Company's revenue stood at INR 755 Cr, registering an increase of 49% against the previous financial year, EBITDA stood at INR 116 Cr which increased by 78% and Net profit was reported at INR 57 Cr, which increased by 129% against previous year.

Given a healthy business performance in FY19, the Board of Directors has recommended a dividend of INR 1 (20%) per equity share for the year.

Further, as a show of appreciation to our shareholders, the company had issued Bonus shares in the ratio of 1:1 in FY19, and also acted upon the feedback given by various shareholders to improve the liquidity of the shares by doing a stock split from INR 10 Face Value to INR 5, and by successfully listing the company on the National Stock Exchange of India Limited (NSE).

The largest market for flavour and fragrance is the US and UK and there is an increasing demand in the developing markets of the Asia Pacific (APAC) region. The restrictions imposed by the Chinese government on the domestic chemical industry to strictly adhere to environmental norms coupled with the trade tension between US and China has catapulted India to become the preferred choice. It is imperative for the global F&F industry to tide over crucial challenges such as inconsistent raw materials supply. Only those who have a complete command over the raw materials can make a global F&F company augment their business.

Flavours and fragrances are an integral part of our lives. As the disposable income per household increases in modern India, there is a mammoth requirement for the industry to cater to new flavours and fragrances. The tremendous growth in segments like confectionery, bakery, food and beverages as well as personal care products with changing urban lifestyles has fostered the F&F industry.

Our in-depth understanding of the consumer's requirements based on our market research has helped us strengthen our position in the industry, which has helped us leverage the plethora of opportunities available. Backed by an excellent distribution network, manufacturing expertise coupled with operational efficiency, the innovative and visionary approach has catalyzed your Company's growth. Your company's current product portfolio includes 200 Aroma chemicals which are further formulated into innovative flavours and fragrances and are supplied to renowned players in the industry.

By sourcing the raw materials well in advance, the problem faced due to the increase in raw material prices was successfully mitigated by your Company. Passing on the price increases to customers translated to commendable value in FY19, with volume growth and profit growth across all product categories.

For any successful organization to streamline its growth, a strong foundation of business practices and ethics is essential. Your company has adhered to its internal strengths and core strategies. Your Company has continued to progress by staying focused and by making continuous efforts to become sustainable. Your company will make further investments in certain chemistries to expand and strengthen the product portfolio. We are also planning to strategically stabilise, validate and fully utilise our Multi-Purpose Plant (MPP), which will play a crucial role.

Our opportunities ahead are enormous. By staying true to our mission and values, and by continually investing in building newer capabilities, your company is positioned perfectly to become the most valued partner for various FMCG companies.

As your company has spread its wings in both the domestic as well as international markets, our expertise in this dynamic flavours and fragrances industry will propel us to stay ahead of our competitors and be future ready.

On behalf of the Board and the entire Oriental Aromatics Team I express my profound thanks to the various State Government and the Central Government authorities, our stakeholders including our investors, regulators, bankers, rating agencies, customers, suppliers, advisors and employees for their whole-hearted support in our journey to achieving business excellence. I solicit their continued support in taking our Company to greater heights. 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 a dynamic team of professionals, your company is well-positioned for a great journey ahead.

**Best Wishes,**

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

# 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. Animesh Dhar**
*Executive Director Operations*

- Has 29 years of strong industrial experience in different areas like Production of fine & heavy chemicals, Speciality & perfumery chemicals, Product Development & scaling up, Systems Improvement, Strategic Cost control, Energy Conservation, Technical Service etc.
- Also has strong experience in implementation of small, medium and big size Organic & Inorganic chemicals projects including brown field projects.

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

- Serves as Whole Time Director designated as Executive Director Operations in Oriental Aromatics Limited.
- Has 21 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.

**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 served as Head of Asset Management for Leela Palaces, Hotels and Resorts and is also responsible for conducting financial reviews.

**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 pharmexcil. He has represented the AYUSH Industry cause for the past 16 years in forums related to Ayurveda, medicinal plants and regulatory reforms.

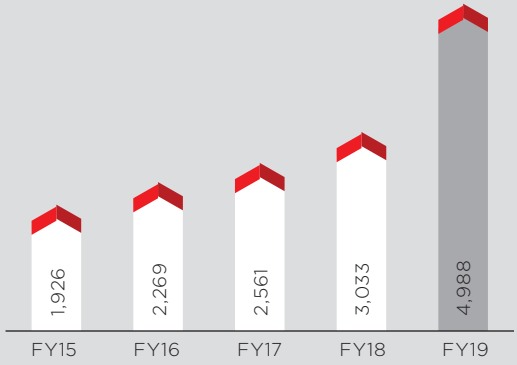
**Mr. Harshvardhan A. Piramal**
*Non-Executive & Independent Director*

- 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 Vice Chairman of Morarjee Textiles, PMP Auto Components and Piramal Renewable Energy, all part of Ashok Piramal Group.
- Passionately involved in tiger conservation and is a trustee of Conservation Wildlands Trust.

# FINANCIAL HIGHLIGHTS

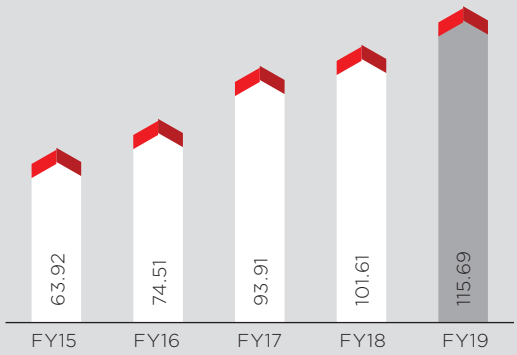
Revenue from Operations
(INR in Lakhs)

Profit after tax (INR in Lakhs)

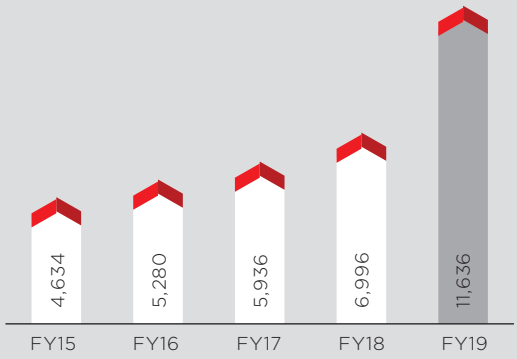



Net Worth (INR in Lakhs)

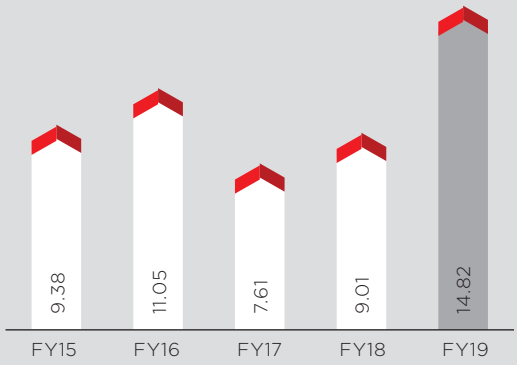
Book Value per share (INR)



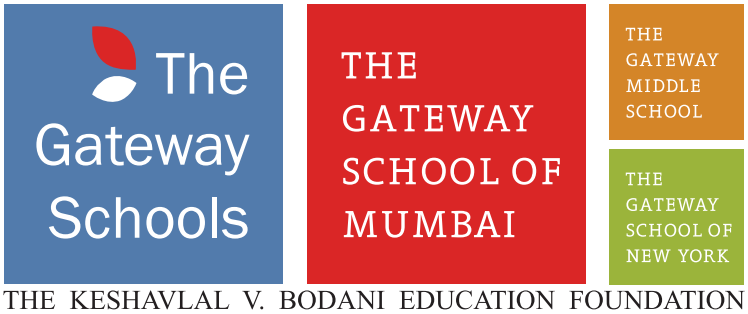

Earnings before Depreciation,
Interest and Taxes (INR in Lakhs)




Earnings per share (INR)



# CSR ACTIVITIES




**Oriental Aromatics Limited practices its corporate values as a socially responsible corporate, and acknowledges its responsibility for the impact of its activities on the environment, consumers, employees, communities and stakeholders.**

***OAL encourages community growth and development. Education is a core part of our mission to help solve society's toughest problems.***

Your Company's CSR arm is "The Keshavlal V. Bodani Education Foundation (KBEF)". Your Company undertakes the promotion of educational facilities for the students having learning disabilities through contribution to Keshavlal V. Bodani Education foundation.

Keshavlal V. Bodani Education foundation has partnered with the Gateway School of New York to create the Gateway School of Mumbai, which is dedicated to empowering children who find themselves challenged by mainstream educational practices. The vision behind this collaboration is to generate learning and spread evidence-based practices, in the field of education and therapies, in India and globally.

The school 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.

Your company has also contributed towards the Protection, care, treatment and wellbeing of Cows at Bareilly, in the vicinity of the manufacturing facility. Giving the best animal care means taking steps to prevent disease, providing high quality veterinary treatment and nutrition, and ensuring kind management and handling of animals at every stage of their lives. That is why your Company actively collaborates with people responsible for the well-being and health of animals.

The company has also Promoted Education facilities by making contributions to Nandesari school at Vadodara.

| S. No. | CSR activity Identified | Sector in which the project is covered | Location where Project is undertaken (Local Area/ District) |
|---|---|---|---|
| 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) | Govandi, Mumbai, Maharashtra |
| 2 | Contribution towards the Protection, care, treatment and wellbeing of Cows. | Animal Welfare, Schedule VII (iv) | Aligarh, Bareilly |
| 3 | Promotion of Education facilities by making contributions to Nandesari school. | Education Schedule VII (ii) | Nandesari, Baroda |

# STATUTORY REPORTS

# MANAGEMENT DISCUSSION AND ANALYSIS

## GLOBAL ECONOMY OVERVIEW

The global economy is expected to grow by approximately 2.7% in 2020. As per the World Bank, growth among emerging and developing economies is forecasted to fall to a 4 year low of 4% in 2019. The growth is constrained by sluggish investment and risks including rising trade barriers, renewed financial stress, and sharper than expected slowdowns in several major economies. Current economic momentum remains weak, while heightened debt levels and subdued investment growth in developing economies are holding countries back from achieving their potential. The growth in advanced economies is expected to gradually decline to about 1.7%. Thus, the further pickup in global activity will entirely be driven by emerging markets and developing economies.

The ongoing US-China trade war is snowballing fears about damage to global economic growth. The repercussions can be more volatile in both commodity prices and currencies. However, India is amongst the few economies that stand to benefit from the trade tensions as it can tap export opportunities in sectors like chemicals, textiles, agriculture, and the overall manufacturing sector.

## INDIAN ECONOMY OVERVIEW

The Indian Gross Domestic Product has grown to 6.8% in Financial Year 2019. The decline in Gross Domestic Product growth is on account of multiple factors like, the fallout of Non-Banking Financial Companies, low credit growth, tight liquidity conditions, dismal growth in wages and flat exports owing to a global slowdown.

However, Gross Domestic Product growth rate is expected to bottom out in the coming quarters. RBI has cut key policy rates for the third time in a row this calendar year, for improving liquidity scenario. With Government continuing to roll out policies focusing on rural population, there could be some relief to the ongoing distress and signs of recovery should be visible in the second half of the financial year.

For the long-term, the government has publicly announced its ambitious plans of becoming a USD 5 Tn economy by 2025 and the 3rd largest consumer market in the World by 2025. The government plans to make this dream come true through continued infrastructure spending, job creations, a rural focused approach and greater use of technology.

## GLOBAL AROMA CHEMICALS INDUSTRY

Global Aroma Chemicals Market is expected to grow at a compounded annual growth rate of 6.8% to reach USD 6.48 Bn by 2023. Among the applications, the cosmetics and toiletries segment retained the largest market share in 2016 and is anticipated to show the same trend over the years. In terms of geographical regions, due to the stringent environment norms, expensive labour and reducing profit margins in other regions, particularly Europe and North America, various companies are shifting their manufacturing bases to APAC.

### Growth Drivers:

The major trend witnessed in the global speciality aroma chemicals market is the shifting of production base to Asia Pacific. Growing population combined with rising disposable income in countries like India and China has fuelled the development of cosmetics, personal care, and home care products, which in turn has increased demand for fragrances, resulting in enhanced demand for aroma chemicals.

## INDIAN AROMA CHEMICALS INDUSTRY

The Aroma market in India has flourished in the past few years on the grounds of new formulations as well

as active supply chain management. The market has been dominated by the global manufacturers lured by the bright growth prospects of food, home and personal care industries in India. Global players in the market have provided buoyancy to the supply chain of Flavour & Fragrance industry in India.

**Growth Drivers:**

Increasing demand for aroma chemicals in emerging economies, technological advancements and Change in consumer preferences, healthy and green sustainability package are among the factors driving the growth at the end-user markets. Change in the consumer preference would bring profitable prospects to the aroma chemicals market. Expanding market penetration and investment towards product innovation will help the aroma chemicals market to record strong development in the anticipated years.

**Outlook:**

OAL through its Innovation and creativity has adopted technologies that guarantee performance. The company has performed many tests and obtained certifications and is one of the prominent players in the growing market. Favourable macroeconomic factors like growing disposable income, preference towards personal wellness products and increased confectionery and bakery sales have raised the demand for the aroma chemicals established by OAL.

## GLOBAL FLAVOUR & FRAGRANCE INDUSTRY

The global Flavour and Fragrance (F&F) market is valued at USD 21 Bn in 2018 and is projected to reach USD 35 Bn by 2028 growing at a compounded annual growth rate of 5.1%. Amongst the major global regions, the flavours and fragrances market is largest in the Asia-Pacific region where emerging countries like China and India are considered responsible for the dominance of Asia Pacific followed by North America and Western Europe. Considering the emerging trend for personal care, cosmetics, home care, therapy, oral care, and air freshener products, the fragrance segment is expected to grow. North America and Europe are predicted to register positive growth owing to concentration of cosmetics industries in these particular regions. Also, the upward trend of health and wellness is anticipated to enhance the preference given to flavour and fragrance Industry. The growing number of retail stores and new product launches will supplement the demand for cosmetics, toiletries, perfumes, and soaps and detergents which will drive the growth for flavour and fragrance industry products.

**Growth Drivers:**

On the basis of its comprehensive research, Lucintel forecasts that, fine fragrances, and household and air care segments are likely to experience the highest growth in the forecast period. The demand for synthetic fragrances is also predicted to witness a significant CAGR as they are long lasting, emit strong fragrance, and offer a greater freedom of creativity to manufacturers. Moreover, synthetic fragrances are less expensive compared to natural variants. Growing number of retail stores, new product launches, and economic prices of personal care products are anticipated to be extremely influential factors contributing to the growth of the fragrance market.

## INDIAN FLAVOUR & FRAGRANCE INDUSTRY

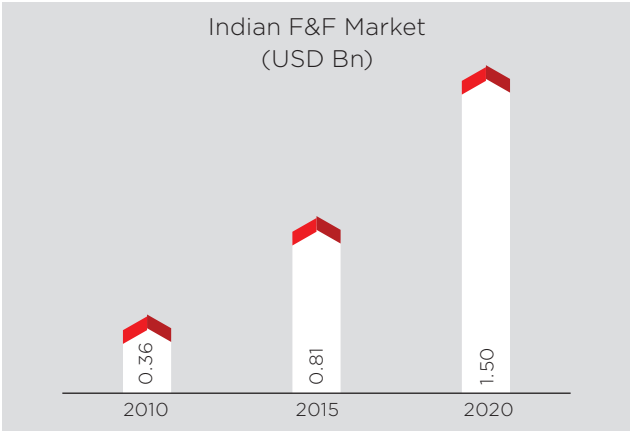
F&F ingredients production value in India is expected to reach USD 5.37 Bn by 2020, growing at approximately 12% compounded annual growth rate, increasing its share to 40% of the global market. A large constituent of the Indian speciality chemicals industry is the F&F industry. The industry will scale up its position soon to challenges given the entry barriers, and domination of the Multi-National Companies. The blending segment is dominated by global F&F houses constituting over 60%. The Indian market is at a nascent stage currently and is expected to witness explosive growth in the wake of growing urbanisation and rising awareness. Indian players who have scaled shall continue to exhibit strong growth, garnering market share in India and globally.

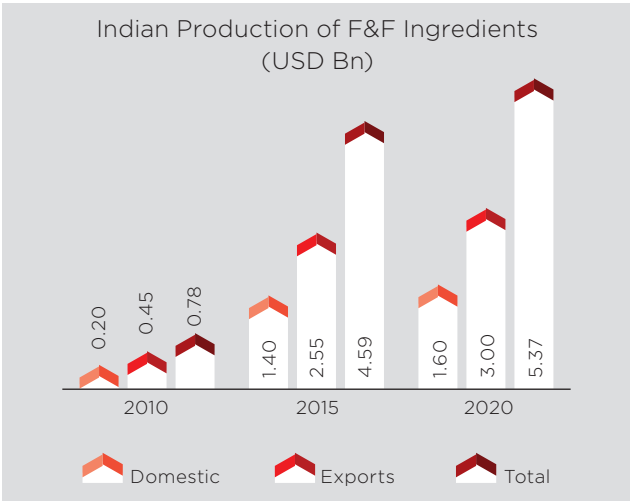
Fragrances are a significant component of FMCG products. Despite constituting less than 1% of a product's volume and under 10% of its total cost of production, fragrances are instrumental in creating a

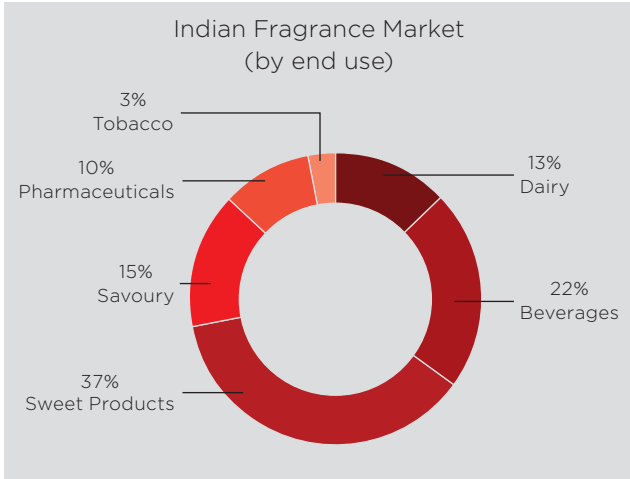
distinct product association with the consumers. India is also defined by a big unorganised market for mixing of flavours and fragrances, estimated to be bigger than the organized market, but hard to quantify.

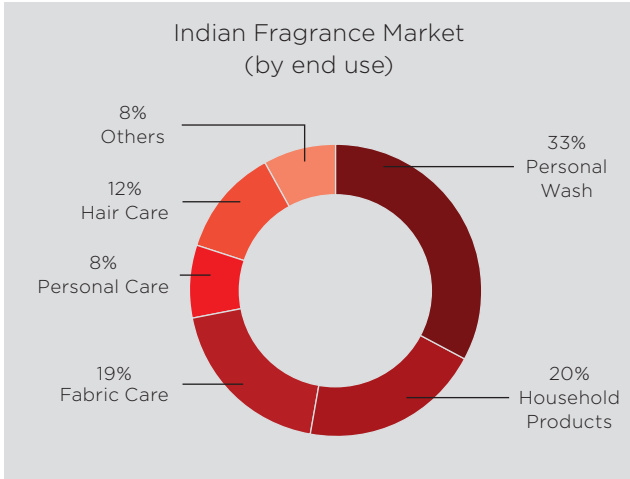
**Growth Drivers:**

There's a growing trend, with many of the consumers willing to experiment with new flavours and fragrances, which has resulted in additional sales in developed markets where consumers have higher disposable incomes. Therefore, they are willing to spend on non-essential sophisticated products across categories of food. Developing nations are seeing development of 13% compared to worldwide development of 4%. These geographies are now being targeted and the market expanded by large worldwide players traditionally from developed countries.




*Source: (Chemarc Industry Reports)*

**Outlook:**

OAL's journey is driven by the strengths that we have built over the years by means of dynamic engagement with our customers. It has been backed by a strong focus on innovation. It is a journey that is steered by our deep-rooted local understanding of the evolving consumer needs, globally. Flavours and Fragrances are important components of different consumer goods and packaged foods. Moreover, fragrance compositions add the fresh smell of pine to exotic top notes to fine perfumes and household cleaning products. Increasing demand for flavours and fragrances, growing demand for consumer products and raise in per capita spending on food and

consumer products in emerging countries are some of the key factors boosting 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.

## CAMPHOR TABLETS MARKET

Camphor Tablets market was valued at USD 93.9 Mn in 2016 and is expected to reach USD 145.6 Mn by 2022, growing at a compounded annual growth rate of 7.6% during the forecast period.

## OPPORTUNITIES AND THREATS

As Indian consumers graduate from using basic soaps and detergents to high end products such as skin creams, lotions, hair gels and other specialised cosmetics products, the quality and value of the flavours and fragrances used in these products are expected to increase. Catalysed by a rising global population and increasing urbanisation rates, the demand for processed foods and beverages has been witnessing a continuous growth creating a positive impact on the growth of the market. Moreover, driven by rising incomes, changing lifestyle and increasing consciousness towards physical appearance, the market for personal care products has also been witnessing strong growth creating a strong demand for flavours and fragrances. The company is committed to be positioned as a global player in the generic speciality aroma chemical space and the trends driving the market are consumer insights, their taste and preferences.

The chemical industry is at the crossroads today, finding it tough with rising input costs and dropping prices of the compounded products. Competition is seen in the aroma chemical industry in terms of quality, price and services rendered to the end user. However, still there is growth in absolute terms.

The Company has evolved as a complete 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

Any market share losses for the Company to the major global and domestic players will adversely impact the financials of the Company consequently, this would adversely affect aroma chemicals and F&F industry leading to lower capacity utilisations for the Company and impact the financials of the company.

Moving up the value chain for escaping stiff price competition is a concern for manufacturers in the F&F space. The markets are dominated by global Flavours & Fragrances houses, who are further strengthening their presence in India; Indian players are less likely to displace them in the near future. Any slowdown in the economic growth of the country will lead to a slowdown in the FMCG sector on account of sluggish consumption-led demand. Raw material price fluctuation and uncertainty of availability / short supply of raw materials can pose a threat to revenue and competitive position. Dependency on a few large clients could pose a risk to revenue. Indian players will need to optimise costs, build scale and invest in product development to succeed.

The Company monitors such risk through the oversight of the senior management personnel in each of its business segments. The Company understands that to ensure consistent business growth, it is essential to correctly assess the potential risk area wise and take necessary steps well in advance to mitigate the risk to a large extent before it becomes a potential hazard.

## 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, total revenues of the Company have significantly increased by ~49% from INR 50,570 lakh in 2017-18 to INR 75,255 lakh in 2018-19.

The aforesaid increase is mainly due to increase in sales price, better sales realisation and also operational efficiency brought about through better and optimum utilisation of resources and proper implementation of business policies, plans and strategies.

Raw material shortages led to some challenges during the first half of the financial Year but despite this the Company managed to achieve revenue growth because of Company's long-standing supplier relationships which helped in procuring raw materials at competitive prices. Also, as there was significant rise in the key raw material prices, the Company managed to increase the prices of the products to cover the hike.

***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 612 as on 31st March, 2019.

**DETAILS OF SIGNIFICANT CHANGES:**

There were no significant changes (i.e. change of 25% or more as compared to the immediately previous Financial year) in the key financial ratios

[Debtors Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin (%) and Net Profit Margin (%)]

## RETURN ON NETWORTH:

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

| Financial year | 2019 | 2018 |
|---|---|---|
| Return on net worth (%) (Profit after tax/Net Worth) | 12.72% | 8.80% |
| Reason for change | The return on net worth increased from 8.80% to 12.72% due to better sales realisation and operational efficiency | |

## 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.

## CAUTIONARY STATEMENT:

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

**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 47th Annual General Meeting of the members of Oriental Aromatics Limited (Formerly Camphor and Allied Products Limited) will be held on Wednesday, 25th September, 2019 at 11:00 a.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001, 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 31st March, 2019, together with the reports of the Board of Directors and Auditors thereon.

2. **Declaration of Dividend**

   To declare final dividend on equity shares for the financial year ended 31st March, 2019.

   (The Board of Directors has recommended a dividend of ₹ 1/- (i.e 20 %) per equity share of face value of ₹ 5/- each.)

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

   To appoint a Director in place of Mr. Animesh Dhar (DIN: 07905777) 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-imbursement of out of pocket expenses incurred in connection with the Audit as approved by the Board of Directors based on recommendation of Audit Committee of the Company, to be paid to M/s V. J. Talati & Co.(Firm Registration No. R00213), Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of cost records of the Company for the financial year ending 31st March, 2020, be and is hereby ratified and confirmed."

5. **Revision in the terms of appointment of Mr. Satish Kumar Ray, Whole time Director**

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

   **"RESOLVED THAT** in partial modification of the resolution previously passed by the shareholders in their meeting held on 25th September, 2017 and pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),the consent of the Company be and is hereby accorded to the revised terms of appointment (remuneration) of Mr. Satish Kumar Ray (DIN: 07904910), Executive Director-Operations of the Company to the extent and in such manner as stated in the explanatory statement attached hereto and subject to the maximum remuneration not exceeding ₹ 50, 00,000/- (Rupees Fifty Lakh only) per annum, during his remaining tenure.

   **RESOLVED FURTHER THAT** Mr. Satish Kumar Ray (DIN: 07904910), Executive Director-Operations of the Company be paid remuneration as the Board of Directors based on recommendations of Nomination and Remuneration Committee may from time to time determine, within the limits as stated above, in conformity with the provisions of the Act, the rules and regulations made thereunder and in accordance with the limits specified in Schedule V of the Act and any amendment thereto.

**RESOLVED FURTHER THAT** all the other terms of appointment shall remain the same as set out in the Agreement, subject however to the modifications to be made therein as mentioned above.

**RESOLVED FURTHER THAT** the Board of Directors (including Nomination and Remuneration Committee) of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

6. **Revision in the terms of appointment of Mr. Animesh Dhar , Whole time Director**:

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

"**RESOLVED THAT** in partial modification of the resolution previously passed by the shareholders in their meeting held on 25th September, 2017 and pursuant to the provisions of Sections 197, 198 read with Schedule V and all other applicable provisions, if any of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force),the consent of the Company be and is hereby accorded to the revised terms of appointment (remuneration) of Mr. Animesh Dhar (DIN: 07905777), Executive Director-Operations of the Company to the extent and in such manner as stated in the explanatory statement attached hereto and subject to the maximum remuneration not exceeding ₹ 50,00,000/- (Rupees Fifty Lakh only) per annum, during his remaining tenure.

**RESOLVED FURTHER THAT** Mr. Animesh Dhar (DIN: 07905777), Executive Director-Operations of the Company be paid remuneration as the Board of Directors based on recommendations of Nomination and Remuneration Committee may from time to time determine, within the limits as stated above, in conformity with the provisions of the Act, the rules and regulations made thereunder and in accordance with the limits specified in Schedule V of the Act and any amendment thereto.

**RESOLVED FURTHER THAT** all the other terms of appointment shall remain the same as set out in the Agreement, subject however to the modifications to be made therein as mentioned above.

**RESOLVED FURTHER THAT** the Board of Directors (including Nomination and Remuneration Committee) of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

7. **Re-appointment of Mr. Harshvardhan A. Piramal as an Independent Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Harshvardhan A. Piramal (DIN: 00044972), who was appointed as an Independent Director of the Company for a term of five years by the members at the 42nd Annual General Meeting, and whose term expires at this Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company (not liable to retire by rotation) to hold office for second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. **Re-appointment of Mr. Prakash V. Mehta as an Independent Director**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time

being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Prakash V Mehta (DIN: 00001366), who was appointed as an Independent Director of the Company for a term of five years by the members at the 42nd Annual General Meeting, and whose term expires at this Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company (not liable to retire by rotation) to hold office for second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024 as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**9. Re-appointment of Mr. Ranjit A. Puranik, as an Independent Director**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Mr. Ranjit A. Puranik (DIN: 00199353), who was appointed as an Independent Director of the Company for a term of five years by the members at the 42nd Annual General Meeting, and whose term expires at this Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as an Independent Director of the Company (not liable to retire by rotation) to hold office for second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**10. Creation of charge on the assets /undertaking of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the company be and is hereby accorded to the Board of Directors (hereinafter referred as "Board" which term shall include a Committee thereof authorized for the purpose) to sell, lease or otherwise dispose of the undertaking of the Company and to pledge, mortgage, hypothecate and/or create charge, in addition to the mortgage, hypothecation, pledge and/or charge already created, in such form, manner and on such terms as the Board may deem fit in the interest of the Company on all or any of the movable and/or immovable properties of the Company, both present and future and/or any other assets or properties, either tangible or intangible or whole or part of the undertaking of the Company, in favour of lender(s), agent(s) and trustee(s) for securing the borrowings of the company availed / to be availed by way of loan(s) and securities issued / to be issued by the company, from time to time upto the limits approved or as may be approved by the shareholders under section 180(1)(c) of the Act together with interest, charges, costs, expenses and all other monies payable by the Company including any increase as a result of devaluation/revaluation/fluctuation in rate of exchange.

**RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to finalise with Banks/Financial Institutions the documents for creating aforesaid mortgage and/or the charge and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution."

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

**Kiranpreet Gill**
**Company Secretary**

**Place: Mumbai,**
**Dated: 9th August, 2019**

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

**Notes:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

   This instrument appointing proxy in order to be effective should be lodged at the Registered Office of the Company not less than forty- eight hours before the commencement of the meeting. A blank proxy form is sent herewith. Pursuant to section 105 of the act a person shall not act as proxy for more than fifty members & holding in aggregate not more than ten percent of the total share capital of the Company. However a single person may act as a proxy for a member holding more than ten percent of the total share capital of the Company provided that such person shall not act as a proxy for any other person. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/ authority, as applicable.

2. 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.

3. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, 18th September, 2019 to Wednesday, 25th September, 2019 (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 Obligations and Disclosure Requirements) Regulations, 2015 for annual closing and determining the entitlement of the shareholders to the dividend for financial year (FY) 2018-19.

4. The Dividend as recommended by the Board of Directors, if declared at the meeting, will be paid on or after 30th September, 2019 to the shareholders (holding shares in physical form) whose name appear on the Company's Register of Members on the record date fixed for the purpose i.e 17th September, 2019 and in respect of the shares held in dematerialized mode, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.

5. Members are requested to en-cash their Dividend Warrants immediately on their receipt, as dividends remaining unclaimed for seven years from the date of transfer to the company's Unpaid Dividend Account, will be transferred to the Investor Education and Protection Fund established by the Central Government, as per Section 125 of the Companies Act, 2013.

6. 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. Accordingly the Company has transferred the unpaid or unclaimed dividends declared upto FY 2010-11, from time to time, to Investor Education and Protection Fund(IEPF) established by Central Government. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends as on the date of the 46th Annual General Meeting held on Monday, 24th September, 2018, on the website of the IEPF viz. www.iepf.gov.in and on the website of the Company under "Investors Relations Section".

7. (a) Pursuant to applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during the FY 2018-19, transferred to the IEPF Authority, the shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on 16th November, 2018. Details of the shares transferred to the IEPF Authority are available on the website of the Company. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link www.iepf.gov.in.

   (b) During the financial year 2018-19, the Company has transferred to the IEPF, the following unclaimed dividends and corresponding shares thereto:

| Particulars | Amount of Dividend | No. of shares |
|---|---|---|
| Final Dividend | ₹ 6,19,948 /- | 45069 |
| (Financial Year 2010-11) | | |

   (c ) Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: http://iepf.gov.in/IEPFA/refund.html or contact Sharex Dynamic (India) Private Limited for lodging claim for refund of shares and/or dividend from the IEPF Authority.

8. 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 Registrar & Share Transfer Agent, Sharex Dynamic (India) Private Limited and in respect of shares held in demat (electronic) form such particulars should be furnished to respective Depository Participants.

9. SEBI has amended Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to which securities can be transfered 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. SEBI vide press release dated 27th March, 2019 has clarified that the share transfer deed(s) once lodged prior to the deadline of 31st March, 2019 and returned due to deficiency in documents submitted, may be re-lodged for transfer.

10. Members holding shares in physical mode:

    (a) are requested to submit their Permanent Account Number (PAN) and bank account details to the Company/ Sharex Dynamic (India) Private Ltd, 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 and can be accessed at link http://www.orientalaromatics.com/documents/downloads/sh-13-nomination-form.pdf

    (c) are requested to register/update their email address with the Company/ Sharex Dynamic (India) Private Ltd for receiving all communications from the Company electronically.

11. 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 for registering the Nomination.

    (c) are requested to register/update their email address with their respective DP for receiving all communications from the Company electronically.

12. Non- Resident Indian members are requested to inform Sharex Dynamic (India) Private Ltd, 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.

13. 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.

14. 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 Obligations and Disclosure Requirements) Regulations 2015, (also referred as "Listing Regulations") and Secretarial Standard-2 and Schedule V to the Companies Act, 2013.

15. All the documents referred to in this notice are open for inspection to the members at the registered office of the Company on all working days between 11.00 a.m. to 1.00 p.m., upto the date of the Annual General Meeting and during the time of the Meeting.

16. Electronic copy of the Annual Report for FY 2018-19 is being sent to all the members whose email IDs are registered with the Company /Depository Participants(s) for communication purposes unless any member has requested for a print copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2018-19 is being sent in the permitted mode.

17. Members may also note that the Annual Report for FY 2018-19 including Notice of the 47th Annual General Meeting will also be available on the Company's website i.e. www.orientalaromatics.com, for their download.

18. Members are requested to bring their copies of the Annual Report along with Attendance Slip at the time of attending the Annual General Meeting

19. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of the relevant Board Resolution authorizing their representative(s) to attend and vote on their behalf.

20. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to Sharex Dynamic (India) Private Limited, for consolidation into a single folio.

21. The facility for voting through Ballot paper shall be made available at the venue of the meeting and only the Members attending the meeting who have not cast their vote through remote e-voting shall be entitled to vote at the meeting.

22. **Voting through electronic means:**

    In terms of Section 108 of the Companies, Act, 2013 read with the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is providing the facility to its Members holding shares as on Cut-off Date ["Cut-off Date" means a date not earlier than 7 days before the date of general meeting for determining the eligibility to vote by electronic means or in the general meeting], i.e. Wednesday, 18th September, 2019 to exercise their right to vote on Resolutions proposed to be passed in the meeting by electronic means and the business may be transacted through remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

    **The Information and instructions for shareholders voting electronically are as under:**

    (i) The voting period begins on Saturday, 21st September 2019 at 9.00 a.m. and ends on Tuesday, 24th September 2019 at 5.00 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 of Wednesday, 18th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

    (ii) The shareholders should log on to the e-voting website www.evotingindia.com.

    (iii) Click on Shareholders / Members

    (iv) Now Enter your User ID

        a. For CDSL: 16 digits beneficiary ID,

        b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

        c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)<br>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.<br>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.<br>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Oriental Aromatics Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

23. The Voting rights of the members shall be in proportion to their shares of the paid up capital of the company as on the cut off date of Wednesday, 18th September, 2019.

24. CS Shreyans Jain, Company Secretary in Practice has been appointed as the scrutinizer to scrutinize the voting process (both Remote e-voting and voting process at the AGM) in fair and transparent manner.

25. The Scrutinizer shall immediately, after the conclusion of voting at AGM, will first count the votes cast at the AGM, thereafter unblock the votes cast through Remote e-voting in the presence of atleast two witnesses not in the employment of the Company. The Scrutinizer shall not later than three days of conclusion of the meeting, submit a Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.

26. The results as declared by the Chairman or a person authorized by him in writing along with the scrutinizer's Report shall be immediately placed on the website of the Company i.e www.orientalaromatics.com, after the declaration of results. The results shall also be simultaneously communicated to BSE Limited.

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

**Kiranpreet Gill**
**Company Secretary**

**Place: Mumbai**
**Dated: 9th August, 2019**

**Registered Office:**
133, Jehangir Building
2nd Floor, Mahatma Gandhi Road, Mumbai- 400001.
CIN: L17299MH1972PLC285731
E-mail: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 31st March, 2020. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the resolution at Item no 4 of this Notice.

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

**Item No. 5:**

In the 45th Annual General Meeting held on 25th September, 2017, the members had approved the appointment of Mr. Satish Kumar Ray as a whole time Director designated as Executive Director-Operations for a period of 5 years on the terms and conditions as contained in the agreement entered into between the Company and Mr. Satish Kumar Ray, with a specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration upto a maximum amount of ₹ 36,00,000/- per annum.

In view of the increase in the job responsibilities and scope of work in the Company, the Nomination and Remuneration Committee in its meeting held on 27th May, 2019 has recommended an increase in the remuneration of Mr. Satish Kumar Ray.

Accordingly Board of Directors has recommended a ceiling on remuneration of ₹ 50,00,000/- (Rupees Fifty Lakh only) per annum during his remaining tenure. Other terms and conditions of the appointment of Mr. Satish Kumar Ray shall remain same as contained in the agreement entered into between the Company and Mr. Satish Kumar Ray.

The main terms and conditions of remuneration of Mr. Satish Kumar Ray are as under:

1. **Remuneration:**

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

   Your Directors have recommended a ceiling on remuneration of ₹ 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. Satish Kumar Ray which are as under:

      **PART A**

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

      ii. **Leave Travel Concession:** Reimbursement of expenses incurred by the Executive Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years, which is included in the gross salary.

PART B

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

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

PART C

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

**OTHER BENEFITS TO THE EXECUTIVE DIRECTOR:**

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

b) Benefits under other Schemes including any insurance policy, 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, Key Managerial Personnel and relatives thereof except Mr. Satish Kumar Ray 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.

**Item No. 6:**

In the 45th Annual General Meeting held on 25th September, 2017, the members had approved the appointment of Mr. Animesh Dhar as a whole time Director designated as Executive Director-Operations for a period of 5 years on the terms and conditions as contained in the agreement entered into between the Company and Mr. Animesh Dhar, with a specific authority to the Board of Directors to alter or vary terms and conditions of the said appointment and/or agreement including remuneration upto a maximum amount of ₹ 36,00,000 per annum.

In view of the increase in the job responsibilities and scope of work in the Company, the Nomination and Remuneration Committee in its meeting held on 27th May, 2019 has recommended an increase in the remuneration of Mr. Animesh Dhar during his remaining tenure.

Your Directors have recommended a ceiling on remuneration of ₹ 50,00,000/- (Rupees Fifty Lakh only) per annum. Other terms and conditions of the appointment of Mr. Animesh Dhar shall remain same as contained in the agreement entered into between the Company and Mr. Animesh Dhar

The main terms and conditions of remuneration of Mr. Animesh Dhar are as under:

1. **Remuneration:**

Remuneration of Mr. Animesh Dhar will be so fixed by the Board of Directors from time to time after taking into account the recommendation 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. Animesh Dhar which are as under:

**PART A**

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

ii. **Leave Travel Concession:** Reimbursement of expenses incurred by the Executive Director for self and family subject to a ceiling of one month's basic salary in a year or five months' basic salary over a period of five years, which is included in the gross salary.

**PART B**

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

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

**PART C**

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

**OTHER BENEFITS TO THE EXECUTIVE DIRECTOR:**

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

b) Benefits under other Schemes including any insurance policy, 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, Key Managerial Personnel and relatives thereof except Mr. Animesh Dhar has any concern or interest, financial or otherwise, in the resolution at Item No. 6 of this Notice.

The Board Recommends the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the members of the Company.

**Item No. 7:**

Mr. Harshvardhan A. Piramal (DIN: 00044972), was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, vide resolution passed by the members at the Annual General meeting held on 26th September, 2014 and he holds office as an Independent Director of the Company upto the conclusion of this Annual General Meeting ('first term').

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation has recommended re-appointment of Mr. Harshvardhan A. Piramal as an Independent Director for a second term of 5 (five) consecutive years.

Mr. Harshvardhan Piramal has done MBA in Finance & Strategy from London Business School, UK. He has rich experience & expertise in Financial Analysis, Corporate Management, Administration & Business Development.

The Board based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers that given his background, experience and contributions made by him during his tenure, the continued association of Mr. Harshvardhan A. Piramal would be beneficial to the Company and it is desirable to re-appoint Mr. Harshvardhan A. Piramal as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Harshvardhan A. Piramal. The Company has also received a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015').

In the opinion of the Board, Mr. Harshvardhan A. Piramal fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations, 2015 and is independent of the management. The details of Mr. Harshvardhan A. Piramal as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in Annexure – A to this Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and shall be entitled to claim any reimbursement of expenses for participating in the Board or Committee meetings.

Copy of the draft letter of appointment of Mr. Harshvardhan A. Piramal setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Harshvardhan A. Piramal, has any concern or interest, financial or otherwise, in the resolution at Item No. 7 of this Notice.

The Board recommends the special resolution at Item No.7 of this Notice for approval by the members of the Company.

**Item No. 8:**

Mr. Prakash V. Mehta (DIN: 00001366), was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 vide resolution passed by the members at the Annual General meeting held on 26th September, 2014 and he holds office as an Independent Director of the Company upto the conclusion of this Annual General Meeting ('first term').

Further Mr. Prakash V Mehta has attained the age of 75 years. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the approval of members by way of a special resolution is also required for appointing or continuing the directorship of a person as a Non-Executive Director who has attained seventy five years of age.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation has recommended re-appointment of Mr. Prakash V. Mehta as an Independent Director for a second term of 5 (five) consecutive years.

Mr. Prakash V. Mehta is an Advocate & Solicitor by profession. He is one of the senior partners of M/s. Malvi Ranchoddas & Co. He has expertise in joint Ventures, Foreign Collaborations, various Corporate & Property Laws.

The Board based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers that given his background, experience and contributions made by him during his tenure, the continued association of Mr. Prakash V. Mehta would be beneficial to the Company and it is desirable to re-appoint Mr. Prakash V. Mehta as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024 as well as to continue to hold the position of Non-Executive Independent Director beyond 75 years of age.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Prakash V Mehta. The Company has also received a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

In the opinion of the Board, Mr. Prakash V Mehta fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations and is independent of the management. The details of Mr. Prakash V Mehta as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in Annexure – A to this Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and shall be entitled to claim any reimbursement of expenses for participating in the Board or Committee meetings.

Copy of the draft letter of appointment of Mr. Prakash V Mehta setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Prakash V Mehta, has any concern or interest, financial or otherwise, in the resolution at Item No. 8 of this Notice.

The Board recommends the special resolution at Item No.8 of this Notice for approval by the members of the Company.

**Item No. 9:**

Mr. Ranjit A. Puranik (DIN: 00199353), was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013, vide resolution passed by the members at the Annual General meeting held on 26th September, 2014 and he holds office as an Independent Director of the Company upto the conclusion of this Annual General Meeting ('first term').

The Nomination and Remuneration Committee of the Board of Directors, on the basis of report of performance evaluation has recommended re-appointment of Mr. Ranjit A. Puranik as an Independent Director for a second term of 5 (five) consecutive years.

Mr. Ranjit A. Puranik having expertise in advocacy has represented Ayush Industry cause for past 16 years in forums related to Ayuveda. He also serves as Managing Director of Shree Dhootapapeshwar Ltd. and he is also a Trustee of All India Ayurveda Congress & World Ayurveda Foundation.

The Board based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee considers that given his background, experience and contributions made by him during his tenure, the continued association of Mr. Ranjit A. Puranik would be beneficial to the Company and it is desirable to re-appoint Mr. Ranjit A. Puranik as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Ranjit A. Puranik. The Company has also received a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015').

In the opinion of the Board, Mr. Ranjit A. Puranik fulfils the conditions for appointment of Independent Director as specified in the Act and the Listing Regulations, 2015 and is independent of the management. The details of Mr. Ranjit A. Puranik as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in Annexure – A to this Notice. He shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof and shall be entitled to claim any reimbursement of expenses for participating in the Board or Committee meetings.

Copy of the draft letter of appointment of Mr. Ranjit A. Puranik setting out the terms and conditions of appointment are available for inspection without any fee by the members at the Registered Office of the Company.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Ranjit A. Puranik , has any concern or interest, financial or otherwise, in the resolution at Item No. 9 of this Notice.

The Board recommends the special resolution at Item No.9 of this Notice for approval by the members of the Company.

**Item No. 10:**

As per the provisions of section 180(1)(a) of the Companies Act, 2013 (the Act), a company shall not sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, unless approval of the shareholders is obtained by way of a special resolution. In connection with the loan / credit facilities to be availed by the company, as and when required, through various sources for business purposes, the company might be required to create charges over its assets, properties and licenses by way of hypothecation, mortgage, lien, pledge etc. in favour of its lenders, up to the limits approved (presently ₹ 1500 Crore) or as may be approved by the shareholders under section 180(1)(c) of the Act, for the purposes of securing the loan / credit facilities extended by them to the company.

None of the directors, key managerial personnel and their relatives is concerned or interested in the resolution set forth in item no. 10 of the notice.

The Board recommends the special resolution at Item No. 10 of this 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**
**Dated: 9th August, 2019**

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

**Details of Directors seeking Appointment/Re-appointment at the 47th 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:**

**Mr. Animesh Dhar, Executive Director-Operations**

| DIN | 07905777 |
|---|---|
| Date of Birth & Age | 10th March, 1962,<br>57 years |
| Date of 1st Appointment on the Board | 16th August, 2017 |
| Qualification | B. Tech (Chemical Tech) |
| Experience (including Expertise in Specific Functional Area)/ Brief Resume | Expertise in Product Development, Systems Improvement, Strategic Cost control, Technical Service etc.<br>Mr. Animesh Dhar has 30 years of strong industrial experience in different areas like production of fine chemicals, specialty & perfumery chemicals, product development & scaling up, implementation of small, medium and big size organic & inorganic chemicals projects including brown field projects etc. |
| Terms and Conditions of re-appointment | As per Agreement/Explanatory statement |
| Directorships held in other listed Companies | NIL |
| Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) | NIL |
| Inter-se relationship with other Directors and Key Managerial Personnel | Not related to any Director/Key Managerial Personnel |
| Number of shares held in the Company as on 31st March 2019 | NIL |

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

| DIN | 00044972 |
|---|---|
| Date of Birth & Age | 27th October 1973,<br>45 years |
| Date of 1st Appointment on the Board | 22nd August, 2008 |
| Qualification | MBA in finance & Strategy from London Business School, UK |
| Experience (including Expertise in Specific Functional Area)/ Brief Resume | Expertise in Financial Analysis, Corporate Management, Administration and Business Development.<br>Mr. Harshvardhan A. Piramal is the executive Vice-Chairman of Morarjee Textiles Limited. He is also the Vice-Chairman of Piramal Renewable Energy which is also a part of Ashok Piramal Group and is holding directorship in various public and private limited companies. |
| Terms and Conditions of re-appointment | As per draft letter of appointment |
| Directorships held in other listed Companies | 1. Morarjee Textiles Limited<br>2. Ashok Piramal Management Corporation Limited<br>3. Pune Football Club Limited<br>4. Integra Garments and Textiles Limited |
| Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) | **Audit Committee:**<br>**Member:**<br>Integra Garments and Textiles Limited |

| | |
|---|---|
| Inter-se relationship with other Directors and Key Managerial Personnel | Not related to any Director/Key Managerial Personnel |
| Number of shares held in the Company as on 31st March 2019 | NIL |

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

| DIN | 00001366 |
|---|---|
| Date of Birth & Age | 12th February 1942,<br>77 years |
| Date of 1st Appointment on the Board | 05th August, 2011 |
| Qualification | Advocate and Solicitor |
| Experience (including Expertise in Specific Functional Area)/ Brief Resume | Expertise in Joint Ventures & Foreign Collaborations, Property Law and Corporate Laws.<br>Mr. Prakash V. Mehta was appointed as Notary in 1996. He is also a member of Maharashtra & Goa Bar Association and a member of the Managing Committee of the Bombay Incorporated Law Society as well. Presently he is one of the Senior Partners of M/s. Malvi Ranchoddas & Co. and is holding directorship in various public and private limited companies. |
| Terms and Conditions of re-appointment | As per draft letter of appointment |
| Directorships held in other listed Companies | 1. Advani Hotels & Resorts (India) Ltd<br>2. Bharat Bijlee Ltd<br>3. Hikal Limited<br>4. Mukund Ltd<br>5. Mukund Engineers Ltd<br>6. Mukund Sumi Special Steel Ltd |
| Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) | **Audit Committee:**<br>**Member:**<br>1. Bharat Bijlee Ltd<br>2. Hikal Limited<br>3. Mukund Ltd<br>**Chairman:**<br>1. Advani Hotels & Resorts (India) Ltd<br>2. Mukund Engineers Ltd<br>**Stakeholders Relationship Committee:**<br>**Member:**<br>Hikal Limited<br>**Chairman:**<br>Bharat Bijlee Ltd |
| Inter-se relationship with other Directors and Key Managerial Personnel | Not related to any Director/Key Managerial Personnel |
| Number of shares held in the Company as on 31st March 2019 | NIL |

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

| DIN | 00199353 |
|---|---|
| Date of Birth & Age | 23rd December, 1968,<br>50 years |
| Date of 1st Appointment on the Board | 30th September, 2008 |
| Qualification | Bachelor of Arts - Economics |
| Experience (including Expertise in Specific Functional Area)/ Brief Resume | Expertise in active advocacy for all matters within the realm of Ayurveda.<br>Mr. Ranjit A. puranik is the Managing Director of Shree Dhootapapeshwar Ltd. He also serves as President of Ayurvidya Prasarak Mandal and is Advisor to the Herbal and Ayush Panel at Pharmexcil. He is also the Trustee of All India Ayurveda Congress and World Ayurveda Foundation. |
| Terms and Conditions of re-appointment | As per draft letter of appointment |
| Directorships held in other listed Companies | Shree Dhootapapeshwar Ltd |
| Memberships/Chairmanships of Committees in other Listed Companies (includes only Audit Committee and Stakeholders Relationship Committee) | **Audit Committee:**<br>**Chairman:**<br>Shree Dhootapapeshwar Ltd |
| Inter-se relationship with other Directors and Key Managerial Personnel | Not related to any Director/Key Managerial Personnel |
| Number of shares held in the Company as on 31st March 2019 | NIL |

Note: For Details such as Number of Board Meetings attended during the financial year 2018-19 by each of the above Directors and remuneration drawn in respect of the above Directors, 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**

**Dated: 9th August, 2019**

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

## ROUTE MAP TO THE VENUE OF THE AGM

# BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 47th Annual Report on business and operations of your company together with the Audited Financial Statements (Standalone and Consolidated) for the financial year (FY) ended 31st March, 2019 and the Report of the Auditors thereon.

## 1. FINANCIAL HIGHLIGHTS:

The Financial performance of the Company for the year ended 31st March, 2019 is summarized below:

(₹ In lakh)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 2018-19 | 2017-18 | 2018-19 | 2017-18 |
| Revenue from Operations | 75,255.35 | 50,569.51 | 75,468.57 | 50,630.67 |
| Other Income | 127.88 | 410.27 | 127.93 | 35.87 |
| **Profit before exceptional items, depreciation and finance costs** | **11,635.69** | **6,995.88** | **11,597.44** | **6,510.48** |
| Less : Depreciation and amortisation expense | 1,771.49 | 1,475.69 | 1,779.71 | 1,482.32 |
| **Profit before finance costs** | **9,864.20** | **5,520.19** | **9,817.73** | **5,028.16** |
| Less: Finance costs | 1,266.98 | 687.90 | 1,268.56 | 731.64 |
| **Profit before exceptional items and tax expenses** | **8,597.22** | **4,832.29** | **8,549.17** | **4,296.52** |
| Less: Exceptional Items | 1,007.57 | - | 232.23 | - |
| **Profit before tax** | **7,589.65** | **4,832.29** | **8,316.94** | **4,296.52** |
| Less : Tax expense | 2,601.79 | 1,799.29 | 2,602.63 | 1,798.35 |
| **Profit for the year** | **4,987.86** | **3,033.00** | **5,714.31** | **2,498.17** |
| **Attributable to :** | | | | |
| Equity shareholders of the Company | 4,987.86 | 3,033.00 | 5,714.31 | 2,498.17 |
| Other comprehensive income ('OCI') Income/(Loss) | (46.48) | 25.29 | (46.48) | 52.61 |
| **Total comprehensive income** | **4,941.38** | **3,058.29** | **5,667.83** | **2,550.78** |
| **Balance in retained earnings at the beginning of the year** | **28,276.01** | **25,711.06** | **27,545.19** | **25,515.06** |
| Add: Profit for the year (attributable to equity shareholders of the Company) | 4,987.86 | 3,032.99 | 5,714.32 | 2,498.16 |
| Add: Transfer to Items other comprehensive income | - | - | 97.86 | - |
| Less: Dividends including tax on dividend | 203.17 | 468.04 | 203.17 | 468.03 |
| **Balance in retained earnings at the end of the year** | **33,060.70** | **28,276.01** | **33,154.20** | **27,545.19** |

* (During the year, your company has Sub-divided 1(one) equity share of face value of ₹ 10/- each into 2 (Two) equity shares of face value of ₹5/- each and allotted 1(one) Equity Bonus Share of ₹5/- each for every 1(one) Equity Share of ₹5/- each, resulting in increase in Paid Up Equity Share Capital from ₹8,41,33,940/- divided into 84,13,394 Equity Shares of ₹10/- each to ₹16,82,67,880/- divided into 3,36,53,576 Equity Shares of ₹5/- each.)

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

**Standalone Performance:**

The revenue from operations of your Company for the Financial Year (FY) 2018-2019, stood at ₹ 75,255.35 Lakh as against ₹ 50,569.51 lakh showing an increase of 48.81 %.

The Company managed to register the aforesaid growth mainly due to better sales realization and also due to operational efficiency brought about through better and optimum utilization of resources and proper implementation of business policies, plans and strategies.

Raw material shortage led to some challenges during first half of the FY but despite such challenges the Company could manage to achieve a revenue growth of 48.81 %. because of Company's long-standing supplier relationship which helped it to procure raw materials at competitive prices.

As there was significant rise in the key Raw material prices, the company undertook the price increase to cover the hike of raw material prices.

The Company earned a Profit after tax of ₹ 4,987.86 lakh as against ₹ 3,033.00 lakh for the previous year, thereby registering a growth of 64.45%.

Due to increase in the profit, the Earning per share (EPS) increased from ₹ 9.01 in the previous year to ₹ 14.82 in the year under review.

The net worth of your Company increased to ₹ 39,199.15 lakh at the end of the FY 2019 from ₹ 34,460.96 lakh at the end of FY 2018, thereby registering a growth of 13.75%.

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

**Consolidated Performance:**

The consolidated total sales of your Company for the FY 2018-19, stood at ₹ 75,468.57 lakh as against ₹ 50,630.67 lakh, showing an increase of 49.06 %

The Company earned a Consolidated Profit after tax of ₹ 5,714.31 lakh as against ₹ 2,498.17 lakh for the previous year, thereby resulting in increase in the profit by 128.74 %.

As a result of increase in the consolidated profit, the Earning per share (EPS) also increased from ₹ 7.42 in the previous year to ₹ 16.98 in the year under review.

The Consolidated net worth of your Company increased to ₹ 39,192.42 lakh at the end of the FY 2018-19 from ₹ 33,757.53 lakh at the end of FY 2017-18, thereby registering a growth of 16.10 %.

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

## 3. DIVIDEND:

Your Company is rewarding its shareholders by way of consecutive dividends considering the consistent financial performance of your Company and promising future prospects while retaining capital to maintain a healthy Capital Adequacy Ratio to support future growth. Your Directors have recommended a dividend of ₹ 1/- per share (20%) on the Paid up Equity shares of face value of ₹ 5/- each for the FY 2018-19, aggregating to ₹ 3,36,53,576/- (₹ 1/- per share (20%) in the previous year) to those shareholders whose name appear on the Register of members as on 15th September 2019, subject to the approval of members at the 47th Annual General Meeting.

## 4. TRANSFER TO RESERVES:

Your Directors do not propose to transfer any amount to reserves for the FY ended 31st March, 2019.

## 5. SHARE CAPITAL:

### a. Authorised Capital

Pursuant to the Ordinary Resolutions passed by shareholders of the Company by Postal Ballot on 3rd December, 2018, 1 (one) equity share of face value of ₹ 10/- each was subdivided into 2 (Two) equity shares of face value of ₹ 5/- each and the Authorised share capital of the Company was increased from ₹ 14,00,00,000/- (Rupees Fourteen Crores only) divided into 1,40,00,000 Equity shares of ₹ 10/- each to ₹ 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 7,00,00,000 Equity shares of ₹ 5/- each.

The Authorized share capital of the Company as on 31st March 2019 stood at ₹ 35,00,00,000/- (Rupees Thirty Five Crores only) comprising of 7,00,00,000 Equity shares of ₹ 5/- each.

**b. Paid Up Capital**

During the year under review, the members of the Company through Postal Ballot on 3rd December 2018, considered and approved the following:

**i.** Sub-division of 1(one) equity share of face value of ₹ 10/- each into 2 (Two) equity shares of face value of ₹ 5/- each; and

**ii.** Issue of 1 (one) fully paid bonus equity share of the face value of ₹ 5/- each for 1 (one) equity share of the face value of ₹ 5/- each (i.e. as adjusted for sub-division of shares);

Accordingly, Equity Shares of face value of ₹ 10/- each were sub-divided into two Equity Shares of face value of ₹ 5/- each by way of corporate action and further 16,826,788 Equity shares of ₹ 5/- each were allotted as Bonus shares to the equity shareholders of the Company as on the record date i.e 14th December, 2018.

Consequently the issued, subscribed and paid-up equity share capital of the Company increased from ₹ 8,41,33,940/- (Rupees Eight Crore Forty-One Lakh Thirty-Three Thousand Nine Hundred and Forty only) to ₹ 168,267,880/- (Rupees Sixteen crore Eighty-two Lakh Sixty-Seven thousand Eight Hundred and Eighty only) .

The paid up Capital of the Company as on 31st March 2019 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 31st March, 2019 has 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 31st March, 2019. 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. MATERIAL CHANGES AND COMMITMENTS:

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 Limited (NSE) w.e.f. 11th July, 2019.

## 10. 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.

## 11. CONSOLIDATED FINANCIAL STATEMENTS

As stipulated under the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hereinafter referred to as "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.

## 12. PERFORMANCE HIGHLIGHTS OF SUBSIDIARIES:

### a. Oriental Aromatics INC (USA)

Your directors wish to inform that a wholly owned subsidiary of the Company viz. Oriental Aromatics INC (USA) incorporated on 3rd March, 2003 under the Statutes of State of New Jersey has been dissolved. The dissolution has been made effective from 7th February, 2019 vide Certificate of Dissolution issued by the Department of Treasury of the State of New Jersey.

There was no turnover in the last financial year, due to nil business activity and therefore, dissolution of the said subsidiary did not affect any business / accounting policies and did not have any significant impact on the accounts etc.

### b. PT Oriental Aromatics (Indonesia)

Post dissolution of Oriental Aromatics INC., the 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 2018-19, it recorded a total loss of ₹ 185.64 Lakh

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 subsidiary in Form AOC-1 is attached as "**Annexure A**"- to the Board's Report.

## 13. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company's Internal Control System, commensurate with the size, scale and complexity of its business operations. Your Company has maintained a proper and adequate system of internal controls. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board.

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

## 14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS:

There were no loans given, investments made, guarantees given or securities provided by the Company covered under Section 186 of the Companies Act, 2013.

## 15. RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered into during the FY 2018-19 were on arm's length basis and in the ordinary course of business.

The policy on dealing with Related Party Transactions as approved by the Board is uploaded on the Company's website http://www.orientalaromatics.com/documents/corporate-governance/policies/policy-on-related-party-transactions.pdf

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is annexed as "**Annexure-B**" to the Board's Report.

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### a. COMPOSITION:

The Board comprises of 8 (eight) directors, out of which 4(four) are independent directors.

### b. RETIREMENT BY ROTATION:

In terms of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Animesh Dhar (DIN:07905777), Executive Director- Operations 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.

**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 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 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. FAMILARISATION PROGRAM 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 i.e. www.orientalaromatics.com. The Weblink of the same is as below:

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

**f. BOARD EVALUATION**:

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

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board. 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:**

There was no change in the composition of the Board of Directors and KMP's during the year under review.

Pursuant to the provisions of Section 203 of the Act, the KMP's of the Company as on 31st March, 2019 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. Girish Khandelwal - Chief Financial Officer

Ms. Kiranpreet Gill-Company Secretary and Compliance Officer

**During the Financial year (FY) 2019-20:**

Your Board of Directors has recommended the re-appointment of the following directors at the ensuing Annual General Meeting and the proposal regarding their re-appointment is placed for your approval:

Mr. Harshvardhan A. Piramal (DIN: 00044972), Non-Executive Independent Director of the Company for second term of 5 (five) consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

Mr. Ranjit A. Puranik (DIN: 00199353), Non-Executive Independent Director of the Company for second term of 5 (five) consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

Mr. Prakash V. Mehta (DIN: 00001366), Non-Executive Independent Director of the Company for second term of 5 (five) consecutive years with effect from this Annual General Meeting i.e. 25th September, 2019 to 24th September, 2024.

Further, based on the recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on 27th May, 2019 appointed Mr. Parag Satoskar as Chief Executive Officer and Key Managerial Personnel (KMP) of the Company pursuant to the provisions of Section 2(18) and Section 203 and other applicable provisions, if any, of the Companies Act, 2013.

## 17. 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 Obligations & Disclosure Requirements), Regulations, 2015.

## 18. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under the provisions of SEBI (Listing Obligations & Disclosure Requirements), Regulations, 2015 forms part of this Annual Report.

## 19. 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 31stMarch, 2019 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.

## 20. 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.

The projects are identified and adopted as per the activities included and amended from time to time in Schedule VII of the Companies Act, 2013. Accordingly, in the FY 2018-19, the Company spent the CSR amount towards the Promotion of educational facilities for the students having learning disabilities through contribution to M/s KeshavlalV. Bodani Education Foundation, animal welfare in Bareilly and Promotion of Education facilities by making contributions through (NIA) Nandesari Industries Association at Vadodara.

The Corporate Social Responsibility Policy is available on the website of the Company i.e www.orientalaromatics.com and the web-link thereto is:http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy. pdfand is also attached to this report as "**Annexure –C**".

During the FY 2018-19, 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-D"** forming part of this report.

**b. NOMINATION AND REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration and evaluation criteria for performance evaluation of Independent Directors.

The Nomination and Remuneration Policy as recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company the Nomination and Remuneration Policy of the Company is attached to the Board's Report as **"Annexure- E"**.

**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 the link: http://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf

**d. 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.

**21. AUDITORS AND AUDITORS REPORTS:**

**a. STATUTORY AUDITORS:**

At the Company's 46$^{th}$Annual General Meeting held on 24$^{th}$ 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$^{st}$ 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 2018-19. The Report of the Secretarial Audit carried out is annexed herewith as **"Annexure F".** In connection with auditors observation in the report, it is clarified that delay of one day in submission of the Audited Annual Financial Results for the year ended 31$^{st}$ March, 2018 Under Regulation 33(3)(d) of the SEBI (LODR) Regulations 2015 occurred due to approval of financial results in the adjourned Board meeting held on 31$^{st}$ May 2018. The adjournment was intimated to the stock exchange on 30$^{th}$ May 2018.

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 2019-2020.

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 2018-19.

The Cost Audit report for the FY 2017-18 was filed with Ministry of Corporate Affairs on 12th September, 2018.

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 2019-20 at a remuneration of ₹ 1,45,000/- (Rupees One lakh forty-five thousand only) plus applicable taxes & re-imbursement 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.

**22. REPORTING OF FRAUDS**

There was no instance of fraud during the year under reivew, 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.

**23. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF):**

During the year under review, your Company has transferred a sum of ₹ 6,19,948/- (Rupees Six Lakh Nineteen Thousand Nine Hundred and Forty-Eight only) to Investor Education and Protection Fund, in compliance with the provisions of Section 125 of the Companies Act, 2013. The said amount represents dividend for the FY 2010-11 which remained unclaimed by the members of the Company for a period exceeding 7 years from its due date of payment. Details of unclaimed and unpaid amounts lying with the Company has been uploaded on Company's website i.e www.orientalaromatics.com and the weblink is:http://www.orientalaromatics.com/investorrelations.php

Further, 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 notified by the Ministry of Corporate Affairs, New Delhi w.e.f 7th September, 2016 and further notifications issued by the Ministry of Corporate Affairs, amending the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2017, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more as provided under sub section (6) of Section 124 were transferred to the Special demat account of IEPF Authority. Accordingly, 45069 shares were transferred to IEPF Account on 16th November, 2018. The details of the shareholders whose shares are transferred to IEPF Authority have been uploaded on Company's website http://www.orientalaromatics.com/unclaimed-dividend-iepf/list-of-shareholders-whose-shares-are-transferred-to-iepf-as-on-16.11.2018.pdf

Further Corporate actions for sub division and issue of bonus shares were executed by the Depositories (NSDL & CDSL) and members whose shares were transferred to IEPF Authority were given the credit of their entitlement of Sub-divided Equity shares as well as Bonus shares in the demat account of IEPF with CDSL as on 17th December 2018 and 20th December 2018 respectively.

**24. 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.

**25. 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.

**26. LISTING OF SECURITIES AT NSE AND BSE:**

Your Company's Equity Shares are listed at the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The Shares are under compulsory dematerialization list of the Securities & Exchange Board of India. As on 31st March 2019, total 32278676 shares representing 95.91 % of Companies Equity Share Capital have been dematerialized. The Company has paid Annual Listing fees for the FY 2019-2020 to NSE and BSE.

**27. INDUSTRIAL RELATIONS:**

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

**28. 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 financial year ended 31st March 2019 made under the provisions of Section 92(3) of the act in form MGT 9 is attached as **Annexure-"G"** which forms part of this report.

**29. 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- H"** to this report.

**30. 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, the Managing Director of the Company, drawing remuneration of ₹ 1.02 crore per annum or ₹ 8.5 lakh per month during the year under review.

Mr. Dharmil A. Bodani aged 49 years, is one of the promoters and withdrew a remuneration of ₹ 1.62 crore during the year under review. The appointment of Mr. Dharmil 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) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached herewith as **"Annexure-I"**.

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

Your Directors state that during the year under review, no Complaints were received pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**32. GREEN INITIATIVE:**

Your Company has considered and adopted the initiative of going green minimizing the impact on the environment. The Company has been circulating the copy of the Annual Report in electronic format to all those members whose email addresses are available with the Company. Your Company appeals other Members also to register themselves for receiving Annual Report/documents in electronic form.

**33. ACKNOWLEDGEMENT:**

Your Directors take this opportunity to express their deep and sincere gratitude to the customers and investors for their confidence and patronage, as well as to the vendors, bankers, financial institutions, and business associates, regulatory and governmental authorities for their co-operation, support and guidance. Your Directors would like to express a deep sense of appreciation for the support extended by the Company's unions and commitment shown by the employees in its continued robust performance on all fronts.

**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: 9th August, 2019**

"ANNEXURE-A"

# FORM AOC-1

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

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

**Subsidiary**

(Information in respect of subsidiary to be presented with amounts in Lakh)

| Name of the subsidiary | PT Oriental Aromatics, Indonesia |
|---|---|
| Reporting period for the subsidiary concerned, if different from the holding company's reporting period | Same reporting as that of Holding Company i.e. 31st March 2019* (₹ in lakh) |
| Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | USD 69.13 |
| Share capital | 151.88 |
| Reserves & surplus | (922.31) |
| Total assets | 209.46 |
| Total Liabilities | 209.46 |
| Investments | 0.00 |
| Total Income | 730.52 |
| Profit/(Loss) before taxation | (184.80) |
| Provision for taxation | 0.84 |
| Profit/ (Loss) after taxation | (185.64) |
| Proposed Dividend | 0.00 |
| % of shareholding | 99% |

**NOTE:** *Reporting period of PT Oriental Aromatics is 31st December. However due to Consolidation of Financial Accounts, Figures as on 31st 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: 9th August, 2019**

"ANNEXURE-B"

# FORM NO. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

| Name(s) of the related party and nature of relationship | Nature of contracts/ arrangements/ transactions | Duration of the contracts/ arrangements/ transactions | Salient terms of the contracts or arrangements or transactions including the Values, if any (₹ in Lakh) | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
|---|---|---|---|---|---|
| **PT Oriental Aromatics (Subsidiary)** | Sale of Goods | 01.04.2018 to 31.03.2019 | 361.97 | 30.05.2018 | Nil |

**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: 9th August, 2019**

"ANNEXURE-C"

# CSR POLICY OF THE COMPANY

**Preamble:**

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavour to uplift the downtrodden of Society with the rapidly changing Corporate environment, more functional autonomy etc. Oriental Aromatics Limited (OAL) has adopted CSR as a strategic tool for sustainable growth. For OAL in the present context, CSR means not only investment of funds for social activity but also integration of Business Process with Social Process.

**Terms of Reference:**

Reference within these terms of reference to:

- "AGM or Annual General Meeting shall mean any annual general meeting of the Company.
- "the Board" shall mean the board of directors of the Company.
- "the Committee" shall mean the Corporate Social Responsibility Committee.
- "the Nominations Committee" shall mean the nominations committee of the Company.

**1 Purpose**

The role of the Committee is to assist the Board in obtaining assurance that appropriate systems are in place to deal with the terms of CSR Policies.

**1.1 Areas to be Covered (CSR Activities/Programmes)**

The Company covers "Educational Activities" in compliance with Schedule VII (ii) of the Companies Act, 2013, 'promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects' and may undertake any such other activity/activities as specified in Schedule VII of the Companies Act, 2013, duly approved by the Board upon the recommendation of Corporate Social Responsibility Committee.

**1.2 Implementation**

The Company is implementing such activities by contributing in Non-Profit making Company, Keshavlal V. Bodani Education Foundation, section 25 Company, registered under

Companies Act, 1956, incorporated on 11th October, 2010 with the objective of promoting and undertaking social activities by establishing and functioning of institutions engaged in providing education, therapeutic/ rehabilitation services, and research for children and adults with and without disabilities.

**1.3 Governance**

Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

At the end of every financial year, the CSR Committee will submit its report to the Board.

**1.4 CSR Expenditure**

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

**2 Membership of CSR Committee**

2.1 Members of the Committee shall be appointed by the Board, on the recommendation of the Nominations Committee and shall be made up of at least 3 Directors, including atleast one Independent Director.

2.2 Appointments to the Committee shall be for a period of up to three years, which may be extended for two further three-year periods, provided the director remains independent.

2.3 The Board shall appoint the Committee Chairman who shall be a director of the Company.

In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their members present to chair the meeting.

2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as other directors may be invited to attend all or part of any meeting as and when appropriate.

2.5 The Committee shall engage specialists with appropriate technical expertise to be members of and/or attend meetings of the Committee on a regular basis.

2.6 Only members of the Committee are entitled to vote at meetings of the Committee.

2.7 Initial members of the Committee shall be:

(i) Mr. Shyamal A. Bodani as Chairman;

(ii) Mr. Harshvardhan Piramal as Member and

(iii) Ms. Amruda Nair as Member

**3 Secretary**

3.1 The Company Secretary or his/her nominee shall act as the Secretary of the Committee.

**4 Quorum**

4.1 The quorum necessary for the transaction of business shall be 2 members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

**5 Frequencies of Meetings**

5.1 The Committee shall meet at least once a year and otherwise as required. Ad-hoc meetings may be held from time to time.

**6 Notices of Meetings**

6.1 Meetings of the Committee shall be summoned by the Secretary of the Committee at the request of any of its members.

6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be forwarded to each member of the Committee, any other person required to attend and all other directors, before the date of meeting. Any of those persons shall be entitled to request that items may be added to the agenda for discussion. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.

**7. Minutes of Meetings**

7.1 The Secretary of the Committee shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

7.2 Minutes of Committee meetings shall be circulated promptly to the Chairman of the Committee in the first instance, then all members of the Committee and, once agreed, shall be promptly circulated to all members of the Board.

**8. Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting and should be prepared to respond to any shareholder questions on the Committee's activities.

**9. Functions of CSR Committee**

The Committee should carry out the below functions for the Company:

9.1 To consider and propose an Annual Budget for CSR Activities to the Audit Committee and Board for approval

9.2 To evaluate the effectiveness of policies and recommend the amount of expenditure to be incurred on such CSR activities

9.3 To review the results of implemented policies in terms of educational activities and review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same.

9.4 To ensure that the Company's website communicates and reports its CSR approach and performance in a timely, complete and coherent manner;

9.5 The Committee shall have access to sufficient resources in order to carry out its duties, including access to professional technical expertise in the areas within its remit and the assistance of the Company Secretary as required.

9.6 The Committee should consider such other matters as the Board may from time to time refer to it.

**10. Reporting Responsibilities**

10.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

10.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

10.3 The Committee shall make a statement in the annual report about its activities

**11. Authority**

11.1 The Committee is authorised to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference and secure the attendance at its meetings of outsiders with relevant experience and expertise if it considers this necessary.

**Conclusion**

The above guidelines would form the framework around which the CSR activities would be undertaken.

CSR Committee will review the Policy from time to time based on regulatory requirements and changing needs and aspirations of target beneficiaries and make suitable modifications, as may be necessary.

"ANNEXURE –D"

# 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.<br>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. www.orientalaromatics.com the weblink thereto is: http://www.orientalaromatics.com/documents/corporate-governance/policies/csr-policy.pdf |
| The composition of the CSR Committee | **1.** Mr. Shyamal A. Bodani (Chairman)<br>**2.** Mr. Harshvardhan A. Piramal (Member)<br>**3.** Ms. Amruda V. Nair (Member) |
| Average Net Profit of the Company for last three financial years | ₹ 4080.09 |
| Prescribed CSR Expenditure (2% of the Average Net Profit as stated above) | ₹ 81.60 |
| Amount of CSR Expenditure approved by the Board | ₹ 120 |
| Details of CSR spent during the financial year;<br>1. Total amount spent for the financial year<br>2. Amount unspent if any<br>3. Manner in which the amount spent during the financial year | <br>₹ 120<br>Nil<br>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) | Govandi, Mumbai, Maharashtra | 120.00 | 117.50 | 117.50 | *Keshavlal V. Bodani Education Foundation (Implementing Agency) |
| 2. | Contribution towards the Protection, care, treatment and wellbeing of Cows. | Animal Welfare, Schedule VII (iv) | Aligarh, Bareilly | | 2.00 | 119.50 | Direct |
| 3. | Promotion of Education facilities by making contributions to Nandesari school. | Education Schedule VII (ii) | Nandesari, Vadodara | | 0.50 | 120.00 | **Nandesari Industries Association |
| | **TOTAL** | | | **120.00** | **120.00** | **120.00** | |

**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.

****Nandesari industries Association**

Nandesari Industries Association is an Association situated at Plot No. 134/1, Opp. Shopping Centre, Nandesari – 391340, Dist. Vadodara. Besides managing the industrial activity, it also does the CSR activities for nearby villages for Education, Health and Social Welfare.

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**

**Shyamal A. Bodani**
**Chairman of CSR Committee**
**DIN: 00617950**

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

**Place: Mumbai**
**Date: 9th August, 2019**

"ANNEXURE –E"

# NOMINATION AND REMUNERATION POLICY

**Introduction:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the listing agreement as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

The objective and purpose of this policy is:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the chemical industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 29th May, 2014.

**Effective Date:**

This policy shall be effective from 1st April, 2014.

**Constitution of the Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee comprises of following Directors:

1. Mr. Harshvardhan Piramal, Chairman (Independent Non – Executive Director)
2. Mr. Prakash Mehta, Member (Independent Non – Executive Director)
3. Mr. Ranjit Puranik, Member (Independent Non – Executive Director)

The Board has the power to reconstitute the Committee consistent with the Company's policy and applicable statutory requirement.

**Definitions**

- **Board** means Board of Directors of the Company.
- **Directors** mean Directors of the Company.
- **Committee** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means Oriental Aromatics Limited (Formerly Camphor and Allied Products Limited).
- **Independent Director** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- **Key Managerial Personnel (KMP) means**:
  - (i) Executive Chairman and / or Managing Director;
  - (ii) Whole-time Director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary;
  - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- **Senior Management** means personnel of the Company occupying the position of Chief Executive Officer (CEO) of any unit / division or Vice President including Vice President of any unit / division of the Company. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability**

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel (KMP)
- Senior Management Personnel

General

- This Policy is divided in three parts:

  Part – A covers the matters to be dealt with and recommended by the Committee to the Board,

  Part – B covers the appointment and nomination and

  Part – C covers remuneration and perquisites etc.
- The key features of this Company's policy shall be included in the Board's Report.

PART– A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- Appointment criteria and qualifications:
  1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
  2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
  3. The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- Term / Tenure:
  1. Managing Director/Whole-time Director:
     - The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
  2. Independent Director:
     - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
     - No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- Evaluation:

  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

- Removal:

  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- Retirement:

  The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- General:

  1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in general meeting, as the case may be.

- **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

  1. Fixed pay:

     The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

  2. Minimum Remuneration:

     If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

  3. Provisions for excess remuneration:

     If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

- Remuneration to Non- Executive / Independent Director:

  1. Remuneration / Commission:

     The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

  2. Sitting Fees:

     The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

  3. Commission:

     Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

  4. Stock Options:

     An Independent Director shall not be entitled to any stock option of the Company.

**"Annexure F"**

# Form No. MR-3
# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2019

*[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
(formerly Camphor and Allied Products 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** (formerly Camphor and Allied Products Limited) having **CIN: L17299MH1972PLC285731** (hereinafter called "the Company") Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 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, 2019 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 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 *except delay of one day in submission of the Audited Annual Financial Results for the year ended 31st March, 2018 Under Regulation 33(3)(d) of the SEBI (LODR) Regulations 2015.*

**We further report that;**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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)** Altered its memorandum to Increase its Authorised Capital from Rs.14,00,00,000 to Rs. 35,00,00,000 and sub-divided the face value from Rs.10/- to Rs.5/- per Equity Share;

**b)** Issued and allotted 1,68,26,788 equity shares of Rs.5 each as bonus shares in the proportion of 1 (One) fully paid-up equity share for every 1 (One) fully paid-up equity shares held by the Members;

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

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

**Place: Mumbai**
**Date: 08th August, 2019**

**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 31st March, 2019

To
The Members,
Oriental Aromatics Limited,
(formerly Camphor and Allied Products 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 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: 08th August, 2019**

"ANNEXURE-G"

**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**as on financial year ended 31st March, 2019**
[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: | 7th April, 1972 |
| Name of the Company: | Oriental Aromatics Ltd. (Formerly Camphor and Allied Products Ltd.) |
| Category / Sub-Category of the Company | Public Company Limited by Shares |
| Address of the Registered office and contact details: | 133 Jehangir Building, 2nd Floor, Mahatma Gandhi Road, Mumbai- 400001<br>Tel: 91 22 43214000<br>Fax: 91 22 43214099<br>Email id: cs@orientalaromatics.com<br>Website: www.orientalaromatics.com |
| Whether listed company | Yes |
| Name, Address(Corporate Office) and Contact details of Registrar and Transfer Agent, if any | Sharex Dynamic(India) Pvt Ltd.<br>C 101, 247 Park,L.B.S Marg, Vikhroli (West),Mumbai-400083<br>Tel No: +91 22 28515644/5606<br>Fax: +91 22 28512885<br>E-mail ID: support@sharexindia.com<br>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 |
|---|---|---|---|
| a. | Perfumery Chemicals | 20118 | 46.88 |
| b. | Camphor & Isoborneol | 20118 | 32.36 |

## 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<br>Satrio Tower 24th Floor, JL. Prof Dr Satrio, Block C4, Jakarta selatan 12950 Indonesia | N.A. | Subsidiary Company | 99% | 2(87) |

Note: Oriental Aromatics INC, a wholly owned subsidiary of Oriental Aromatics Ltd incorporated on 03-03-2003 under the Statutes of State of New Jersey has been dissolved with effect from 07-02-2019

## IV. SHARE HOLDING PATTERN

### i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 1st April 2018) | | | | No. of Shares held at the end of the year (As on 31st March 2019) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. PROMOTER'S** | | | | | | | | | |
| **(1). INDIAN** | | | | | | | | | |
| (a) Individual | 6240000 | 0 | 6240000 | 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 |
| **Sub-total (A) (1):-** | **6240000** | **0** | **6240000** | **74.167** | **24960000** | **0** | **24960000** | **74.167** | **0** |

| Category of Shareholders | No. of Shares held at the beginning of the year (As on 1st April 2018) | | | | No. of Shares held at the end of the year (As on 31st March 2019) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(2). FOREIGN** | | | | | | | | | |
| (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) Instituions | 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 |
| **Sub-total (A) (2):-** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total shareholding of Promoter (A) = (A)(1)+(A)(2)** | **6240000** | **0** | **6240000** | **74.167** | **24960000** | **0** | **24960000** | **74.167** | **0** |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **1. INSTITUTIONS** | | | | | | | | | |
| (a) Mutual Funds | 0 | 2150 | 2150 | 0.026 | 0 | 0 | 0 | 0 | -0.026 |
| (b) Banks / Financial Institutions | 157 | 415 | 572 | 0.007 | 628 | 0 | 628 | 0.002 | -0.005 |
| (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 | 19109 | 0 | 19109 | 0.227 | 76436 | 0 | 76436 | 0.227 | 0 |
| (j) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(1):-** | **19266** | **2565** | **21831** | **0.260** | **77064** | **0** | **77064** | **0.229** | **-0.031** |
| **2. NON-INSTITUTIONS** | | | | | | | | | |
| **(a) Bodies Corporate** | | | | | | | | | |
| Indian | 76275 | 6324 | 82599 | 0.982 | 242062 | 0 | 242062 | 0.719 | -0.263 |
| Overseas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **(b) Individuals** | | | | | | | | | |
| (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh | 1165627 | 414545 | 1580172 | 18.782 | 1228845 | 62160 | 1291005 | 3.836 | -14.945 |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 166338 | 15540 | 181878 | 2.162 | 4368023 | 1312740 | 5680763 | 16.880 | 14.718 |
| **(c) Others (specify)** | | | | | | | | | |
| Non Resident Indians | 67980 | 1863 | 69843 | 0.830 | 157715 | 0 | 157715 | 0.469 | -0.361 |
| NBFCs registred with RBI | 0 | 0 | 0 | 0 | 652 | 0 | 652 | 0.002 | 0.002 |
| Overseas Corporate Bodies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Foreign Nationals | 0 | 0 | 0 | 0 | 60 | 0 | 60 | 0 | 0 |
| Clearing Members | 6021 | 0 | 6021 | 0.072 | 15586 | 0 | 15586 | 0.046 | -0.026 |
| IEPF | 111836 | 0 | 111836 | 1.329 | 627620 | 0 | 627620 | 1.865 | 0.536 |
| Trusts | 39712 | 0 | 39712 | 0.472 | 160832 | 0 | 160832 | 0.478 | 0.006 |
| HUF | 79466 | 36 | 79502 | 0.945 | 440217 | | 440217 | 1.308 | 0.363 |
| Foreign Boodies - D R | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Sub-total (B)(2):-** | **1713255** | **438308** | **2151563** | **25.573** | **7241612** | **1374900** | **8616512** | **25.603** | **0.030** |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | **1732521** | **440873** | **2173394** | **25.833** | **7318676** | **1374900** | **8693576** | **25.832** | **-0.001** |
| **C. Shares held by Custodian for GDRs & ADRs** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total (A+B+C)** | **7972521** | **440873** | **8413394** | **100.000** | **32278676** | **1374900** | **33653576** | **100.000** | **0** |

**(ii) Shareholding of promoters**

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year (As on 1st April 2018) | | | Shareholding at the end of the Year (As on 31st March 2019) | | | % 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 | 3119688 | 37.080 | 0 | 12478752 | 37.080 | 0 | 0 |
| 2 | Shyamal Anil Bodani | 3120000 | 37.084 | 0 | 12480000 | 37.084 | 0 | 0 |
| 3 | Veer Dharmil Bodani | 156 | 0.002 | 0 | 624 | 0.002 | 0 | 0 |
| 4 | Yuvraj Dharmil Bodani | 156 | 0.002 | 0 | 624 | 0.002 | 0 | 0 |

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

| Sr. No | Shareholder's Name | Shareholding at the beginning of the year (01.04.2018) | | Date | Increase/ decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|---|---|---|---|---|---|---|---|---|
| | | No.of Shares | % of the Shares of the company | | | | No.Of shares | % of total Shares of the company |
| 1 | Shyamal Anil Bodani | 3120000 | 37.084 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 6240000 | Split | 6240000 | 37.084 |
| | | | | 20-12-2018 | 6240000 | Bonus | 12480000 | 37.084 |
| | Closing Balance | | | 31-03-2019 | | | 12480000 | 37.084 |
| 2 | Dharmil Anil Bodani | 3119688 | 37.080 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 6239376 | Split | 6239376 | 37.080 |
| | | | | 20-12-2018 | 6239376 | Bonus | 12478752 | 37.080 |
| | Closing Balance | | | 31-03-2019 | | | 12478752 | 37.080 |
| 3 | Veer Dharmil Bodani | 156 | 0.002 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 312 | Split | 312 | 0.002 |
| | | | | 20-12-2018 | 312 | Bonus | 624 | 0.002 |
| | Closing Balance | | | 31-03-2019 | | | 624 | 0.002 |
| 4 | Yuvraj Dharmil Bodani | 156 | 0.002 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 312 | Split | 312 | 0.002 |
| | | | | 20-12-2018 | 312 | Bonus | 624 | 0.002 |
| | Closing Balance | | | 31-03-2019 | | | 624 | 0.002 |

**(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 (01.04.2018) | | Date | Increase/ decrease in shareholding | Reason | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | No.of Shares at the beginning of the Year (01.04.2018) | % of the Shares of the company | | | | No. of shares | % of total Shares of the company |
| 1 | Jyotsna Harish Soonderji | 24736 | 0.294 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 49472 | Split | 49472 | 0.294 |
| | | | | 20-12-2018 | 49472 | Bonus | 98944 | 0.294 |
| | Closing Balance | | | 31-03-2019 | | | 98944 | 0.294 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | Girish Gulati (HUF) | 1 | 0 | 01-04-2018 | | | | |
| | | | | 18-05-2018 | 6442 | Purchase | 6443 | 0.077 |
| | | | | 08-06-2018 | 10 | Purchase | 6453 | 0.077 |
| | | | | 15-06-2018 | 1591 | Purchase | 8044 | 0.096 |
| | | | | 22-06-2018 | 1390 | Purchase | 9434 | 0.112 |
| | | | | 29-06-2018 | 2791 | Purchase | 12225 | 0.145 |
| | | | | 06-07-2018 | 1466 | Purchase | 13691 | 0.163 |
| | | | | 13-07-2018 | 189 | Purchase | 13880 | 0.165 |
| | | | | 20-07-2018 | 658 | Purchase | 14538 | 0.173 |
| | | | | 27-07-2018 | 1562 | Purchase | 16100 | 0.191 |
| | | | | 03-08-2018 | 567 | Purchase | 16667 | 0.198 |
| | | | | 10-08-2018 | 241 | Purchase | 16908 | 0.201 |
| | | | | 17-08-2018 | 642 | Purchase | 17550 | 0.209 |
| | | | | 24-08-2018 | 4906 | Purchase | 22456 | 0.267 |
| | | | | 14-09-2018 | 294 | Purchase | 22750 | 0.270 |
| | | | | 28-09-2018 | 1100 | Purchase | 23850 | 0.283 |
| | | | | 12-10-2018 | 642 | Purchase | 24492 | 0.291 |
| | | | | 19-10-2018 | 118 | Purchase | 24610 | 0.293 |
| | | | | 15-12-2018 | 49220 | Split | 49220 | 0.293 |
| | | | | 20-12-2018 | 49220 | Bonus | 98440 | 0.293 |
| | Closing Balance | | | 31-03-2019 | | | 98440 | 0.293 |
| 3 | Chakor Navinchandra Shah | 24306 | 0.289 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 48612 | Split | 48612 | 0.289 |
| | | | | 20-12-2018 | 48612 | Bonus | 97224 | 0.289 |
| | Closing Balance | | | 31-03-2019 | | | 97224 | 0.289 |
| 4 | Avendus Phoenix Fund | 19109 | 0.227 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 38218 | Split | 38218 | 0.227 |
| | | | | 20-12-2018 | 38218 | Bonus | 76436 | 0.227 |
| | Closing Balance | | | 31-03-2019 | | | 76436 | 0.227 |
| 5 | Revati Anupam Bhat | 10100 | 0.120 | 01-04-2018 | | | | |
| | | | | 18-05-2018 | 7450 | Purchase | 17550 | 0.209 |
| | | | | 25-05-2018 | 50 | Purchase | 17600 | 0.209 |
| | | | | 15-12-2018 | 35200 | Split | 35200 | 0.209 |
| | | | | 20-12-2018 | 35200 | Bonus | 70400 | 0.209 |
| | Closing Balance | | | 31-03-2019 | | | 70400 | 0.209 |
| 6 | Jagat Navratna Lodha | 17300 | 0.206 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 34600 | Split | 34600 | 0.206 |
| | | | | 20-12-2018 | 34600 | Bonus | 69200 | 0.206 |
| | Closing Balance | | | 31-03-2019 | | | 69200 | 0.206 |
| 7 | Varsha Bhavesh Shah | 16499 | 0.196 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 32998 | Split | 32998 | 0.196 |
| | | | | 20-12-2018 | 32998 | Bonus | 65996 | 0.196 |
| | Closing Balance | | | 31-03-2019 | | | 65996 | 0.196 |
| 8 | Niranjana Bhatt | 15540 | 0.185 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 31080 | Split | 31080 | 0.185 |
| | | | | 20-12-2018 | 31080 | Bonus | 62160 | 0.185 |
| | Closing Balance | | | 31-03-2019 | | | 62160 | 0.185 |
| 9 | Milind Prabhakar Bhagvat | 13952 | 0.166 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 27904 | Split | 27904 | 0.166 |
| | | | | 20-12-2018 | 27904 | Bonus | 55808 | 0.166 |
| | Closing Balance | | | 31-03-2019 | | | 55808 | 0.166 |
| 10 | Mangesh Mohan Hirve | 13742 | 0.163 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 27484 | Split | 27484 | 0.163 |
| | | | | 20-12-2018 | 27484 | Bonus | 54968 | 0.163 |
| | Closing Balance | | | 31-03-2019 | | | 54968 | 0.163 |

**Note:** Pursuant to the provisions of Section 124(6) of the Investor Education Protection Fund Authority (Accounting , Audit, Transfer and Refund), Rules, 2016, 45069 shares were transferred to IEPF Authority on 16-11-2018. Further, pursunat to sub-division and Bonus issue by the Company, IEPF holds 627620 shares i.e. 1.86% of the shareholding of the Company as on 31-03-2019. For details relating to the shares transferred to IEPF, Kindly refer the Corporate Governace Section which forms part of this Annual Report.

The percentages have been calculated according to the paid up capital as on the date of the transaction . For detailed note on the paid up capital members may refer pt 5(b) of the Board's Report.

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

| Sr. No | Name | Shareholding at the beginning of the year (01.04.2018) | | Date | Increase/ Decrease in shareholding | Reason | Cumulative Shareholding during the year (01.04.2018 to 31.03.2019) | |
|---|---|---|---|---|---|---|---|---|
| | | 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) | 3119688 | 37.08 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 6239376 | Allotment due to split | 6239376 | 37.080 |
| | | | | 20-12-2018 | 6239376 | Allotment due to bonus | 12478752 | 37.080 |
| | Closing Balance | | | 31-03-2019 | | | 12478752 | 37.080 |
| 2 | Mr. Shyamal A. Bodani (Executive Director) | 3120000 | 37.08 | 01-04-2018 | | | | |
| | | | | 15-12-2018 | 6240000 | Allotment due to split | 6240000 | 37.084 |
| | | | | 20-12-2018 | 6240000 | Allotment due to bonus | 12480000 | 37.084 |
| | Closing Balance | | | 31-03-2019 | | | 12480000 | 37.084 |
| 3 | Mr. Animesh Dhar (Executive Director Operations) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 4 | Mr. Satish K. Ray (Executive Director Operations) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 5 | Mr. Harshvardhan A. Piramal (Non-Executive Director) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 6 | Mr. Prakash V. Mehta (Non-Executive Director) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 7 | Mr. Ranjit A. Puranik (Non-Executive Director) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 8 | Ms. Amruda V. Nair (Non-Executive Director) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 9 | Mr. Girish Khandelwal (Chief Financial Officer) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |
| 10 | Ms. Kiranpreet Gill (Company Secretary & Compliance Officer) | - | - | 01-04-2018 | | | | |
| | Closing Balance | | | 31-03-2019 | - | - | - | - |

## V. INDEBTEDNESS

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

(₹ in Lakh)

| | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| i) Principal Amount | 12,067.14 | 1,000.00 | 0.00 | 13067.14 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 35.69 | 0.00 | 0.00 | 35.69 |
| **Total (i+ii+iii)** | **12,102.83** | **1,000.00** | **0.00** | **13102.83** |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 6,224.40 | 0.00 | 0.00 | 6224.40 |
| Reduction | 0.00 | 1000.00 | 0.00 | 1000.00 |
| Net Change | 6,224.40 | 1,000.00 | 0.00 | 5,224.40 |
| **Indebtedness at the end of the financial year** | | | | |
| i) Principal Amount | 18,273.79 | 0.00 | 0.00 | 18273.79 |
| 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 |
| **Total (i+ii+iii)** | **18,327.23** | **0.00** | **0.00** | **18327.23** |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

| Sr. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount (₹ in Lakh) |
|---|---|---|---|---|---|---|
| | | 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 | 132.46 | 66.94 | 26.41 | 16.26 | 242.07 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 29.54 | 23.96 | - | - | 53.50 |
| | (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 | - | - | - | - | - |
| | **Total (A)** | **162.00** | **90.90** | **26.41** | **16.26** | **295.57** |
| | **Ceiling as per the Act** | | | | | **754.32** |

**B. Remuneration to other directors:**

| Sr. no. | Particulars of Remuneration | Name of Directors Manager | | | | Total Amount (₹ in Lakh) |
|---|---|---|---|---|---|---|
| 1 | **Independent Directors** | **Mr. Harshvardhan A. Piramal** | **Mr. Prakash V. Mehta** | **Mr. Ranjit A. Puranik** | **Ms. Amruda V. Nair** | |
| | •Fee for attending board / committee meetings | 2.40 | 4.25 | 3.45 | 3.65 | 13.75 |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | **Total (1)** | **2.40** | **4.25** | **3.45** | **3.65** | **13.75** |
| 2 | **Other Non-Executive Directors** | **NA** | **NA** | **NA** | **NA** | - |
| | •Fee for attending board / committee meetings | - | - | - | - | - |
| | • Commission | - | - | - | - | - |
| | • Others, please specify | - | - | - | - | - |
| | **Total (2)** | - | - | - | - | - |
| | **Total (B)=(1+2)** | **2.40** | **4.25** | **3.45** | **3.65** | **13.75** |

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

(₹ in Lakh)

| Sr No. | Particulars of Remuneration | Key Managerial Personnel | | | Total |
|---|---|---|---|---|---|
| | | CEO | 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 | NA | 11.53 | 25.09 | 36.62 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | NA | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961 | NA | - | - | - |
| 2 | Stock Option | NA | - | - | - |
| 3 | Sweat Equity | NA | - | - | - |
| 4 | Commission<br>- as % of profit<br>- others, specify | NA | - | - | - |
| | Others, please specify | NA | - | - | - |
| | **Total** | **NA** | **11.53** | **25.09** | **36.62** |

**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 31st March 2019.

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

**Place: Mumbai**
**Date: 9th August, 2019**

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

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

# "ANNEXURE-H"

## CONSERVATION OF ENERGY MEASURES REQUIRED FOR ORIENTAL AROMATICS LIMITED

### A. CONSERVATION OF ENERGY:

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

Your Company has 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.

- 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 2018-19**

The focused areas of the Company's R&D effort during **2018-19** include:

- In 2018-19, 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 existing and new developed process (Mumbai R&D) of products by enhancing yields and reducing costs by optimization of reaction parameters, reaction reengineering and implementing cost effective routes of synthesis on continuous basis, reduction of effluent and process involving continuous operations. 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.
- Your company has also developed new products by using existing per acetic acid facility.
- R&D efforts have helped in development of new process for aroma chemicals.
- R & D will enable your Company to innovate ahead of the market and competition and renovate the products for superior value, cost reduction resulting into 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 ₹ 587.37 Lakh (Previous year 587.52 Lakh) of which ₹ 44.10 Lakh (previous year ₹ 80.01 Lakh) is towards capital expenditure and ₹ 543.27 Lakh (previous year ₹ 507.51 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 | 21,446.18 |
| Outgo of Foreign Exchange | 30,223.42 |

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

**Place: Mumbai**
**Date: 9th August, 2019**

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

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

## ANNEXURE- 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 and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19:

| Sr. No. | Name of Director/ KMP | Designation | % increase in Remuneration in the Financial Year 2018-19 | Ratio of remuneration of each Director/ to median remuneration of employees |
|---|---|---|---|---|
| | Mr. Dharmil A. Bodani | Chairman and Managing Director | NIL | 51.16 |
| | Mr. Shyamal A. Bodani | Executive Director | NIL | 28.71 |
| | Mr. Animesh Dhar | Executive Director Operations | 27.11% | 8.48 |
| | Mr Satish Kumar Ray | Executive Director Operations | 20% | 5.39 |
| | Mr. Girish Khandelwal, | Chief Financial Officer | 47.64% | NA |
| | Ms. Kiranpreet Gill | Company Secretary | 43.28% | NA |

**ii)** The median remuneration of employees of the Company during the financial year was ₹ 3.17 Lakh.

**iii)** In the financial year, there was an increase of 7.71% in the median remuneration of employees;

**iv)** There were 561 and 612 permanent employees including directors on the rolls of Company as on 31st March 2018 and 31st March, 2019 respectively.

**v)** Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 10.05% whereas the percentile increase in the managerial remuneration for the same financial year was 6.67%.

**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.

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

**Shyamal A. Bodani**
**Chairman of CSR Committee**
**DIN: 00617950**

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

**Place: Mumbai**
**Date: 9th August, 2019**

# CORPORATE GOVERNANCE REPORT

The Board of Directors present the Company's report on Corporate Governance for the Financial Year (FY) 2018-19 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:

Your Company endeavours towards creating long term value for its stakeholders by conducting its business on the basis of ethical business values. The Company's Philosophy on Corporate Governance encourages attainment of transparency, accountability and propriety in the functioning of the Company. The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, inducting competent professionals across the organization to implement and execute the governance goals, appropriate systems, well defined processes and modern technology.

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.

The Company's Board consists of 8 (Eight) Directors out of which 4 (Four) Directors are Non-Executive Independent Directors and rest 4 (Four) are Executive Directors including 1 Chairman and 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 31st March, 2019 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 2018-19 | | *Other Directorships in Indian Companies as on 31.03.2019 | **Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2019 | |
|---|---|---|---|---|---|---|---|
| | | | Board Meetings | 46th AGM held on 24th September, 2018 | | Memberships | Chairmanships |
| Mr. Dharmil A. Bodani (DIN:00618333) | Promoter/ Executive Director | Chairman and Managing Director | 6 | Yes | 1 | 2 | 0 |
| Mr. Shyamal A. Bodani (DIN:00617950) | | Executive Director | 6 | No | 0 | 0 | 0 |
| Mr. Animesh Dhar (DIN:07905777) | Executive Director | Executive Director-Operations | 5 | Yes | 0 | 0 | 0 |
| Mr. Satish Kumar Ray (DIN:07904910) | | Executive Director-Operations | 4 | No | 0 | 0 | 0 |

| Name of Directors | Category | Position/ Designation | Attendance at meetings during FY 2018-19 | | *Other Directorships in Indian Companies as on 31.03.2019 | **Committee Membership(s) / Chairmanship(s) in all Companies as on 31.03.2019 | |
|---|---|---|---|---|---|---|---|
| | | | Board Meetings | 46th AGM held on 24th September, 2018 | | Memberships | Chairmanships |
| Mr. Harshvardhan A. Piramal (DIN:00044972) | Non-Executive Independent Director | Director | 3 | No | 4 | 3 | 2 |
| Mr. Prakash V. Mehta (DIN:00001366) | | Director | 6 | No | 6 | 8 | 3 |
| Mr. Ranjit A. Puranik (DIN:00199353) | | Director | 5 | Yes | 1 | 3 | 1 |
| Ms. Amruda V. Nair (DIN:06716791) | | Director | 5 | Yes | 1 | 1 | 0 |

**a.** Directorships held by directors as mentioned above, excludes directorship in Oriental Aromatics Limited (Formerly Camphor and Allied Products 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 (Formerly Camphor and Allied Products 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**e.** Details of Directors(s) retiring or being re-appointed are given in Notice to Annual General Meeting

**2.3 Details of Directorships in 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. Piramal | Morarjee Textiles Limited | Promoter/Executive Director |
| | | Ashok Piramal Management Corporation Limited | Promoter/ Non-Executive Non Independent |
| | | Pune Football Club Limited | Promoter/ Non-Executive/ Non Independent |
| | | 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 |
| | | Mukand Sumi Special Steel Ltd. | Non-Executive/Independent |
| 7 | Mr. Ranjit A. Puranik | Shree Dhootapapeshwar Limited | Promoter/Managing Director/ Executive Director |
| 8 | Ms. Amruda V. Nair | NIL | - |

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

The Board has identified the following skill set with reference to its business and industry which 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, ,Human Resource and Stakeholders' Management. |
| Mr. Shyamal A. Bodani | Industrialist, Strategy Management, Effective Marketing and Communication skills, General Corporate Management, , Finance and Branding |
| 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 Human Resource, Commercial, Purchase, Store, Sales, Supply Chain, Tax related matters etc. |
| Mr. Harshvardhan A. Piramal | Entrepreneur, Business Development, Finance and Strategy, Accounting, Technical, Administration, Advisory skills and Stakeholders' Management |
| Mr. Ranjit A. Puranik | Entrepreneur, Business Management, Financial, Technical, Marketing and Advisory skills and Stakeholders' Management |
| 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 and Asset Management |

### 2.5 Board Meetings:

During Financial year 2018-19, six Board Meetings were held and the gap between two meetings did not exceed 120 days. Board Meetings were held on *31st May, 2018, 14th August, 2018, 26th October, 2018, 05th November, 2018, 15th December, 2018 and 11th February, 2019.

* The Board Meeting scheduled on 30th May, 2018, was adjourned to next day i.e. on 31st May, 2018.

### 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 2018-19, 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 31.03.2019. 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 on22nd February, 2019, interalia 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 and the weblink thereto is http://www.orientalaromatics.com/documents/corporate-governance/policies/terms-of-appointment-of-independent-directors.pdf

**d. Familiarization 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.ewww.orientalaromatics.com and the weblink thereto is http://www.orientalaromatics.com/documents/corporate-governance/policies/familiarization-program.pdf

**2.7 Shareholding of Directors:**

The details of shares held by Directors as on 31st March, 2019 are as under:

| Name | Number of shares held | %age of total Shareholding |
|---|---|---|
| Mr. Shyamal A. Bodani | 12480000 | 37.08 |
| Mr. Dharmil A. Bodani | 12478752 | 37.08 |

None of the other Directors holds any shares in the Company as on 31st March, 2019.

**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 All the Board Members and Senior Management of the Company have affirmed compliance with the code of conduct for the financial year ended 31st March, 2019. 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 interalia are:

i. To review the financial statements before submission to the board for approval;

ii. To review reports of the Auditor's and Internal Audit department;

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.;

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 30th May, 2018, 14thAugust, 2018, 05th November, 2018 and 11th February, 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 Audit Committee Meetings Attended out of 4 held |
|---|---|---|
| Mr. Harshvardhan A. Piramal | Non-Executive Independent Director | 2 |
| Mr. Prakash V. Mehta | Non-Executive Independent Director | 4 |
| Mr. Ranjit A. Puranik | Non-Executive Independent Director | 3 |
| Ms. Amruda V. Nair | Non-Executive Independent Director | 3 |
| Mr. Dharmil A. Bodani | Executive Director | 4 |

The Audit Committee invites such of the executives as it considers appropriate (particularly head of finance) to be present at its meetings. The statutory auditors are also invited to the meetings.

The Company Secretary acts as a Secretary to the Committee.

## 3.2 NOMINATION & REMUNERATION COMMITTEE:

### a. Composition of the Committee:

The Nomination and Remuneration Committee comprises of Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta and Mr. Ranjit A. Puranik, Non –Executive Independent Directors. Mr. Harshvardhan A. Piramal is the Chairman of Committee.

The Committee's composition meets with requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

### b. Terms of Reference:

The Broad terms of reference of the Committee inter alia, include the following:

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.

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 four times i.e on 30th May, 2018, 14th August, 2018, 26th October, 2018 and 11th February, 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 4 held |
|---|---|---|
| Mr. Harshvardhan A. Piramal | Non-Executive Independent Director | 2 |
| Mr. Prakash V. Mehta | Non-Executive Independent Director | 4 |
| Mr. Ranjit A. Puranik | Non-Executive Independent Director | 4 |

### 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 and is set out in Annexure-D to the Board's Report. 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 2018-19 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 2018-19 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 | 132.46 | 29.54 | 162.00 | 5 years (till 21.08.2023) |
| Mr. Shyamal A. Bodani | Executive Director | 66.94 | 23.96 | 90.90 | 5 years (till 21.08.2023) |
| Mr. Animesh Dhar | Executive Director-Operations | 26.41 | 0 | 26.41 | 5 years (till 15.08.2022) |
| Mr. Satish Kumar Ray | Executive Director-Operations | 16.26 | 0 | 16.26 | 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 31st March, 2019 is as under:

| Name of Directors | Sitting Fees (₹ in Lakh) |
|---|---|
| *Mr. Harshvardhan A. Piramal | 2.40 |
| *Mr. Prakash V. Mehta | 4.25 |
| *Mr. Ranjit A. Puranik | 3.45 |
| Ms. Amruda Nair | 3.65 |
| **TOTAL** | **13.75** |

* The term of Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta and Mr. Ranjit A. Puranik, the Independent directors of the Company expires in the ensuing Annual General meeting. Your Board on the recommendation of the Nomination and Remuneration committee recommends the re-appointment of Mr. Harshvardhan A. Piramal, Mr. Prakash V. Mehta and Mr. Ranjit A. Puranik for a second term of five consecutive years in the ensuing Annual General Meeting.

**e. Performance Evaluation**

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

The Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the working of the Committees of the Board 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 11th February, 2019 and the Nomination and Remuneration committee in its meeting held on 11th February, 2019 carried out the evaluation of every Director's performance.

In the separate meeting of Independent Directors held on 22nd February, 2019, 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 30th May, 2018, 14thAugust, 2018, 05th November, 2018 and 11th February, 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 4 |
|---|---|---|
| Mr. Harshvardhan A. Piramal | Non-Executive Independent Director | 2 |
| Mr. Ranjit A. Puranik | Non-Executive Independent Director | 3 |
| 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 received 30 complaints during the year, none of the investor complaints were pending at the beginning of the year. Out of 30 complaints, 29 complaints were resolved during the year and 1 complaint of the investor with respect to revalidation of dividend warrants remained unresolved at the end of the quarter, for want of requisite documents with respect to change/ deletion of name in the records.

| | |
|---|---|
| Number of Investor Complaints received during the year | : 30 |
| Number of Investor Complaints resolved during the year | : 29 |
| Number of pending Investor Complaints | : 1 |

The investors can register their complaints electronically by sending an email at the e-mail id 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 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 14th August, 2018. Necessary quorum was present at the meeting. The Meeting was attended by all the committee members.

## 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 |
|---|---|---|---|
| 44th AGM (2016) | Friday, 23.09.2016 At 9:00 A.M. | At Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12K, Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001. | 1. Approval to Borrow money as per Section 180(1)(c) of the Companies Act, 2013<br>2. Approval to make investments as per Section 186 of the Companies Act, 2013 |
| 45th AGM (2017) | Monday, 25.09.2017 At 10:00 A.M. | At Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6th Floor, 12K, Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001. | Adoption of Articles of Association as per the provisions of Companies Act 2013 |
| 46th AGM (2018) | Monday, 24.09.2018 At 11:00 A.M. | At M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001 | 1. Re-appointment of Ms. Amruda V. Nair as an Independent Director<br>2. Confirmation of appointment of Mr. Prakash V Mehta as an Independent Director |

**POSTAL BALLOT:**

During the year, pursuant to Section 110 of the Act and Companies (Management& Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company had provided the facility of remote e-voting and Postal Ballot to its Members.

The Company had appointed CS Shreyans Jain of M/s Shreyans Jain & Co., Practicing Company Secretary, Mumbai (Membership No, FCS 8519) as Scrutinizer.

No special resolution was passed through postal ballot. The following resolutions were passed as Ordinary resolutions through Postal Ballot during the financial year 2018-19:

| Sr. No. | Resolutions | Votes cast in favour | | Votes cast against | |
|---|---|---|---|---|---|
| | | No. of votes | % | No. of votes | % |
| 1 | Sub-Division of Equity Shares | 6302866 | 99.99 | 32 | 0.01 |
| 2 | Increase in Authorised share capital and consequent alteration to the Capital clause of the Memorandum of Association of the Company | 6302882 | 100.00 | 2 | 0.00 |
| 3 | Issue of Bonus Equity shares | 6296433 | 99.90 | 6451 | 0.10 |

**Procedure for Postal Ballot:**

i. The Notice, Explanatory Statement along with the postal ballot form and self- addressed, postage pre-paid envelope, were dispatched 01st November, 2018 to all the members in the permitted mode.

The postal ballot notice along with the form was sent through e-mail to those members whose e-mail ids were registered with the Company/ Depository Participant.;

ii. Apart from voting through postal ballot form, facility of e-voting was also provided to all the members of the Company pursuant to the provisions of the Companies Act, 2013 through electronic platform of Central Depository Services (India) Limited (CDSL).

iii. The voting period commenced at 9:00 am on 04th November, 2018 and concluded at 5:00 pm on 3rd December, 2018 for voting through physical Postal Ballot form as well as through e-voting;

iv. All postal ballot forms received up to the close of working hours on 3rd December, 2018, the last date and time fixed by the Company for receipt of the forms, had been considered for scrutiny. The Postal Ballot Forms that were received by the Scrutinizer were kept under safe custody before commencing the scrutiny of such Postal Ballot Forms. The e-voting portal was unblocked by the scrutinizer and thereafter a combined report of Postal Ballot/E-voting was given by the Scrutinizer to the Executive Chairperson on 04th December, 2018.

v. The results of Postal Ballot are also displayed on the Company's website, www.orientalaromatics.com, besides being communicated to the stock exchange and depository.

**Whether any special resolution is proposed to be conducted through Postal Ballot:**

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

Details of the 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 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 within the time frame prescribed in this regard.

e. **Annual Report:** The Annual Report containing, interalia, 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

f. Company has not made any presentations to any institutional investors/analysts during the year.

## 6. GENERAL SHAREHOLDER INFORMATION:

| | | |
|---|---|---|
| a. | **47th Annual General Meeting** | : Day, Date, Time and Venue<br>Wednesday, 25th September, 2019<br>At 11:00 a.m. at M.C Ghia Hall BhogilalHargovindas Building, 4th Floor, 18/20, K Dubash Marg, Kala Ghoda, Fort, Mumbai-400001 |
| b. | **Tentative Financial Calendar**<br>**Financial Year** | : 1st April 2019 – 31st March 2020 |
| | **Approval of Quarterly results for the quarter ending:** | |

| | | | |
|---|---|---|---|
| | **June, 2019** | : | 1st / 2nd Week of August, 2019 |
| | **September, 2019** | : | 1st / 2nd Week of November, 2019 |
| | **December, 2019** | : | 1st /2nd Week of February, 2020 |
| | **March, 2020** | : | 3rd /4th Week of May, 2020<br>Note: The above dates are indicative. |
| c. | **Date of Book closure / Record date** | : | Dates of Book Closure – 18th September, 2019 to 25th September, 2019 (both days inclusive.)<br>Record date for dividend-17thSeptember, 2019 |
| d. | **Dividend payment date** | : | Dividend, if declared at the Annual General Meeting on 25th September, 2019 will be paid on or after 30th September, 2019 within the statutory time limit. |
| e. | **Listed on** | : | BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001.<br>*National Stock Exchange of India Ltd (NSE), Exchange Plaza, BandraKurla Complex, Bandra (East), Mumbai – 400051<br>(*The Equity shares of the Company got listed at NSE w.e.f. 11th July 2019.)<br>The Company has duly paid the Annual Listing Fees to the respective Stock Exchanges for the year 2019-2020. |
| f. | **Stock/Scrip Code/Symbol on BSE/NSE** | : | BSE: Scrip Code: 500078<br>NSE: SYMBOL: OAL |
| g. | **ISIN** | : | INE959C01023 |
| h. | **Company Registration No. with ROC/ Ministry of Corporate Affairs (MCA)** | : | L17299MH1972PLC285731 |
| i. | **Registrar and Transfer Agents** | : | For Physical & Demat<br>M/s Sharex Dynamic (India) Pvt. Ltd.<br>Corporate Office:<br>C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083<br>Tel: 022-2851 5606/ 5644/ 6338.<br>Fax: 022-28512885<br>Website:www.sharexindia.com<br>Email:support@sharexindia.com |
| j. | **Dematerialization of shares** | : | Out of 3,36,53,576 shares, 3,22,78,676 Shares equivalent to 95.91 % of the paid up capital of the Company have been dematerialised till 31st March, 2019.The details are as under: |

| | No of shares | % of Share Capital |
|---|---|---|
| CDSL | 31,24,581 | 9.28% |
| NSDL | 2,91,54,095 | 86.63% |
| Physical | 13,74,900 | 4.09% |
| Total | 3,36,53,576 | 100% |

| | | | |
|---|---|---|---|
| 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 2018-2019, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The details of foreign currency exposure are disclosed in Note No. 38 to the Annual Accounts. |
| m. | **Plant Location** | : | (i) P.O. Clutterbuckganj, Bareilly (U.P.) 243502, India.<br>(ii) Plot No. 3, GIDC Ind. Estate, Nandesari, Vadodara (Gujarat) 391 340, India.<br>(iii)Plot No. M-5, MIDC, Additional AmbernathInd Area, Village - Jambhivli, Ambernath (E), Dist.- Thane 421 506, India. |

| | | | |
|---|---|---|---|
| n. | **Address for correspondence** | : | **Registered Office:** Jehangir Building, 2nd Floor, 133, Mahatma Gandhi Road, Fort, Mumbai- 400 001. |
| o. | **Compliance Officer** | : | Ms. Kiranpreet Gill, Company Secretary & Compliance Officer;<br>**Tel:** +91 22 43214000/4064;<br>**Email:** cs@orientalaromatics.com |

**p. Stock Price Data:**

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

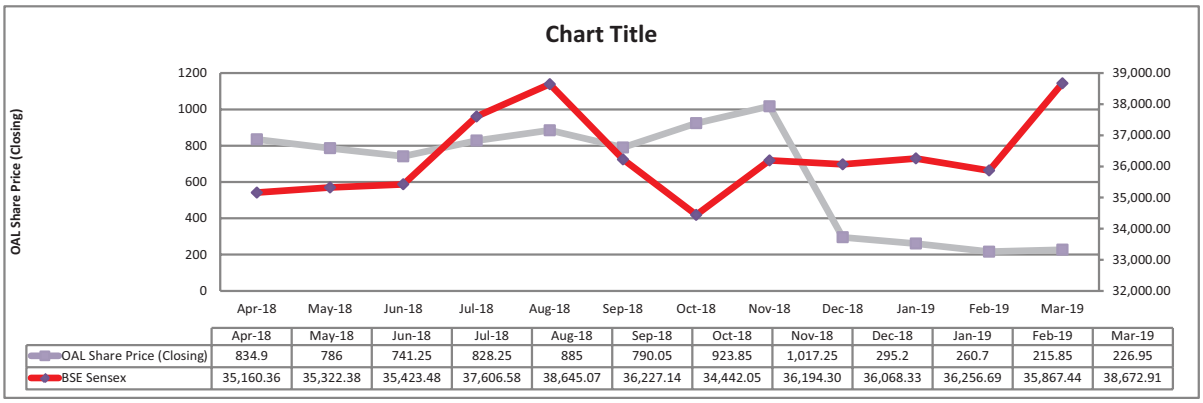
High/Low during the financial year 2018-19

| Month | Share Price (₹) OAL | | | BSE Sensex | | |
|---|---|---|---|---|---|---|
| | High | Low | Close | High | Low | Close |
| Apr 18 | 930.00 | 820.00 | 834.90 | 35,213.30 | 32,972.56 | 35,160.36 |
| May 18 | 838.00 | 761.00 | 786.00 | 35,993.53 | 34,302.89 | 35,322.38 |
| Jun 18 | 820.00 | 730.00 | 741.25 | 35,877.41 | 34,784.68 | 35,423.48 |
| Jul 18 | 852.00 | 720.00 | 828.25 | 37,644.59 | 35,106.57 | 37,606.58 |
| Aug 18 | 934.95 | 770.95 | 885.00 | 38,989.65 | 37,128.99 | 38,645.07 |
| Sep 18 | 999.00 | 725.05 | 790.05 | 38,934.35 | 35,985.63 | 36,227.14 |
| Oct 18 | 984.00 | 710.00 | 923.85 | 36,616.64 | 33,291.58 | 34,442.05 |
| Nov 18 | 1,120.00 | 925.00 | 1,017.25 | 36,389.22 | 34,303.38 | 36,194.30 |
| Dec 18 | *1,173.75 | 251.35 | 295.20 | 36,554.99 | 34,426.29 | 36,068.33 |
| Jan 19 | 309.85 | 240.10 | 260.70 | 36,701.03 | 35,375.51 | 36,256.69 |
| Feb 19 | 264.50 | 179.00 | 215.85 | 37,172.18 | 35,287.16 | 35,867.44 |
| Mar 19 | 270.00 | 214.05 | 226.95 | 38,748.54 | 35,926.94 | 38,672.91 |

In December the Company had split 1 share of face value of ₹ 10 each into 2 shares of face value of ₹ 5 each and also issued bonus shares in the ratio of 1:1. Accordingly the effect of stock split and bonus was given with effect from 13th December 2018.

**q. Performance in Comparison:**

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




| | Apr-18 | May-18 | Jun-18 | Jul-18 | Aug-18 | Sep-18 | Oct-18 | Nov-18 | Dec-18 | Jan-19 | Feb-19 | Mar-19 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| OAL Share Price (Closing) | 834.9 | 786 | 741.25 | 828.25 | 885 | 790.05 | 923.85 | 1,017.25 | 295.2 | 260.7 | 215.85 | 226.95 |
| BSE Sensex | 35,160.36 | 35,322.38 | 35,423.48 | 37,606.58 | 38,645.07 | 36,227.14 | 34,442.05 | 36,194.30 | 36,068.33 | 36,256.69 | 35,867.44 | 38,672.91 |

**r. Shareholding Pattern as at 31st March 2019.**

| 1. Shareholding Pattern as on quarter ended 31st March, 2019. | | | |
|---|---|---|---|
| | **Category** | **No of Equity Shares held** | **Percentage of Shareholding** |
| **A.** | **Promoters Holding** | | |
| **1.** | **Promoters** | | |
| a. | Indian Promoters | 24960000 | 74.167 |
| b. | Foreign Promoters | 0 | 0 |
| **2.** | **Persons acting in concert** | 0 | 0 |
| | **Sub- Total** | **24960000** | **74.167** |
| **B.** | **Non- Promoters Holding** | | |
| **1.** | **Institutional Investors** | | |
| 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.) | 1280 | 0.004 |
| d. | FIIs Holding | 0 | 0 |
| | **Sub- Total** | **77716** | **0.231** |
| **2.** | **Others Holding** | | |
| a. | Bodies Corporate | 242062 | 0.719 |
| b. | Indian Public | 6971768 | 20.716 |
| c. | HUF | 440217 | 1.308 |
| d. | NRIs/OCBs/Foreign Nationals | 157775 | 0.460 |
| e. | Clearing member | 15586 | 0.046 |
| f. | Trusts & Charitable Institutions | 160832 | 0.478 |
| g. | IEPF | 627620 | 1.865 |
| | **Sub- Total** | **8615860** | **25.601** |
| | **GRAND TOTAL (A+B)** | **33653576** | **100.00** |

**s. Distribution Schedule on Scrip Value as on 31st March, 2019:**

| Shares of Nominal Value | No. of Holders | % of Holders | Total Amount | % of Amount |
|---|---|---|---|---|
| Upto 5000 | 14410 | 91.877 | 12691980 | 7.543 |
| 5001 to 10000 | 693 | 4.419 | 5053845 | 3.003 |
| 10001 to 20000 | 323 | 2.059 | 4803440 | 2.855 |
| 20001 to 30000 | 91 | .580 | 2243190 | 1.333 |
| 30001 to 40000 | 51 | .325 | 1868365 | 1.110 |
| 40001 to 50000 | 19 | .121 | 843820 | .501 |
| 50001 to 100000 | 53 | .338 | 3905495 | 2.321 |
| 100001 to above | 44 | .281 | 136857745 | 81.333 |
| **TOTAL** | **15684** | **100.000** | **168267880** | **100.000** |

**t. Share Transfer System:**

During the year under review the applications for transfer of Shares held in physical form were received at the office of the registrar and share transfer agent (R&T Agent) of the Company, Sharex Dynamic (India) Pvt. Ltd. They attended to share transfer formalities at least once a week and forwarded the same to the Company for Share Transfer Committee's approval. The share transfers register and

reports were approved by the Committee of the Company. The same were then placed before every Board Meeting.

The Company obtains from CS Shreyans Jainof Shreyans Jain & Co., Practicing Company Secretary, half-yearly Certificate of Compliance with share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, and files a copy of the said Certificate with the stock exchange.

SEBI has amended the regulation 40(1) of the SEBI Listing Regulations, 2015 by introducing the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, whereby except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form. Trading in Equity Shares of the Company through recognised Stock Exchanges is permitted only in dematerialised form with effect from 1st April 2019.

This was communicated to the members who hold the shares in physical form vide our letters dated 07.09.2018, 16.10.2018 and 16.11.2018. All the shareholders, who hold the shares in physical form are requested to dematerialize the shares at the earliest to avoid inconvenience in future, for transferring the shares.

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.

Further, pursuant to SEBI Circular dated 20th April, 2018 ref: SEBI/HO/MIRSD/DOPI/CIR/P/2018/73. letters were sent to all the shareholders by registered post on 14.05.2018, 19.06.2018 and 07.09.2018, requesting the shareholders to submit the said form to the Company's RTA- Sharex Dynamic (India) Private Limited for updating their PAN and Bank account details which would facilitate in receiving direct credits of dividends, refunds etc., from the Company and avoid postal delays and loss in transit.

**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. The said information is also available on the Ministry of Corporate Affairs website 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 31st March 2019 (Amount in ₹) | Due date of Transfer to IEPF |
|---|---|---|---|
| 2013-2014 | 26th September 2014 | 5,53,753 | 25th October 2021 |
| 2014-2015 | 24th September 2015 | 4,43,802 | 23rd October 2022 |
| 2015-2016 | 23rd September 2016 | 4,35,069 | 22nd October 2023 |
| 2016-2017 | 25th September 2017 | 4,61,078 | 24th October 2024 |
| 2017-2018 | 24th September, 2018 | 4,16,290 | 23rd October, 2025 |

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. Accordingly, 45069 shares were transferred to IEPF Account on 16th November, 2018. The Company had sent notices to all such members in this regard and published newspaper advertisement and thereafter transferred the shares to the IEPF during the Financial year 2018-19. The details of the shareholders whose shares are transfered to IEPF Authority has been uploaded on the Company's website i.e. www.orientalaromatics.com

Further, upon transfer of shares all the benefits (like bonus etc) if any, accruing on such shares shall also be credited to Demat account of IEPF. Accordingly, 627620 shares post sub-division and bonus issue by the Company were credited to Demat account of IEPF.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from the IEPF Authority after complying with the procedure under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in the Form IEPF-5 (available on iepf.gov.in) along with the requisite fees as decided by the IEPF Authority from time to time. The Member/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules. The Company has also sent request/reminder letters, to the shareholders whose shares were transferred in IEPF Account on 30th November, 2017,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 will be due for transfer to IEPF in the FY 2019-20.

**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 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 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 31st March 2019 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 31st May 2018. The adjournment was intimated to the stock exchange on 30th May 2018.

**c. Whistleblower policy/Vigil mechanism**:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of Listing Regulations. The Company has established vigil mechanism for directors and employees to report genuine concerns regarding unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The said mechanism also provides for the safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee. We affirm that no employee of the company has been denied access to the audit committee. The said Vigil Mechanism has been hosted on the website of the Company at www.orientalaromatics.com and the weblink thereto is http://www.orientalaromatics.com/documents/corporate-governance/policies/vigil-mechanism.pdf

**d. Details of compliance with mandatory and non-mandatory requirements of SEBI(LODR) Regulations, 2015:**

The Company has also complied with 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 was 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.

**e. Compliance with Accounting Standards;**

In the preparation of financial statements, the company has followed the Indian Acounting 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

**f. 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 and the weblink thereto is: http://www.orientalaromatics.com/documents/corporate-governance/policies/Code-of-Conduct-for-Prevention-of-Insider-Trading.pdf

**g. 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.

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

**i. 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

**j. 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

**k. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all the entities in the network firm/network entity of which the statutory auditor is a part:**

Details relating to fees paid to the statutory auditors are given in Note No. 31 to the standalone financial statements and Note No. 30 to the consolidated financial statements

**l. 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 31st March, 2019

**m. CEO/CFO Certification:**

As required by Regulation 17(8) of the SEBI Listing Regulations, the Chief Executive Officer and the Chief Financial Officer have submitted a Certificate to the Board of Directors in the prescribed format

for the financial year ended 31st March 2019 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.

n. 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: 9th August, 2019**

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**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 31st March, 2019.

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

**Parag Satoskar**
**Chief Executive officer**

**Place: Mumbai**
**Date: 9th August, 2019**

## Auditors' Certificate on Corporate Governance

To the Members of

**Oriental Aromatics Limited**

1. This certificate is issued in accordance with our engagement letter dated 1st October 2018.

2. This certificate contains details of compliance of conditions of corporate governance by **Oriental Aromatics LIMITED** ('the Company') for the year ended 31st March 2019 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) and pursuant to the Listing Agreement of the Company with Stock exchanges.

**Management's Responsibility for compliance with the conditions of Listing Regulations:**

3. 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**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. 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.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), 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.

6. 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**

7. 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 complied, in all material respects, with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

   We 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**

8. 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 and Co. LLP**
**Chartered Accountants**
**Firm Registration No.**
**113447W/W-100019EE**

**Vinay Somani**
**Partner**
**Membership No. 143503**

**Place: Mumbai**
**Date: 9th August, 2019**

## 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,
2nd 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** and having registered office at 133, Jehangir Building, 2nd Floor Mahatma Gandhi Road, Fort Mumbai-400001, Maharashtra. (hereinafter referred to as the **"Company"**) produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) 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 **31st March, 2019** 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 Kumar Ray | 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**
**sd/-**
**SHREYANS JAIN**
**(Proprietor)**
**FCS No. 8519**
**C.P. No. 9801**

**Place : Mumbai**
**Date : 05th July, 2019**

# FINANCIAL STATEMENTS

# Independent Auditor's Report

**To The Members of**
**Oriental Aromatics Limited**
**(Formerly known as Camphor and Allied Products 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, 2019, 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 2019,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.

| Key Audit Matters | Auditor's response |
|---|---|
| **Commissioning of New Plant:**<br>During the year, the Company has commissioned a multiproduct plant having advanced and highly automated technology to produce Specialty Aroma Chemicals. Considering that, commissioning of such new plant involves multiple processes with the risk of materials movement and its accounting involving:<br>• Defining of controls in various processes with regard to issue of materials, production processes and input output ratios<br>• Continuous refining of Bill of Material (BOM) in the system as the production efficiency/ experiences built up<br>• Management judgement and estimates defining the yields.<br>We have accordingly designated this as a focus area in the audit. | Our audit approach consisted testing of design and operating effectiveness of internal controlsadopted by the Company and substantive testing around the materials consumption accounting procedures and computing inventories.<br>To address the risk of material consumption and inventory accounting, our audit procedures includes amongst other:<br>a. Analyzing the inventory consumption pattern, valuation process and practices<br>b. Discussed with the Management and assessed the physical verification process adopted by the Company<br>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the materials accounting for the purpose of our audit of the Standalone financial statements. |

**Information Other than the Standalone Financial Statements and Auditor's report thereon**

The Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report 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.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 pf our audit work and in evaluating the results of our work and (ii) To evaluate the effect of ant 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.

**Other Matter:**

Opening balances has been taken on the basis of the financial statements for the year ended 31st March, 2018 audited by another firm of Chartered Accountants, who have issued an unmodified report dated 31st May 2018.

**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, 2019 taken on records by the Board of Directors, none of the directors are disqualified as on March 31, 2019 from being appointed as 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.-35 to standalone financial statements]

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring 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

Place: Mumbai
Date: May 27th, 2019

**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. The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of 2 years, which, in our opinion, 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 ₹ 615.55 lakh as at March 31, 2019 are in the name of the entity that got merged with the Company.

ii. The inventories have been physically verified by the management at reasonable intervals during the year, except for goods in transit and those lying with third parties.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 it's 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.

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 in respect of the loans and investment made. The Company has not provided any guarantees or 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. On the basis of records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Central Government under Section 148(1) of the Act have been maintained. However, we are not required to and thus have not carried out any detailed examination of such accounts and records, with a view to ascertain whether these 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 Statue | Nature of dues | Amount (₹ 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 | 37.62 | 2004-05 to 2006-07 | High Court, Allahabad |
| The Central Excise Act, 1944 | Excise Duty and Penalty | 12.39 | 2007-08 to 2011-12 | Central Tax & Service Tax Appellate Tribunal, Karnataka |

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 financial institutions, banks and government. The Company did not have any outstanding dues to debenture holders during the year.

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 40 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

Place: Mumbai
Date: May 27th, 2019

**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, 2019 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; and (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.

**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, 2019, 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

Place: Mumbai
Date: May 27th, 2019

# Balance Sheet as at 31st March, 2019

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

| Particulars | Note No. | As at 31st March, 19 | As at 31st March, 18 |
|---|---|---|---|
| **I ASSETS** | | | |
| **1 Non-current Assets** | | | |
| (a) Property, Plant and Equipment | 2 | 19,405.72 | 15,765.73 |
| (b) Capital work - in - progress | 2 | 80.31 | 3,992.30 |
| (c) Goodwill on Amalgamation | 42 | 4,497.72 | 4,497.72 |
| (d) Intangible assets | 3 | 577.25 | 902.94 |
| (e) Financial Assets : | | | |
| i) Investment in subsidiaries | 4 | - | 199.60 |
| ii) Loan to subsidiary | 5 | - | 718.74 |
| iii) Other financial assets | 6 | 368.26 | 414.42 |
| (f) Income Tax Assets (Net) | | 304.74 | - |
| (g) Other non - current assets | 7 | 35.86 | 10.54 |
| **Total Non-Current Assets** | | **25,269.86** | **26,501.99** |
| **2 Current assets** | | | |
| (a) Inventories | 8 | 20,266.36 | 13,276.25 |
| (b) Financial Assets : | | | |
| i) Trade receivables | 9 | 16,103.69 | 13,464.76 |
| ii) Cash and cash equivalents | 10 | 294.34 | 235.15 |
| iii) Bank Balances Other Than (ii) above | 11 | 125.66 | 126.98 |
| iv) Other current financial assets | 12 | 79.12 | 78.21 |
| (c) Other current assets | 13 | 5,103.09 | 4,012.50 |
| **Total Current Assets** | | **41,972.26** | **31,193.86** |
| **3 Non-current assets classified as held for sale** | | **8.00** | **1.75** |
| **TOTAL ASSETS** | | **67,250.12** | **57,697.60** |
| **II EQUITY AND LIABILITIES** | | | |
| **1 Equity** | | | |
| a) Equity share capital | 14 | 1,682.68 | 841.34 |
| b) Other Equity | 15 | 37,516.47 | 33,619.61 |
| **Total Equity** | | **39,199.15** | **34,460.95** |
| **2 Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 16 | 1,176.47 | 2,117.65 |
| (ii) Other Financial Liabilities | 17 | - | 300.00 |
| (b) Deferred tax liabilities (net) | 32 | 3,422.89 | 2,480.57 |
| **Total Non Current Liabilities** | | **4,599.36** | **4,898.22** |
| **Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 18 | 16,156.14 | 10,008.32 |
| ii) Trade Payables | | | |
| (A) Total outstanding dues of micro enterprises and small enterprises; | | 408.58 | 575.92 |
| (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 19 | 4,931.60 | 5,470.38 |
| iii) Other Financial Liabilities | 20 | 1,455.57 | 1,587.02 |
| (b) Other current liabilities | 21 | 162.35 | 206.14 |
| (c) Current Tax Liability (Net) | | - | 315.90 |
| (d) Provisions | 22 | 337.38 | 174.76 |
| **Total Current Liabilities** | | **23,451.61** | **18,338.43** |
| **Total Liabilities** | | **28,050.97** | **23,236.65** |
| **TOTAL EQUITY AND LIABILITIES** | | **67,250.12** | **57,697.60** |
| **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1-50 | | |

**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 Board of Directors**

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Date : 27th May, 2019**
**Place : Mumbai**

**Kiranpreet Gill**
Company Secretary

## Statement of Profit and Loss for the Year Ended 31st March, 2019

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

| | Particulars | Note No. | For The Year Ended | |
|---|---|---|---|---|
| | | | 31st March, 19 | 31st March, 18 |
| I | **Income** | | | |
| | Revenue from Operations | 23 | 75,255.35 | 50,569.51 |
| | Other Income | 24 | 127.88 | 410.27 |
| | **Total Income** | | **75,383.23** | **50,979.78** |
| II | **Expenses** | | | |
| | Cost of materials consumed | 25 | 52,176.24 | 33,044.37 |
| | Changes in inventories of finished goods and work-in progress | 26 | (2,454.22) | (331.09) |
| | Manufacturing and Operating Costs | 27 | 6,474.14 | 5,488.75 |
| | Employee benefits expense | 28 | 3,071.54 | 2,567.95 |
| | Finance costs | 29 | 1,266.98 | 687.90 |
| | Depreciation and amortization expense | 30 | 1,771.49 | 1,475.69 |
| | Other expenses | 31 | 4,479.84 | 3,213.92 |
| | **Total expenses** | | **66,786.01** | **46,147.49** |
| III | **Profit / (loss) before exceptional items and tax** | | **8,597.22** | **4,832.29** |
| IV | Exceptional Items - loss in respect of closure of subsidiary's business | | (1,007.57) | - |
| V | **Profit / (loss) before tax** | | **7,589.65** | **4,832.29** |
| VI | **Tax expense** | 32 | | |
| | Current tax | | 2,327.60 | 1,548.24 |
| | Deferred tax charge/(credit) | | 967.27 | 251.05 |
| | Tax in respect of Earlier Years, Written Back | | (693.09) | - |
| VII | **Profit/(Loss) for the period** | | **4,987.87** | **3,032.99** |
| VIII | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Actuarial Gain/(Loss) | | (71.44) | 38.67 |
| | Tax Impact Charge/(credit) on Actuarial Gain/(Loss) | | (24.96) | 13.38 |
| | **Other Comprehensive Income** | | **(46.48)** | **25.29** |
| IX | **Total Comprehensive Income for the year (VII + VIII)** | 33 | **4,941.39** | **3,058.28** |
| X | **Earnings per equity share of ₹ 5 each** | | | |
| | Before Exceptional Item (Basic & Diluted) | | 17.82 | 9.01 |
| | After Exceptional Item (Basic & Diluted) | | 14.82 | 9.01 |
| | **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1-50 | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

## Cash Flow Statement for the year ended 31st March 2019
(All amounts are in ₹ Lakh, unless stated otherwise)

| | Particulars | Note No. | For the Year ended 31st March, 2019 | For the Year ended 31st March, 2018 |
|---|---|---|---|---|
| A) | **Cash Flow from Operating Activities** | | | |
| | **Net Profit before Tax** | | **7,589.65** | **4,832.29** |
| | **Adjustments for:** | | | |
| | Depreciation and amortization expense | | 1,771.49 | 1,475.69 |
| | Interest and Other Finance Cost | | 1,266.98 | 687.90 |
| | Loss / (Profit) on discarding / sale of assets (Net) | | 61.37 | 45.05 |
| | Provision for doubtful Debts | | 31.36 | 21.96 |
| | Excess Provision Written back | | (104.69) | (10.32) |
| | Dividend Received from a subsidiary | | - | (375.29) |
| | Exceptional Items - loss in respect of closure of subsidiary's business | | 1,007.57 | - |
| | Unrealised Foreign Exchange rate difference | | 27.88 | (47.95) |
| | **Operating Profit before Working Capital Changes** | | **11,651.62** | **6,629.33** |
| | Adjustments for: | | | |
| | (Increase)/Decrease in Trade & Other Receivables | | (3,798.17) | (4,019.34) |
| | (Increase)/Decrease in Inventories | | (6,990.11) | (1,830.99) |
| | Increase/(Decrease) in Trade Payables & Provisions | | (1,003.24) | 1,742.59 |
| | **Cash generated from Operating Activities** | | **(139.90)** | **2,521.59** |
| | Direct Taxes (Paid) Net of Refund Received | | (2,255.15) | (1,573.74) |
| | **Net Cash from Operating Activities (A)** | | **(2,395.05)** | **947.85** |
| B) | **Cash Flow from Investing Activities** | | | |
| | Purchase of Property, Plant and Equipment | | (1,279.06) | (3,014.96) |
| | Sales of Property, Plant and Equipment | | 37.64 | 16.61 |
| | Dividend Received from a subsidiary | | - | 375.29 |
| | **Net Cash (used in)/from Investing Activities (B)** | | **(1,241.42)** | **(2,623.06)** |
| C) | **Cash Flow from Financing Activities** | | | |
| | Proceeds / (Repayment) from / to Loan, (Net) | 44 | 5,088.56 | 3,040.17 |
| | Dividend Paid (Including Dividend Distribution Tax) | | (203.18) | (468.03) |
| | Interest and Other Financial Cost | | (1,189.72) | (672.35) |
| | **Net Cash (used in)/from Financing Activities (C)** | | **3,695.66** | **1,899.79** |
| | **Net increase in cash and cash equivalents (A + B + C)** | | **59.19** | **224.57** |
| | Cash & cash equivalents at beginning of the year | 10 | **235.15** | **10.58** |
| | Cash & cash equivalents at end of the year | 10 | **294.34** | **235.15** |
| | **Significant Accounting Policies and accompany Notes form integral part of the Financial Statements** | 1-50 | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

# Statement of Changes in Equity for the year ended 31st March, 2019

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

a EQUITY SHARE CAPITAL

| Particulars | Notes | Amount |
|---|---|---|
| **As at 31st March 2017** | | **513.37** |
| Changes in Equity Share Capital | 14 | 327.97 |
| **As at 31st March 2018** | | **841.34** |
| Changes in Equity Share Capital | 14 | 841.34 |
| **As at 31st March 2019** | | **1,682.68** |

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) | |
| **Balance as at 1st April, 2017** | | 266.74 | 739.82 | 4,376.64 | 25,711.06 | (64.89) | **31,029.37** |
| Profit for the year | | - | - | - | 3,032.99 | - | **3,032.99** |
| Other Comprehensive Income for the year | | - | - | - | - | 25.29 | **25.29** |
| Dividend and Dividend Distribution Tax Paid | | - | - | - | (468.04) | - | **(468.04)** |
| **Balance as at 31st March, 2018** | | **266.74** | **739.82** | **4,376.64** | **28,276.01** | **(39.60)** | **33,619.61** |
| Profit for the year | | - | - | - | 4,987.86 | - | **4,987.86** |
| Capitalisation of profit - issue of Bonus shares | 14 | | (739.82) | (101.52) | - | - | **(841.34)** |
| Other Comprehensive Income for the year | | - | - | - | - | (46.48) | **(46.48)** |
| Dividend and Dividend Distribution Tax Paid | | - | - | - | (203.19) | - | **(203.19)** |
| **Balance as at 31st March, 2019** | | **266.74** | **-** | **4,275.12** | **33,060.68** | **(86.08)** | **37,516.47** |
| **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1-50 | | | | | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

**I. Background and Operations**

Oriental Aromatics Limited (formerly known as Camphor and Allied Products 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 Bombay Stock Exchange Ltd. The Company is engaged in business of manufacturing Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavour.

**II. Significant accounting policies**

**(a) Basis of preparation of Financial Statements**

**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with of the Companies (Indian Accounting standards) Rules,2015 and other relevant provisions of the Act.

**(ii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for the following:

1) certain financial assets and liabilities that is measured at fair value;

2) assets held for sale - measured at fair value less cost to sell;

3) defined benefit plans - plan assets measured at fair value;

**(iii) Current non-current classification**

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months)and other criteria set out in the Schedule III to the Companies Act, 2013.

**(b) Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised. Any revision to accounting estimates is recognised prospectively in current and future periods.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

**i. Contingent Liabilities and Contingent Assets**

**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 discolsed as capital work-in-progress. It is carried at cost, less any recognised impairment loss. Such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for intended use.

Expenditure incurred during developmental and preliminary stages of the Company's new projects, are carried forward. However, if any project is abandoned, the expenditure relevant to such project is written off through the natural heads of expenses in the year in which it is so abandoned.

**Depreciation methods, estimated useful lives and residual value**

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. Leasehold land is amortised over of period lease. Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

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**

**Operating Lease**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

Raw Materials – Cost include cost of purchases and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using First in first out (FIFO) basis.

Finished/Semi-Finished Goods – cost includes cost of direct material, labour, other direct cost and a proportion of fixed manufacturing overheads allocated based on the normal operating capacity but excluding borrowing costs. Cost is determined on weighted 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.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised in Statement of Profit and Loss as finance costs.

**(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:

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods."

Other Long term Employee Benefits are recognised in the same manner as Defined Benefit Plans.

Termination benefits are recognised as and when incurred. However, the termination benefits which fall due more than twelve months after the Balance Sheet date are discounted using the yield on Government Bonds.

**(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 arrising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determind using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related defferd 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) Cash 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.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

(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 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount / Deemed Cost** | | | | | | | | | | |
| **As at 1st April 2017** | 4.74 | 428.19 | 4,888.47 | 9,705.69 | 247.61 | 861.23 | 290.85 | 11.84 | 16,438.61 | **1,504.92** |
| Additions | - | 203.64 | 81.95 | 1,187.27 | 27.06 | 12.72 | 36.43 | 31.26 | 1,580.32 | 2,487.38 |
| Disposals | - | - | - | 247.13 | 2.24 | 0.25 | 11.73 | 3.35 | 264.71 | - |
| Adjustment | | | | 1.75 | | | | | 1.75 | - |
| **As at 31st March 2018** | 4.74 | 631.83 | 4,970.42 | 10,644.07 | 272.43 | 873.70 | 315.55 | 39.74 | 17,752.47 | 3,992.30 |
| **Accumulated Depreciation :** | | | | | | | | | | |
| **As at 1st April 2017** | - | 5.74 | 240.65 | 530.06 | 69.89 | 137.11 | 44.60 | 7.30 | 1,035.34 | **-** |
| Depreciation charge for the year | - | 70.58 | 142.72 | 654.18 | 89.55 | 111.18 | 60.50 | 12.17 | 1,140.89 | - |
| Disposals | - | - | - | 175.93 | 1.73 | 0.24 | 8.21 | 3.38 | 189.49 | - |
| **As at 31st March 2018** | - | 76.32 | 383.37 | 1,008.31 | 157.70 | 248.05 | 96.89 | 16.09 | 1,986.74 | - |
| **Net Carrying Amount :** | | | | | | | | | | |
| **As at 1st April 2017** | **4.74** | **422.46** | **4,647.82** | **9,175.63** | **177.73** | **724.13** | **246.25** | **4.54** | **15,403.28** | **1,504.92** |
| **As at 31st March 2018** | **4.74** | **555.51** | **4,587.05** | **9,635.76** | **114.73** | **625.65** | **218.65** | **23.65** | **15,765.73** | **3,992.30** |

| Particulars | Freehold Land | Lease Land | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Computers | Total | Capital Work-In-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount / Deemed Cost** | | | | | | | | | | |
| **As at 1st April 2018** | **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 |
| As at 31st March 2019 | 4.74 | 631.83 | 6,109.87 | 14,041.50 | 350.54 | 958.41 | 609.40 | 62.03 | 22,768.33 | 80.31 |
| **Accumulated Depreciation :** | | | | | | | | | | |
| **As at 1st April 2018** | - | 76.32 | 383.37 | 1,008.31 | 157.70 | 248.05 | 96.89 | 16.09 | 1,986.74 | - |
| **Depreciation charge for the year** | **-** | **71.83** | **178.35** | **895.92** | **62.44** | **141.89** | **60.91** | **23.59** | **1,434.94** | **-** |
| Disposals | - | - | - | 16.49 | 0.02 | | 42.56 | - | 59.07 | **-** |
| As at 31st March 2019 | - | 148.15 | 561.72 | 1,887.74 | 220.12 | 389.95 | 115.25 | 39.68 | 3,362.61 | **-** |
| **Net Carrying Amount :** | | | | | | | | | | |
| **As at 31st March 2018** | 4.74 | 555.51 | 4,587.05 | 9,635.76 | 114.73 | 625.65 | 218.65 | 23.65 | 15,765.73 | 3,992.30 |
| **As at 31st March 2019** | **4.74** | **483.68** | **5,548.15** | **12,153.77** | **130.42** | **568.46** | **494.16** | **22.35** | **19,405.72** | **80.31** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

Notes:

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

**B.** The title deed of leasehold land having net book value of ₹ 615.55 (March 31, 2018 : ₹ 617.16) 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.** For information on property, plant and equipment offered as security by the Company, refer to note number - 34

**D.** For information on Capital Commitment, refer to note number - 36

**E. Breakup of Capital work in progress as under :-**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Plant & Equipment | 67.31 | 2,841.27 |
| Buildings | - | 899.13 |
| Other Assets | - | 17.20 |
| Pre-operative Expenses | 13.00 | 234.70 |
| **Total** | 80.31 | 3,992.30 |

**3 Intangible assets**

| Particulars | Technical Knowhow | Computer Software | Total |
|---|---|---|---|
| **Gross Carrying Amount / Deemed Cost** | | | |
| **As at 1st April 2017** | **1,463.70** | **89.41** | **1,553.11** |
| Additions | | 2.49 | 2.49 |
| Disposals | | | |
| **As at 31st March 2018** | **1,463.70** | **91.90** | **1,555.60** |
| **Accumulated Amortisation** | | | |
| **As at 1st April 2017** | **317.62** | **0.24** | 317.86 |
| Amortisation charge for the year | 317.63 | 17.17 | 334.80 |
| **As at 31st March 2018** | **635.25** | **17.41** | **652.66** |
| **Net Carrying Amount** | | | |
| **As at 1st April 2017** | **1,146.07** | **89.17** | **1,235.25** |
| **As at 31st March 2018** | **828.45** | **74.49** | **902.94** |

| Particulars | Technical Knowhow | Computer Software | Total |
|---|---|---|---|
| **Gross Carrying Amount / Deemed Cost** | | | |
| **As at 1st April 2018** | **1,463.70** | **91.90** | **1,555.60** |
| Additions | 0.80 | 10.06 | **10.86** |
| Disposals | - | - | - |
| **As at 31st March 2019** | **1,464.50** | **101.96** | **1,566.46** |
| **Accumulated Amortisation** | | | |
| **As at 1st April 2018** | **635.25** | **17.41** | **652.66** |
| Amortisation charge for the year | 318.73 | 17.82 | 336.55 |
| **As at 31st March 2019** | **953.98** | **35.23** | **989.21** |
| **Net Carrying Amount** | | | |
| **As at 1st April 2018** | **828.45** | **74.49** | **902.94** |
| **As at 31st March 2019** | **510.52** | **66.73** | **577.25** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 4 Investment in Subsidiaries

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Investment in Equity share of Subsidiaries** | | |
| **Unquoted (At Cost)** | | |
| Oriental Aromatics Inc. | - | 47.72 |
| (100 shares of US$ 1,000 each fully paid up) | | |
| PT Oriental Aromatics | 151.88 | 151.88 |
| (2,47,500 shares of US$ 1 each fully paid up) | | |
| Less: Allowance for impairment in the value of investments | (151.88) | |
| **Total** | **-** | **199.60** |

### 5 Loans to Subsidiaries

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **(Unsecured, Considered good unless otherwise stated)** | | |
| Loan to Subsidiary | - | 718.74 |
| Loan to Subsidiary - credit impaired | 765.56 | - |
| Less: Allowance for bad and doubtful Loan | (765.56) | - |
| **Total** | **-** | **718.74** |

Loan given for business purpose carrying interest rate @ 4% p.a.

### 6 Other Financial Assets - Non Current

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **(Unsecured, Considered good unless otherwise stated)** | | |
| Security Deposits with Others | 146.34 | 208.26 |
| Bank Deposits with maturity more than 12 months | 161.24 | 152.95 |
| *(Offered as Security against Bank Guarantee given)* | | |
| Government refunds in respect of acquired business | 60.68 | 53.21 |
| Less: Allowance for bad and doubtful assets | | |
| **Total** | **368.26** | **414.42** |

### 7 Other non - current assets

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **(Unsecured, Considered good unless otherwise stated)** | | |
| Capital advances | 35.86 | 10.54 |
| **Total** | **35.86** | **10.54** |

### 8 Inventories

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Raw Materials | 9,736.80 | 7,450.75 |
| Raw Materials - in Transit | 2,435.89 | 434.03 |
| Work-in-progress | 4,557.38 | 3,455.71 |
| Finished goods | 251.80 | 442.28 |
| Finished goods - in Transit | 2,510.90 | 967.87 |
| Stores, Spares and Packing Materials | 718.93 | 472.84 |
| Stores, Spares and Packing Materials - in Transit | 54.66 | 52.77 |
| **Total** | **20,266.36** | **13,276.25** |

**Notes:**

1 Refer Note 34 for the details in respect of inventories hypothecated/mortgaged as security for borrowings.

2 Inventories written down are accounted, considering the nature of inventory, aging, liquidation of plan and net realisable value. Write-down of inventories amounted to ₹ 92.72 (P.Y. Nil). These write down recognised as an expense in the statement of profit and loss.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 9 Trade receivables

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Trade Receivables considered good - Unsecured | 16,103.69 | 13,464.76 |
| Trade Receivables which have significant increase in Credit Risk | - | - |
| Trade Receivables - credit impaired | 58.13 | 26.77 |
| Less: Allowance for bad and doubtful debts | (58.13) | (26.77) |
| **Total** | **16,103.69** | **13,464.76** |

(Refer Note no.38(ii) for Currency Risk, Note no.34 for Trade Receivables offered as security and Note 38(iii) for Credit Risk)

### 10 Cash and cash equivalents

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Balances with Banks | | |
| - In current accounts | 287.15 | 229.84 |
| Cash on hand | 7.19 | 5.31 |
| **Total** | **294.34** | **235.15** |

### 11 Other Bank Balances

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Unpaid Dividend | 18.94 | 24.93 |
| Margin Money Accounts | 106.72 | 102.05 |
| **Total** | **125.66** | **126.98** |

### 12 Other financial assets - Current

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Interest Accrued on Fixed Deposit and loan | 14.36 | 72.91 |
| Rent Receivable | - | 2.03 |
| Insurance Claim Receivable | 0.36 | 3.26 |
| Receivable from erstwhile subsidiary | 64.40 | - |
| **Total** | **79.12** | **78.21** |

### 13 Other current assets

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Export benefit receivables | 15.38 | 4.77 |
| Rebate Receivable on Excise Duty | - | 6.19 |
| VAT Credit Receivable | 196.81 | 400.70 |
| Balances with Customs, GST etc | 3,962.11 | 2,555.12 |
| Advances to Suppliers | 556.01 | 810.12 |
| Advances to Staff | 74.62 | 82.67 |
| Prepaid expenses | 298.16 | 152.93 |
| **Total** | **5,103.09** | **4,012.50** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

**14 Equity Share capital**

**a)**

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Authorised** | | |
| **Equity shares** | 3,500.00 | 1,400.00 |
| As at 31st March,2019 - 70,000,000 no. of shares at ₹ 5 each. | | |
| As at 31st March,2018 - 14,000,000 no. of shares at ₹ 10 each. | | |
| | **3,500.00** | **1,400.00** |
| **Issued, subscribed and fully paid up** | | |
| **Equity shares** | 1,682.68 | 841.34 |
| As at 31st March,2019 - 33,653,576 no. of shares at ₹ 5 each. | | |
| As at 31st March,2018 - 8,413,394 no. of shares at ₹ 10 each. | | |
| **Total** | **1,682.68** | **841.34** |

**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.

**c) Reconciliation of number of shares**

| Particulars | 31st March, 19 | 31st March, 18 |
|---|---|---|
| **Equity Shares :** | | |
| Balance as at the beginning of the year | 84,13,394 | 51,33,674 |
| Add: Shares issued during the year | - | 32,79,720 |
| 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 | **3,36,53,576** | **84,13,394** |

**Note on subdivision and bonus issue**

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

a. Sub-division of 1 equity share of face value of ₹ 10 each into 2 equity shares of face value of ₹ 5 each; and

b. 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 | | 31st March, 19 | 31st March, 18 |
|---|---|---|---|
| Mr. Dharmil A. Bodani | No of shares | 1,24,78,752 | 31,19,688 |
| | % of holding | 37.08% | 37.08% |
| Mr. Shyamal A. Bodani | No of shares | 1,24,80,000 | 31,20,000 |
| | % of holding | 37.08% | 37.08% |

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

| Particulars | 31.03.2019 | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---|---|---|---|---|---|
| Share issue on Subdivision of Shares | 84,13,394 | - | | - | - |
| Share issue on Bonus | 1,68,26,788 | - | | - | - |
| Shares issued for consideration other than cash - Refer Note 42 | - | 32,79,720 | | - | - |
| Bought back any shares issued | - | - | | - | - |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 15 Other Equity

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **A. Summary of Other Equity balance.** | | |
| Capital Reserve On Amalgamation | 266.74 | 266.74 |
| Securities Premium | - | 739.82 |
| General Reserve | 4,275.12 | 4,376.64 |
| Retained Earnings | 33,060.69 | 28,276.01 |
| Items of other comprehensive income | (86.08) | (39.60) |
| **Total** | **37,516.47** | **33,619.61** |

**B. Nature and purpose of reserves**

a) **Capital Reserve on Amalgamation :** During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.

b) **Security Premium :** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

c) **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.

e) **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.

f) **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 acturial assumtions or experience adjustment within the plans, are recognised in 'Other Comprehensive income' and subsequently not reclassified to the Statement of Profit and Loss.

### 16 Non Current Financial Liabilities - Borrowings

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Secured** | | |
| Term loan from a Bank (Rate of interest 9.10% (P.Y. 8.50%)) | 1,176.47 | 2,117.65 |
| **Total** | **1,176.47** | **2,117.65** |

**Loan Repayment Schedule**

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Payable within 1 year | 941.17 | 941.17 |
| Disclosed under Current Maturities of Long Term Debts refer note No.20 | | |
| Payable between 1 to 2 years | 941.17 | 941.17 |
| Payable between 2 to 5 years | 235.30 | 1,176.48 |
| **Total** | **2,117.65** | **3,058.82** |

(For details of security offered - Refer Note No.34)

### 17 Non Current Financial Liabilities - Others

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Payable towards Capital Expenditure | - | 300.00 |
| **Total** | **-** | **300.00** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 18 Current Financial Liabilities - Borrowings

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Secured** | | |
| Working Capital Loan from Banks | 16,156.14 | 9,008.32 |
| **Unsecured** | | |
| Working Capital Loan from Banks | - | 1,000.00 |
| Rate of interest range from 3.29% to 11.35% (P.Y. 2.52% to 11.35%) | | |
| **Total** | **16,156.14** | **10,008.32** |

(For details of security offered - Refer Note No.34)

### 19 Trade payables

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Due to micro enterprises and small enterprises | 408.58 | 575.92 |
| Due to creditors other than micro enterprises and small enterprises | 4,931.60 | 5,470.38 |
| **Total** | **5,340.18** | **6,046.30** |

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 | 408.58 | 575.92 |
| 2) Interest due on above and the unpaid interest | - | - |
| 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 | - | - |

### 20 Other financial liabilities

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Current maturities of long-term debt | 941.18 | 941.17 |
| Interest Accrued but not Due on Borrowings | 53.44 | 35.69 |
| Unclaimed Dividend | 18.94 | 24.93 |
| Deposits | - | 9.00 |
| Towards Capital Expenditure | 442.02 | 576.22 |
| **Total** | **1,455.57** | **1,587.02** |

### 21 Other Current liabilities

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Advance from customers | 26.29 | 20.48 |
| Statutory Dues | 136.05 | 185.66 |
| **Total** | **162.34** | **206.14** |

### 22 Provisions

| Particulars | As at | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Provision for employee benefits :** | | |
| Provision for Gratuity | 138.09 | 42.71 |
| Provision for Compensated Absences | 199.29 | 132.05 |
| **Total** | **337.38** | **174.76** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 23 Revenue from Operations

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Sales of Products** | | |
| Manufactured Products | 75,101.45 | 50,369.87 |
| **Other operating revenue** | | |
| Export Incentives | 74.02 | 152.27 |
| Process waste sale | 70.19 | 39.72 |
| Royalty Income | 9.69 | 7.65 |
| **Total** | **75,255.35** | **50,569.51** |

### 24 Other income

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Rent and Compensation | 4.99 | 4.99 |
| Net Gain on Sale of Property, Plant and Equipment | 0.69 | 1.45 |
| Liability/Provision no longer required, written back | 104.69 | 10.32 |
| Dividend Received | - | 375.30 |
| Other non-operating income | 17.51 | 18.21 |
| **Total** | **127.88** | **410.27** |

### 25 Cost of materials consumed

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Raw Materials consumed | 52,176.24 | 33,044.37 |
| **Total** | **52,176.24** | **33,044.37** |

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

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| **Opening inventories** | | |
| Finished goods | 1,410.15 | 1,678.52 |
| Work-in-progress | 3,455.71 | 2,862.73 |
| **Closing inventories** | | |
| Finished goods | (2,762.70) | (1,410.15) |
| Work-in-progress | (4,557.38) | (3,455.71) |
| **Excise duty on increase/ (decrease) of finished goods** | - | (6.48) |
| **Total** | **(2,454.22)** | **(331.09)** |

### 27 Manufacturing and Operating Costs

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Consumption of Spares Parts | 1,298.47 | 1,128.44 |
| Power and Fuel | 3,421.17 | 2,800.82 |
| Licence Fees (Technical Knowhow) | 339.27 | 380.53 |
| Other Manufacturing and Operating Expenses | 860.91 | 718.18 |
| Repairs to Buildings | 92.09 | 61.22 |
| Repairs to Machinery | 462.23 | 399.56 |
| **Total** | **6,474.14** | **5,488.75** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 28 Employee benefits expense

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Salaries and wages | 2,663.27 | 2,280.48 |
| Contribution to provident funds and other funds | 148.82 | 132.67 |
| Defined benefit plan expense | 120.08 | 33.01 |
| Workmen and Staff welfare expenses | 139.37 | 121.79 |
| **Total** | **3,071.54** | **2,567.95** |

### 29 Finance costs

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Interest expense | 1,264.81 | 670.65 |
| Foreign Exchange (gain) / loss on borrowings | (82.12) | (49.39) |
| Other borrowing costs | 84.30 | 66.64 |
| **Total** | **1,266.98** | **687.90** |

### 30 Depreciation and amortization expense

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Depreciation on Property, Plant and Equipment | 1,434.94 | 1,140.89 |
| Amortization on Intangible assets | 336.55 | 334.80 |
| **Total** | **1,771.49** | **1,475.69** |

### 31 Other expenses

| Particulars | For The Year Ended | |
|---|---|---|
| | 31st March, 19 | 31st March, 18 |
| Rent | 57.67 | 55.69 |
| Insurance | 177.19 | 178.19 |
| Rates and Taxes | 120.99 | 83.01 |
| Repairs & Maintainence Others | 144.61 | 56.80 |
| Auditors' Remuneration and Expenses* | 24.74 | 25.91 |
| Legal and Professional Expenses | 488.65 | 328.26 |
| Directors Sitting Fees | 13.75 | 7.75 |
| Provision for doubtful Debts | 31.36 | 21.96 |
| Freight Expenses | 1,836.30 | 1,212.10 |
| Commission on Sales | 157.92 | 127.65 |
| Sales Promotion Expenses | 84.17 | 95.59 |
| Travelling Expenses | 382.57 | 293.35 |
| CSR Expenses | 119.50 | 124.50 |
| Merger Expenses | - | 9.48 |
| Net Loss on Sale / Discard of Property, Plant and Equipment | 61.37 | 46.50 |
| Foreign Exchange (Gain)/Loss (net) | 63.38 | (66.20) |
| Miscellaneous Expenses | 715.67 | 613.38 |
| **Total** | **4,479.84** | **3,213.92** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

***Auditors' remuneration and expenses**

| Particulars | 31st March, 19 | 31st March, 18 |
|---|---|---|
| - Audit Fees | 13.55 | 16.65 |
| - Tax Audit Fees | 2.50 | 2.00 |
| - Limited Review Fees | 4.00 | 4.00 |
| - Certification Fees | 2.90 | 0.70 |
| Reimbursement of out-of-pocket expenses | 1.79 | 2.56 |
| **Total** | **24.74** | **25.91** |

**32 Income Taxes**

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

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Current tax | 2,327.60 | 1,548.24 |
| Deferred tax | 967.27 | 264.43 |
| **Total income tax expense/(credit)** | **3,294.88** | **1,812.67** |

**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:**

| Reconciliation of effective tax rate | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Profit before tax | 7,589.65 | 4,832.28 |
| Enacted income tax rate in India | 34.94% | 34.60% |
| Computed Expected Tax Expense | 2,652.13 | 1,671.97 |
| **Tax Expense Recognised in Statement of Profit and Loss** | **2,652.13** | **1,671.97** |
| **Differences due to:** | | |
| - Remeasurements on defined benefit plans | (24.96) | 13.38 |
| - Amortisation on Goodwill on Amalgamation | 387.66 | - |
| - Expenses not allowable - impairment of Loan and Investment | 320.59 | - |
| - Benefit on Scientific Research expenses | (103.87) | (83.33) |
| - Others | 63.33 | 210.65 |
| **Total income tax expense/(credit)** | **3,294.88** | **1,812.67** |

**C. Movement Deferred tax (assets)/liabilities during the year ended March 31, 2019 :**

| Particulars | As at 1st April, 2018 | (Credit)/ charge in Statement of Profit and Loss | As at 31st March, 2019 |
|---|---|---|---|
| Expenses allowable for tax purposes when paid | (51.67) | (103.76) | (155.43) |
| Depreciation | 2,532.24 | 1,046.08 | 3,578.32 |
| **Deferred Tax Liability/(Asset)** | **2,480.57** | **942.32** | **3,422.89** |

**Movement Deferred tax (assets)/liabilities during the year ended March 31, 2018 :**

| Particulars | As at 1st April, 2017 | (Credit)/ charge in Statement of Profit and Loss | As at 31st March, 2018 |
|---|---|---|---|
| Expenses allowable for tax purposes when paid | (53.13) | 1.46 | (51.67) |
| Depreciation | 2,269.27 | 262.97 | 2,532.24 |
| **Deferred Tax Liability/(Asset)** | **2,216.14** | **264.43** | **2,480.57** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 33 Earnings per share

| Particulars | F.Y. 2018-19 | F.Y. 2017-18 |
|---|---|---|
| Earnings Per Share has been computed as under: | | |
| Profit for the year before exceptional items | 5,995.43 | 3,032.99 |
| Profit for the year after exceptional items | 4,987.86 | 3,032.99 |
| 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 | 17.82 | 9.01 |
| Basic and diluted Earnings Per Share after exceptional items | 14.82 | 9.01 |
| (Face value of Re. 5 per share) | | |

The earnings per share in respect of the previous year have been restated after considering the split of shares and bonus issue of shares. Refer Note No.14

### 34 Assets offered as security

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

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| **Current Assets** | | |
| Trade receivables | 16,103.69 | 13,464.76 |
| Inventories | 20,266.36 | 13,276.25 |
| **Total Current assets offered as security** | **36,370.05** | **26,741.01** |
| **Non Current Assets** | | |
| Land & Building | 3,151.73 | 2,185.31 |
| Furniture, fittings and equipment | 119.98 | 50.31 |
| Plant and Machinery | 10,434.70 | 7,955.58 |
| Others | 30.43 | 15.23 |
| **Total non-current assets offered as security** | **13,736.84** | **10,206.43** |
| **Total assets offered as security** | **50,106.89** | **36,947.44** |

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

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| **Contingent Liabilities** | | |
| Claims against the Company not acknowledged as debts in respect of past disputed liabilities. | | |
| - Disputed Sales Tax | - | 6.87 |
| - Disputed Labour Claim | 9.96 | 9.96 |
| - Disputed Excise Duty | 13.78 | 89.33 |
| - Disputed Income Tax | 371.90 | 738.15 |
| **Total** | **395.64** | **844.31** |

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 reasonable expect the outcome of these proceedings to have a material impact on its financial statements.

### 36 Capital Commitments

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

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| Property, plant and equipment | 43.36 | 16.14 |
| Less: Capital advances | (35.86) | (10.54) |
| **Net Capital commitments** | **7.50** | **5.60** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

**37 Company has incurred following expenses on its in house Research & Development Facility :**

**(A) R & D Facility in Vadodara (approved u/s 35 (2AB) of Income Tax Act, 1961) :-**

| Accounts Head | 2018-19 | 2017-18 |
|---|---|---|
| **(i) Capital Expenses included in various heads :** | | |
| Buildings | 6.17 | - |
| Plant & Machinery | 18.22 | - |
| Furniture & Fixtures | 0.24 | 0.04 |
| Vehicles | 0.04 | |
| **Total** | **24.67** | **0.04** |
| **(ii) Revenue Expenses included in various heads :** | | |
| Other Manufacturing and Operating Exp | 36.70 | 52.57 |
| Employee Benefit Expenses | 83.88 | 71.97 |
| Interest | 0.03 | 0.09 |
| Depreciation | 15.14 | 16.24 |
| Other Expenses | 119.58 | 158.95 |
| **Total** | **255.33** | **299.82** |

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

| Accounts Head | 2018-19 | 2017-18 |
|---|---|---|
| **(i) Capital Expenses included in various heads :** | | |
| **Accounts Head** | | |
| Plant and Machinery | 18.30 | 44.39 |
| Office Equipments | 0.19 | 0.20 |
| Computer and Computer Software | 0.93 | 2.81 |
| Vehicles | - | 31.82 |
| CWIP - Lab Equipments | - | 0.76 |
| **Total** | **19.43** | **79.97** |
| **(ii) Revenue Expenses included in various heads :** | | |
| Cost of Material Consumed | 29.63 | 23.05 |
| Employee Benefit Expenses | 109.31 | 66.96 |
| Building Rent | 30.07 | 29.67 |
| Depreciation | 64.03 | 55.19 |
| Other Expenses | 54.91 | 32.82 |
| **Total** | **287.95** | **207.69** |

**38 <u>Financial risk management objectives and policies</u>**

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.

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

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 31st March 19 | As at 31st March 18 |
|---|---|---|
| Borrowings bearing variable rate of interest | 18,273.78 | 13,067.14 |

**Interest rate sensitivity**

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

| Particulars | 2018-2019 | 2017-2018 |
|---|---|---|
| 50 bp increase in interest rate - decrease in profits | 78.35 | 57.59 |
| 50 bp decrease in interest rate - Increase in profits | (78.35) | (57.59) |

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 31st March'19 | As at 31st March'18 |
|---|---|---|
| Forward contracts | - | - |

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

**As at 31st March 2019** (Foreign currency In lakh)

| Particulars | USD | EURO |
|---|---|---|
| Trade Receivable | 109.00 | - |
| Trade payables | 17.37 | 0.68 |
| Borrowings | 75.64 | 0.56 |
| Loan Given | - | - |
| Cash and Bank balances | 0.07 | - |

**As at 31st March 2018** (Foreign currency In lakh)

| Particulars | USD | EURO |
|---|---|---|
| Trade Receivable | 87.09 | - |
| Trade payables | 9.26 | - |
| Borrowings | 57.92 | |
| Loan Given | 11.05 | - |
| Cash and Bank balances | - | - |

**Foreign Currency Risk Sensitivity**

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

| Particulars | F.Y. 2018-19 | | F.Y. 2017-18 | |
|---|---|---|---|---|
| | 1% Increase | 1% decrease | 1% Increase | 1% decrease |
| EURO | (0.97) | 0.97 | - | - |
| USD | 11.10 | (11.10) | 20.43 | (20.43) |
| Increase / (decrease) in profit or loss | 10.13 | (10.13) | 20.43 | (20.43) |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 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 customs, 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. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

**Ageing of Account receivables**

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| Not due | 11,747.89 | 6,776.90 |
| 0-3 months | 3,845.28 | 5,707.18 |
| 3-6 months | 120.52 | 401.58 |
| 6 months to 12 months | 394.84 | 565.65 |
| beyond 12 months | 53.30 | 40.22 |
| **Total** | 16,161.82 | 13,491.53 |

**Movement in provisions of doubtful debts**

| Particulars | 2018-19 | 2017-18 |
|---|---|---|
| **Opening provision** | 26.77 | 4.81 |
| Add:- Additional provision made | 31.36 | 21.96 |
| **Closing provisions** | 58.13 | 26.77 |

**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. two) 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 | 2018-19 | 2017-18 |
|---|---|---|
| Revenue from top 3 customers (P. Y. 2 customers) | 33,540.92 | 12,497.87 |
| **% of total Revenue** | 44.57% | 29.52% |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

**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 |
|---|---|---|---|---|
| **As at March 31, 2019** | | | | |
| Non Current Liabilities | | | | |
| Borrowings | | 1,176.47 | | 1,176.47 |
| Other Financial Liabilities | - | | | - |
| **Total Non current Liabilities** | **-** | **1,176.47** | **-** | **1,176.47** |
| Current Liabilities | | | | |
| Borrowings | 16,156.14 | | | 16,156.14 |
| Trade Payables | 5,340.18 | | | 5,340.18 |
| Other Financial Liabilities | 1,455.57 | | | 1,455.57 |
| Other Current Liabilities | 162.34 | | | 162.34 |
| **Total Current Liabilities** | **23,114.23** | **-** | **-** | **23,114.23** |

| Particulars | Less than 1 Year/On Demand | 1- 5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| **As at March 31, 2018** | | | | |
| Non Current Liabilities | | | | |
| Borrowings | | 2,117.65 | | 2,117.65 |
| Other Financial Liabilities | | 300.00 | | 300.00 |
| **Total Non current Liabilities** | **-** | **2,417.65** | **-** | **2,417.65** |
| Current Liabilities | | | | |
| Borrowings | 10,008.32 | | | 10,008.32 |
| Trade Payables | 6,046.30 | | | 6,046.30 |
| Other Financial Liabilities | 1,587.02 | | | 1,587.02 |
| Other Current Liabilities | 206.14 | | | 206.14 |
| **Total Current Liabilities** | **17,847.78** | **-** | **-** | **17,847.78** |

**Financing arrangements**

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

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| Variable Borrowing - Cash Credit expires within 1 year | 6,310.18 | 5,770.40 |
| **Total** | **6,310.18** | **5,770.40** |

**39 Fair Value measurement**

**Financial Instrument by category and hierarchy**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

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

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

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.

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'2019**

| Particulars | Non Current | Current | Total | Routed through P & L | Routed through OCI | Carrying at amortised cost | At Cost | Total |
|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | |
| 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 | - | 294.34 | 294.34 | - | - | 294.34 | - | 294.34 |
| Other Bank Balance | - | 125.66 | 125.66 | - | - | 125.66 | - | 125.66 |
| Other Current financial assets | - | 79.12 | 79.12 | - | - | 79.12 | - | 79.12 |
| | **368.26** | **16,602.81** | **16,971.07** | **-** | **-** | **16,891.95** | **-** | **16,891.95** |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | 1,176.47 | - | 1,176.47 | - | - | 1,176.47 | - | 1,176.47 |
| 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 |
| | **1,176.47** | **6,795.75** | **7,972.22** | **-** | **-** | **7,972.22** | - | **7,972.22** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

**Financial Assets and Liabilities as at 31st March'2018**

| Particulars | Non Current | Current | Total | Routed through P & L | Routed through OCI | Carrying at amortised cost | At Cost | Total |
|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | |
| Investments in Subsidiary | 199.60 | - | 199.60 | - | - | - | 199.60 | 199.60 |
| Other Financial Assets | 414.42 | - | 414.42 | - | - | 414.42 | - | 414.42 |
| Loans and advances | 718.74 | - | 718.74 | - | - | 718.74 | - | 718.74 |
| Trade receivable | - | 13,464.76 | 13,464.76 | - | - | 13,464.76 | - | 13,464.76 |
| Cash and Cash equivalents | - | 235.15 | 235.15 | - | - | 235.15 | - | 235.15 |
| Other Bank Balance | - | 126.98 | 126.98 | - | - | 126.98 | - | 126.98 |
| Other Current financial Assets | - | 78.21 | 78.21 | - | - | 78.21 | - | 78.21 |
| | **1,332.76** | **13,905.10** | **15,237.86** | **-** | **-** | **15,038.26** | **199.60** | **15,237.86** |
| **Financial Liabilities** | | | | | | | | |
| Borrowings | 2,117.65 | 10,949.49 | 13,067.14 | - | - | 13,067.14 | - | 13,067.14 |
| Other Financial Liabilities | 300.00 | 1,587.02 | 1,887.02 | - | - | 1,887.02 | - | 1,887.02 |
| Trade Payables | | 6,046.30 | 6,046.30 | - | - | 6,046.30 | - | 6,046.30 |
| | **2,417.65** | **18,582.81** | **21,000.46** | **-** | **-** | **21,000.46** | - | **21,000.46** |

**40 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)

**b) Other Parties with whom the Company has entered into transactions during the year :**

**i) KMP having significant influence:**

Keshavlal V. Bodani Education Foundation.

**ii) Key Management personnel :**

Late Mrs Chandrika A. Bodani (Executive Chairperson till 14.07.17)

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

Mr. Shyamal A. Bodani (Executive Director)

Mr. Animesh Dhar (Executive Director - Operations)

Mr. Satish Ray (Executive Director - Operations)

Mr. D. S. Raghava (Executive Director till 03.08.17)

Mrs. Indira Bodani (Relative KMP)

Mrs. Kinnari Panjabi (Relative KMP)

Mr. Girish Khandelwal (Chief Financial Officer)

Mrs. Kiranpreet Gill (Company Secretary)

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

**Transaction with the Related Parties**

**1 Compensation to Key Management Personnel**

| Particulars | Transaction during F.Y. 18-19 | Transaction during F.Y. 17-18 |
|---|---|---|
| Short term employee benefits | 353.79 | 353.03 |
| 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 Standalone Financial Statements for the year ended 31st March, 2019

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

**2 Disclosure in respect of material transaction with related parties**

| Sr No | Parituclars | Nature of transaction | 2018-2019 | 2017-2018 | Outstanding as at 31.03.19 | Outstanding as at 31.03.18 |
|---|---|---|---|---|---|---|
| 1 | PT. Oriental Aromatics | Sales | 361.97 | 93.38 | 202.84 | 81.27 |
| | | Loan Repaid | - | 320.05 | - | 718.74 |
| | | Impairment of Investment and loan including interest receivable | 973.12 | - | - | - |
| | | Receivable write off | 51.13 | - | - | - |
| | | Interest Received | 30.89 | 39.04 | - | 55.68 |
| 2 | Oriental Aromatics INC | Divided Received | - | 379.79 | - | - |
| 3 | Keshavlal V.Bodani Education Foundation | Donation (Including CSR Expneses) | 117.50 | 124.50 | - | - |
| 4 | Late Mrs Chandrika A. Bodani | Remuneration | - | 18.04 | | |
| 5 | Mr. Dharmil A. Bodani | Remuneration | 162.00 | 162.00 | 0.13 | 26.83 |
| 6 | Mr Shyamal A. Bodani | Remuneration | 90.90 | 90.90 | 5.10 | 0.92 |
| 7 | Mr. D. S. Raghava | Remuneration | - | 32.59 | | |
| 8 | Mr. Animesh Dhar | Remuneration | 26.41 | 12.83 | - | - |
| 9 | Mr. Satish Ray | Remuneration | 16.26 | 7.99 | - | - |
| 10 | Mrs. Indira Bodani | Remuneration | 18.00 | 11.67 | - | - |
| 11 | Mrs. Kinnari Panjabi | Remuneration | 3.60 | 10.23 | - | - |
| 12 | Mr. Girish Khandelwal | Remuneration | 25.09 | 16.77 | - | - |
| 13 | Mrs. Kiranpreet Gill | Remuneration | 11.53 | 8.05 | - | - |

**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 sales and purchases: the sales and purchases transactions among the related parties are in the ordinary course of business based on normal commercial terms, conditions and market rates.

**41 Post retirement benefit plans**

As per Actuarial Valuation as on 31st March, 2019 and 2018 and recognised in the financial statements in respect of Employee Benefit Schemes:

**DEFINED BENEFIT PLANS :**

**A. Balance Sheet**

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| Present value of plan liabilities | 509.64 | 440.24 |
| Fair value of plan assets | 371.55 | 397.53 |
| **Plan liability net of plan assets** | **138.09** | **42.71** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

**(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 |
|---|---|---|---|
| **As at 1st April 2018** | 397.53 | 440.25 | 42.72 |
| Current service cost | | 29.68 | 29.68 |
| Employee contributions | | | - |
| Return on plan assets excluding amounts included in net finance income/cost | (4.67) | | 4.67 |
| Interest cost | | 33.94 | 33.94 |
| Past Service Cost - Vested Benefits | | | - |
| 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 |
| Employer contributions | 9.05 | | (9.05) |
| Benefit payments | (60.99) | (60.99) | - |
| **As at 31st March 2019** | **371.55** | **509.64** | **138.09** |

| Particulars | Plan Assets | Plan liabilities | Plan liability net of plan assets |
|---|---|---|---|
| **As at 1st April 2017** | 414.26 | 435.66 | 21.40 |
| Current service cost | | 37.70 | 37.70 |
| Employee contributions | | | - |
| Return on plan assets excluding amounts included in net finance income/cost | 1.85 | | (1.85) |
| Interest cost | | 27.92 | 27.92 |
| Past Service Cost - Vested Benefits | | 33.21 | 33.21 |
| Interest income | 27.08 | | (27.08) |
| Actuarial (gain)/loss arising from changes in financial assumptions | | (33.52) | (33.52) |
| Actuarial (gain)/loss arising from experience adjustments | | (5.15) | (5.15) |
| Employer contributions | 10.99 | | (10.99) |
| Adjustment in opening balance | (1.09) | | 1.09 |
| Benefit payments | (55.57) | (55.57) | - |
| **As at 31st March 2018** | **397.53** | **440.25** | **42.72** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

**C. Statement of Profit and Loss**

| Particulars | Year ended 31st March, 2019 | Year ended 31st March, 2018 |
|---|---|---|
| **Employee Benefit Expenses:** | | |
| Current service cost | 29.68 | 37.70 |
| **Total** | 29.68 | 37.70 |
| Finance cost/(income) | 3.31 | 0.84 |
| **Net impact on the Profit / (Loss) before tax** | 32.99 | 38.53 |
| **Remeasurement of the net defined benefit liability:** | | |
| Return on plan assets excluding amounts included in net | 4.67 | 2.32 |
| Actuarial gains/(losses) on obligation for the Period finance income/(cost) | | 52.44 |
| Actuarial gains/(losses) arising from changes in demographic | 9.88 | - |
| Actuarial gains/(losses) arising from changes in financial assumptions | 38.96 | - |
| Experience gains/(losses) arising on pension plan and other | 17.92 | - |
| benefit plan liabilities | - | - |
| **Net impact on the Other Comprehensive Income before tax** | **71.44** | **54.77** |

**D. Defined benefit plans Assets**

| Particulars | As at 31st March'19 | As at 31st March'18 |
|---|---|---|
| Insurance Fund | 371.55 | 397.53 |

**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 31st March'19 | As at 31st March'18 |
|---|---|---|
| **Financial Assumptions** | | |
| Discount rate | 7.59% | 7.72% |
| Salary Escalation Rate | 6.00% | 4.00% |
| Number of Active Members | 611.00 | 577.00 |
| Per Month Salary For Active Members | 102.69 | 98.25 |
| *Weighted Average Duration of the Projected Benefit Obligation* | 6 | 37.41 |

**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% | 532.22 | 489.49 |
| Salary Escalation Rate | PVO ER+1% | 531.13 | 490.10 |
| Employee Turnover | PVO ET+1% | 511.79 | 507.21 |

| Previous Year | Change in assumption | Increase in assumption | Decrease in assumption |
|---|---|---|---|
| Discount rate | PVO DR+1% | 419.66 | 463.62 |
| Salary Escalation Rate | PVO ER+1% | 460.57 | 421.36 |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

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, 2018 as follows:**

| Year ending 31 March, | Amount |
|---|---|
| 2020 | 149.66 |
| 2021 | 59.80 |
| 2022 | 52.56 |
| Thereafter | 472.08 |

**42** During the previous year, pursuant to the approval to the Scheme of Amalgamation (the 'Scheme') by the Hon'ble National Company Law Tribunal vide its Order dated 16th November, 2017, the entire business and all assets, liabilities, duties and obligations of erstwhile Oriental Aromatics Ltd. (the "Transferor Company") with Camphor & Allied Products Ltd. (the " Transferee Company" / the Company), engaged in the business of fragrances and flavours, were transferred to and vested in the Company from 1st April, 2016, the appointed date.

The amalgamation in terms of the Scheme had accounted as prescribed by the Indian Accounting Standard – 103, "Business Combination", specified under section 133 of the Companies Act, 2013 read with of the Companies (Indian Accounting standards) Rules,2015 and other relevant provisions of the Act, and the accounting treatment was given as:

A) Issue of Shares in consideration of the amalgamation: As per the Scheme, 6,240,000 (including 2,960,280 held by OAL) equity shares of ₹ 10 each at par were to be issued to the shareholders of Oriental Aromatics Ltd.

B) The amalgamation had resulted in transfer of assets, liabilities reserves of the Transferor Company as at 1st April, 2016 in accordance with the terms of the Scheme.

C) ₹ 4497.72 Lakh had recognised as Goodwill on Amalgamation being the difference between the above net assets and shares to be issued to the shareholder of Transferor Company, cost of the investment in the Transferor Company and cancellation of shares held by Transferor Company.

The Company assesses at each balance sheet date whether there is any indication that goodwill on amalgamation may be impaired. In the absence of any indication for impairment, no impairment testing has been carried out by the Company.

**43 Capital risk management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt

The Company's strategy is to maintain a gearing ratio within the industry average. The gearing ratios were as follows:

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Net Debt | 17,979.44 | 12,831.98 |
| Equity | 39,199.15 | 34,460.95 |
| Total Capital Employed | 57,178.59 | 47,292.93 |
| **Gearing Ratio** | **31%** | **27%** |

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

### 44 Net Debt Reconciliation

| Particulars | As at 31st March 2019 | | As at 31st March 2018 | |
|---|---|---|---|---|
| | Term Loan | Working Capital Loan | Term Loan | Working Capital Loan |
| **Opening Net Debt** | 3,058.82 | 10,008.32 | 3,999.99 | 5,969.45 |
| Cash Flow during the year | (941.17) | 6,029.74 | (941.17) | 3,981.32 |
| Foreign Exchange (Gain)/loss | - | 118.08 | - | 57.55 |
| **Closing Net Debt** | **2,117.65** | 16,156.14 | 3,058.82 | 10,008.32 |

### 45 Corporate Social Responsibility

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Amount required to be spent as per Section 135 of Companies Act, 2013 | 81.60 | 65.73 |
| Amount Spent during the year | | |
| (a) Construction/Acquisition of assets | - | - |
| (b) On purpose other than above | 119.50 | 124.50 |

### 46 Operating segment

The Company is engaged in the business of manufacture of Fine Chemicals, considering its business activities primarily operated within India and reviewed by the Chairman and Managing Director to make decisions about resources to be allocated to the segment and assess its Performance. Accordingly, the Company has only one business segment.

The information relating to revenue from external customers of its single reportable segment has been disclosed as below:

**a. Revenue from operations**

| Particulars | As at 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Within India | 53,783.37 | 34,571.64 |
| Outside India | 21,471.98 | 15,997.87 |
| **Total** | 75,255.35 | 50,569.51 |

**b. Non-current operating assets**

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

### 47 Recent Accounting Pronouncements

**Ind AS 116 - Leases**

On March 30, 2019, Ministry of Corporate affairs have notified Ind AS 116 – "Leases". Ind AS 116 will replace the existing leases standards Ind AS 17 – "Leases" and related interpretations. The new standard sets out the principles for the recognition, measurement, presentation and disclosures of lease for both lease and lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise the assets and liabilities for all leases with a term of more than 12 months, unless the underlying assets are of low value. Ind AS 116 substantially carried forward the accounting treatment prescribed for lessor. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued Ind AS 116 on its financial statements.

**Ind AS 12 –"Income taxes" - Appendix C – Uncertainty over income tax treatments**

On March 30, 2019, Ministry of Corporate affairs have notified Appendix C to Ind AS 12, uncertainty over the income tax treatments which is to be applied while performing the determination of taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, the company needs to determine the probability of the relevant tax authorities accepting the each tax treatments that the companies have used or plan to use in their income tax filings which has to be considered to compute the most likely amount or expected

## Notes to the Standalone Financial Statements for the year ended 31st March, 2019

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

value of the tax treatments, when determining the taxable profits/(loss), tax bases, unused tax losses, unused tax credits and tax rates. The effective date for adoption of Ind AS 116 is annual period beginning on or after April 01, 2019. The Company is evaluating the impact of the issued appendix C on its financial statements."

**48** The Board of directors of the Company has recommended the payment of dividend on equity shares of ₹ 5 each @ ₹ 1 per share for the year ended 31st March, 2019. The final dividend shall be subject to approval of shareholders at the ensuing Annual General Meeting.

**49** The Standalone Financial Statements have been approved by the Board of Directors in its meeting held on 27th May, 2019.

**50** The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification.

All figures of financials has been rounded off to nearest lacs rupees.

Signatures to Notes 1 to 50 which form an integral part of the financial statement.

**On behalf of Board of Directors**

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

**Date : 27th May, 2019**
**Place : Mumbai**

# 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 consolidated financial statements of Oriental Aromatics Limited ("the Parent Company"), its subsidiary (hereinafter to be referred as "the Group") which comprises of consolidated Balance Sheet as at March 31, 2019, 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 consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the Act)in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at 31st March 2019,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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | Auditor's response |
|---|---|
| **Commissioning of New Plant:**<br>During the year, the Company has commissioned a multiproduct plant having advanced and highly automated technology to produce Specialty Aroma Chemicals. Considering that, commissioning of such new plant involves multiple processes with the risk of materials movement and its accounting involving:<br>• Defining of controls in various processes with regard to issue of materials, production processes and input output ratios<br>• Continuous refining of Bill of Material (BOM) in the system as the production efficiency/ experiences built up<br>• Management judgement and estimates defining the yields.<br>We have accordingly designated this as a focus area in the audit. | Our audit approach consisted testing of design and operating effectiveness of internal controlsadopted by the Company and substantive testing around the materials consumption accounting procedures and computing inventories values.<br>To address the risk of material consumption and inventory accounting, our audit procedures includes amongst other:<br>a. Analyzing the inventory consumption pattern, valuation process and practices<br>b. Discussed with the Management and assessed the physical verification process adopted by the Company<br>The combination of these tests of controls and procedures performed, gave us a sufficient evidence to enable us to rely on the materials accounting for the purpose of our audit of the Consolidated financial statements. |

**Information Other than the Consolidated Financial Statements and auditor's report thereon**

The Parent Company's Board of Directors is responsible for the preparation of other information. The Other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board report and Corporate Governance 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 in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 pf our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current 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 a subsidiary included in the consolidated financial statements of the Group whose financial statements reflects total assets of ₹209.46Lakh as at March 31, 2019 (as at 31 March, 2018 ₹377.70Lakh); total revenue of ₹633.13Lakh and net loss of ₹185.87Lakh and net cash flow of ₹40.87Lakhfor the year ended 31 March, 2019 (revenue of ₹ 154.54Lakh, net loss of ₹ 153.20 Lakh and net cash outflow of ₹317.29Lakh for the year ended March 31, 2018),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, is based solely on the report of other auditors.

(b) Opening balances has been taken on the basis of the consolidated financial statements for the year ended 31st March, 2018 audited by another firm of Chartered Accountants, who have issued an unmodified report dated 31st May 2018.

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 and the reports of the other auditors.

   (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, 2019 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, 2019 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 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.35 of standalone financials 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 Group.

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

**Vinay Somani**
Partner
Membership No. 143503

Place: Mumbai
Date: May 27th, 2019

# Consolidated Balance Sheet as at 31st March, 2019

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

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| I | **ASSETS** | | | |
| 1 | **Non-current Assets** | | | |
| | (a) Property, Plant and Equipment | 3 | 19,405.72 | 15,831.13 |
| | (b) Capital work - in - progress | 3 | 80.31 | 3,992.30 |
| | (c) Intangible assets | 4 | 577.25 | 902.94 |
| | (d) Goodwill on Amalgamation | | 4,497.72 | 4,497.72 |
| | (e) Deferred Tax assets | | - | 0.82 |
| | (f) Financial Assets : | | | |
| | Other financial assets | 5 | 368.26 | 368.47 |
| | (g) Current Tax Assets (Net) | | 304.74 | - |
| | (h) Other non - current assets | 6 | 35.86 | 10.54 |
| | **Total Non-Current Assets** | | **25,269.86** | **25,603.92** |
| 2 | **Current assets** | | | |
| | (a) Inventories | 7 | 20,290.07 | 13,283.74 |
| | (b) Financial Assets : | | | |
| | (i) Trade receivables | 8 | 15,999.77 | 13,442.40 |
| | (ii) Cash and cash equivalents | 9 | 437.05 | 456.97 |
| | (iii) Bank Balances other than (ii) above | 10 | 125.66 | 126.98 |
| | (iv) Other current financial assets | 11 | 20.61 | 91.47 |
| | (c) Other current assets | 12 | 5,103.09 | 4,282.58 |
| | **Total Current Assets** | | **41,976.24** | **31,684.14** |
| 3 | **Non-current assets classified as held for sale** | | 8.00 | 1.75 |
| | **TOTAL ASSETS** | | **67,254.11** | **57,289.81** |
| II | **EQUITY AND LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | (a) Equity share capital | 13 | 1,682.68 | 841.34 |
| | (b) Other Equity | 14 | 37,509.74 | 32,916.19 |
| | **Total Equity** | | **39,192.42** | **33,757.53** |
| 2 | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 15 | 1,176.47 | 2,117.65 |
| | (ii) Other Financial Liabilities | 16 | - | 313.65 |
| | (b) Deferred tax liabilities | | 3,422.89 | 2,480.57 |
| | **Total Non Current Liabilities** | | **4,599.36** | **4,911.87** |
| 3 | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 17 | 16,156.14 | 10,129.61 |
| | (ii) Trade Payables | 18 | | |
| | (A) Total outstanding dues of micro enterprises and small enterprises; | | 408.58 | 575.92 |
| | (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 4,942.31 | 5,543.37 |
| | (iii) Other Financial Liabilities | 19 | 1,455.57 | 1,595.32 |
| | (b) Other current liabilities | 20 | 162.35 | 210.44 |
| | (c) Current Tax Liability (Net) | | - | 390.99 |
| | (d) Provisions | 21 | 337.38 | 174.76 |
| | **Total Current Liabilities** | | **23,462.33** | **18,620.41** |
| | **Total Liabilities** | | **28,061.69** | **23,532.28** |
| | **TOTAL EQUITY AND LIABILITIES** | | **67,254.11** | **57,289.81** |
| | **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1- 36 | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

## Consolidated Statement of Profit and Loss for the Year Ended 31st March, 2019

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

| | Particulars | Note No. | For The Year Ended | |
|---|---|---|---|---|
| | | | 31st March, 2019 | 31st March, 2018 |
| I | **Income** | | | |
| | Revenue from Operations | 22 | 75,468.57 | 50,603.31 |
| | Other Income | 23 | 127.93 | 35.87 |
| | **Total Income** | | **75,596.50** | **50,639.18** |
| II | **Expenses** | | | |
| | Cost of materials consumed | 24 | 52,211.65 | 33,077.68 |
| | Changes in inventories of finished goods and work-in progress | 25 | (2,454.22) | (331.09) |
| | Manufacturing and Operating Costs | 26 | 6,474.14 | 5,488.75 |
| | Employee benefits expense | 27 | 3,148.78 | 2,614.63 |
| | Finance costs | 28 | 1,268.56 | 731.64 |
| | Depreciation and amortization expense | 29 | 1,779.71 | 1,482.32 |
| | Other expenses | 30 | 4,618.71 | 3,278.73 |
| | **Total expenses** | | **67,047.33** | **46,342.66** |
| III | **Profit before tax** | | **8,549.17** | **4,296.52** |
| IV | Exceptional Items - Impairment of assets | | (232.23) | |
| V | **Profit / (loss) before tax** | | **8,316.94** | **4,296.52** |
| VI | **Tax expense** | 31 | | |
| | Current tax | | 2,327.60 | 1,548.24 |
| | Deferred tax charge/(credit) | | 968.11 | 250.11 |
| | Tax in respect of Earlier Years, written back | | (693.09) | - |
| | | | 2,602.62 | 1,798.35 |
| VII | **Profit for the period** | | **5,714.32** | **2,498.16** |
| VIII | **Other Comprehensive Income** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Actuarial Gain/(Loss) Net of Tax | | (46.48) | 52.61 |
| IX | **Total Comprehensive Income for the year (VII + VIII)** | | **5,667.84** | **2,550.77** |
| | *Attributable to the owners of the parent's company* | | | |
| | **Earnings per equity share of ₹ 5 each** | 32 | | |
| | Before Exceptional Item (Basic & Diluted) | | 17.67 | 7.42 |
| | After Exceptional Item (Basic & Diluted) | | 16.98 | 7.42 |
| | **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1- 36 | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

## Consolidated Cash Flow Statement for the year ended 31st March 2019

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

| | Particulars | Note No. | For the Year ended 31st March, 2019 | For the Year ended 31st March, 2018 |
|---|---|---|---|---|
| A) | **Cash Flow from Operating Activities** | | | |
| | **Net Profit before Tax** | | **8,316.94** | **4296.52** |
| | **Adjustments for:** | | | |
| | Depreciation and amortization expense | | 1,779.71 | 1,482.32 |
| | Interest and Other Finance Cost | | 1,268.56 | 731.64 |
| | Bad Debts and Provision for doubtful Debts | | 42.34 | 21.96 |
| | Loss / (Profit) on discarding / sale of assets (Net) | | 64.33 | 45.05 |
| | Excess Provision Written back | | (104.69) | (10.32) |
| | Exceptional Items - Impairment of assets | | 232.23 | - |
| | Unrealised Foreign Exchange rate difference | | (74.14) | (27.18) |
| | **Operating Profit before Working Capital Changes** | | **11,525.28** | **6,539.99** |
| | Adjustments for: | | | |
| | (Increase)/Decrease in Trade & Other Receivables | | (3,439.23) | (4,194.21) |
| | (Increase)/Decrease in Inventories | | (7,006.33) | (1,838.48) |
| | Increase/(Decrease) in Trade Payables & Provisions | | (1,091.77) | 2,836.50 |
| | **Cash generated from Operating Activities** | | **(12.05)** | **3,343.80** |
| | Direct Taxes (Paid) Net of Refund Received | | (2,330.24) | (1,741.16) |
| | **Net Cash from Operating Activities (A)** | | **(2,342.29)** | **1,602.64** |
| B) | **Cash Flow from Investing Activities** | | | |
| | Purchase of Property, Plant and Equipment | | (1,286.58) | (3,082.80) |
| | Sale of Property, Plant and Equipment | | 43.67 | 16.61 |
| | **Net Cash (used in)/from Investing Activities (B)** | | **(1,242.91)** | **(3,066.19)** |
| C) | **Cash Flow from Financing Activities** | | | |
| | Proceeds / (Repayment) from / to Loan, (Net) | 34 | 5,085.36 | 2,709.14 |
| | Dividend Paid (Including Dividend Distribution Tax) | | (203.18) | (468.03) |
| | Interest and Other Financial Cost | | (1,316.91) | (756.79) |
| | **Net Cash (used in)/from Financing Activities (C)** | | **3,565.27** | **1,484.32** |
| | **Net increase in cash and cash equivalents (A + B + C)** | | **(19.94)** | **20.77** |
| | Cash & cash equivalents at beginning of the year | 9 | **456.97** | **436.20** |
| | Cash & cash equivalents at end of the year | 9 | **437.05** | **456.97** |
| | **Significant Accounting Policies and accompany Notes form integral part of the Financial Statements** | 1- 36 | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2019

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

## a) EQUITY SHARE CAPITAL

| Particulars | Notes | Amount |
|---|---|---|
| **As at 31st March 2017** | | **513.37** |
| Changes in Equity Share Capital | 13 | 327.97 |
| **As at 31st March 2018** | | **841.34** |
| Changes in Equity Share Capital | 13 | 841.34 |
| **As at 31st March 2019** | | **1,682.68** |

## b) OTHER EQUITY

| Particulars | NOTE No. | 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 | |
| **Balance as at 1st April, 2017** | | 266.74 | 739.82 | 4,376.64 | 25,515.06 | (109.39) | 19.86 | **30,808.73** |
| Profit for the year | | - | - | - | 2,498.16 | - | 24.72 | **2,522.88** |
| Other Comprehensive Income for the year | | - | - | - | - | 52.61 | | **52.61** |
| Dividend and Dividend Distribution Tax Paid | | - | - | - | (468.03) | - | | **(468.03)** |
| **Balance as at 31st March, 2018** | | **266.74** | **739.82** | **4,376.64** | **27,545.19** | **(56.78)** | **44.58** | **32,916.19** |
| Profit for the year | | - | - | - | 5,714.32 | - | (29.77) | **5,684.55** |
| Capitalisation of profit - Issue of Bonus shares | 13 | | (739.82) | (101.52) | | | | **(841.34)** |
| Other Comprehensive Income for the year | | - | - | - | - | (46.48) | | **(46.48)** |
| Transfer | | | | | 97.88 | 17.18 | (115.06) | **-** |
| Dividend and Dividend Distribution Tax Paid | | - | - | - | (203.18) | - | | **(203.18)** |
| **Balance as at 31st March, 2019** | | **266.74** | **-** | **4,275.12** | **33,154.21** | **(86.08)** | **(100.25)** | **37,509.74** |
| **Significant accounting policies and accompanying notes form an integral part of financial statements** | 1-36 | | | | | | | |

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

**Vinay Somani**
Partner

**Date : 27th May, 2019**
**Place : Mumbai**

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

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Kiranpreet Gill**
Company Secretary

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

**1 General Information :**

The consolidated financial statements comprise financial statements of Oriental Aromatics Limited ("the Parent Company") and its subsidiaries (hereinafter referred to as "the Group") for the year ended 31st March, 2019.

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 Bombay Stock Exchange Ltd. The Company is engaged in business of manufacturing Fine chemicals i.e. camphor, perfumery & specialty aroma chemicals, fragrances and flavour.

**2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :**

**I. Statement of compliance:**

The Consolidated financial Statements of the Group which comprise the Balance Sheet as at 31st March, 2019, 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, 2019, 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 27th May, 2019.

**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.

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### III. Foreign currency transactions

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

3 Property, Plant and Equipment

| Particulars | Freehold Land | Lease Land | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Computers | Total | Capital Work-In-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount :** | | | | | | | | | | |
| **As at 1st April 2017** | 4.74 | 428.19 | 4,888.47 | 9,705.69 | 247.61 | 861.23 | 290.85 | 11.84 | 16,438.61 | **1,504.92** |
| Additions | - | 203.64 | 81.95 | 1,187.27 | 34.38 | 52.56 | 61.35 | 31.26 | 1,652.40 | 2,487.38 |
| Disposals | - | - | - | 247.13 | 2.24 | 0.25 | 11.73 | 3.35 | 264.71 | - |
| Adjustment | | | | 1.75 | | | | | 1.75 | - |
| **As at 31st March 2018** | 4.74 | 631.83 | 4,970.42 | 10,644.07 | 279.75 | 913.54 | 340.47 | 39.74 | 17,824.55 | 3,992.30 |
| **Accumulated Depreciation :** | | | | | | | | | | |
| **As at 1st April 2017** | - | 5.74 | 240.65 | 530.06 | 69.89 | 137.11 | 44.60 | 7.30 | 1,035.34 | **-** |
| Depreciation charge for the year | - | 70.58 | 142.72 | 654.18 | 90.34 | 115.25 | 62.32 | 12.17 | 1,147.52 | - |
| Disposals | - | - | - | 175.93 | 1.73 | 0.24 | 8.21 | 3.38 | 189.44 | - |
| **As at 31st March 2018** | - | 76.32 | 383.37 | 1,008.31 | 158.49 | 252.12 | 98.71 | 16.09 | 1,993.42 | - |
| **Net Carrying Amount :** | | | | | | | | | | |
| **As at 1st April 2017** | **4.74** | **422.46** | **4,647.82** | **9,175.63** | **177.73** | **724.13** | **246.25** | **4.54** | **15,403.28** | **1,504.92** |
| **As at 31st March 2018** | **4.74** | **555.51** | **4,587.05** | **9,635.76** | **121.26** | **661.42** | **241.75** | **23.65** | **15,831.13** | **3,992.30** |

| Particulars | Freehold Land | Lease Land | Buildings | Plant & Equipment | Office Equipment | Furniture & Fixtures | Vehicles | Computers | Total | Capital Work-In-Progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount :** | | | | | | | | | | |
| **As at 1st April 2018** | **4.74** | **631.83** | **4,970.42** | **10,644.07** | **279.75** | **913.54** | **340.47** | **39.74** | **17,824.55** | **3,992.30** |
| Additions | - | - | 1,139.46 | 3,478.01 | 86.26 | 84.72 | 392.39 | 22.30 | 5,203.13 | 742.13 |
| Disposals | - | - | - | 80.57 | 15.48 | 39.85 | 123.46 | - | 259.36 | 4,654.12 |
| Capitalised/Adjustment | | | | | | | | | | |
| **As at 31st March 2019** | 4.74 | 631.83 | 6,109.87 | 14,041.50 | 350.54 | 958.41 | 609.40 | 62.03 | 22,768.32 | 80.31 |
| **Accumulated Depreciation :** | | | | | | | | | | |
| **As at 1st April 2018** | **-** | **76.32** | **383.37** | **1,008.31** | **158.49** | **252.12** | **98.71** | **16.09** | **1,993.42** | **-** |
| Depreciation charge for the year | - | 71.83 | 178.35 | 895.92 | 65.63 | 145.12 | 62.72 | 23.59 | 1,443.17 | **-** |
| Disposals | - | - | - | 16.49 | 4.00 | 7.30 | 46.19 | - | 73.98 | **-** |
| **As at 31st March 2019** | - | 148.15 | 561.72 | 1,887.74 | 220.13 | 389.94 | 115.24 | 39.68 | 3,362.61 | **-** |
| **Net Carrying Amount :** | | | | | | | | | | |
| **As at 31st March 2018** | **4.74** | **555.51** | **4,587.05** | **9,635.76** | **121.26** | **661.42** | **241.75** | **23.65** | **15,831.13** | **3,992.30** |
| **As at 31st March 2019** | **4.74** | **483.68** | **5,548.15** | **12,153.77** | **130.41** | **568.47** | **494.16** | **22.35** | **19,405.72** | **80.31** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

Notes:

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

**B.** The title deed of leasehold land having net book value of ₹ 615.55 (March 31, 2018 : ₹ 617.16) 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.** For information on property, plant and equipment offered as security by the Company, refer standalone financial statements

**D.** For information on Capital Commitment, refer standalone financial statements

**E. Breakup of Capital work in progress as under :-**

| Particulars | As at 31st March, 2019 | As at 31st March, 2018 |
|---|---|---|
| Plant & Equipment | 67.31 | 2,841.27 |
| Buildings | - | 899.13 |
| Other Assets | - | 17.20 |
| Pre-operative Expenses | 13.00 | 234.70 |
| **Total** | **80.31** | **3,992.30** |

**4 Intangible assets**

| Particulars | Technical Knowhow | Computer Software | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| As at 1st April 2017 | 1,463.70 | 89.41 | 1,553.11 |
| Additions | | 2.49 | 2.49 |
| Disposals | | | |
| **As at 31st March 2018** | **1,463.70** | **91.90** | **1,555.60** |
| **Accumulated Amortisation** | | | |
| As at 1st April 2017 | 317.62 | 0.24 | 317.86 |
| Amortisation charge for the year | 317.63 | 17.17 | 334.80 |
| **As at 31st March 2018** | **635.25** | **17.41** | **652.66** |
| **Net Carrying Amount** | | | |
| **As at 1st April 2017** | **1,146.07** | **89.17** | **1,235.25** |
| **As at 31st March 2018** | **828.44** | **74.49** | **902.94** |

| Particulars | Technical Knowhow | Computer Software | Total |
|---|---|---|---|
| **Gross Carrying Amount** | | | |
| As at 1st April 2018 | 1,463.70 | 91.90 | 1,555.60 |
| Additions | 0.80 | 10.06 | 10.86 |
| Capitalised | - | - | - |
| **As at 31st March 2019** | **1,464.50** | **101.96** | **1,566.46** |
| **Accumulated Amortisation** | | | |
| **As at 1st April 2018** | 635.25 | 17.41 | 652.66 |
| Amortisation charge for the year | 318.73 | 17.82 | 336.55 |
| **As at 31st March 2019** | **953.98** | **35.23** | **989.21** |
| **Net Carrying Amount** | | | |
| **As at 1st April 2018** | **828.45** | **74.49** | **902.94** |
| **As at 31st March 2019** | **510.52** | **66.73** | **577.25** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 5 Other Financial Assets - Non Current

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Non-current** | | |
| **Considered good** | | |
| Security Deposits with Government and Others | 146.34 | 208.26 |
| Bank Deposits with maturity more than 12 months | 161.24 | 107.00 |
| (Security against Guarantee given) | | |
| Government refunds receivable in respect of acquired business | 60.68 | 53.21 |
| **Total** | **368.26** | **368.47** |

### 6 Other non - current assets

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Capital advances | 35.86 | 10.54 |
| **Total** | **35.86** | **10.54** |

### 7 Inventories

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Raw Materials | 9,760.51 | 7,458.24 |
| Raw Materials - in Transit | 2,435.89 | 434.03 |
| Work-in-progress | 4,557.38 | 3,455.71 |
| Finished goods | 251.80 | 442.28 |
| Finished goods - in Transit | 2,510.90 | 967.87 |
| Stores, Spares and Packing Materials | 718.93 | 472.84 |
| Stores, Spares and Packing Materials - in Transit | 54.67 | 52.77 |
| **Total** | **20,290.07** | **13,283.74** |

**Notes:**

(i) Refer "Standalone financial statements" for the details in respect of inventories hypothecated/mortgaged as security for borrowings.

(ii) Inventories written down are accounted, considering the nature of inventory, aging, liquidation of plan and net realisable value. Write-down of inventories amounted to ₹ 92.72 (P.Y. Nil). These write down recognised as an expense in the statement of profit and loss.

### 8 Trade receivables

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Trade Receivables considered good - Unsecured | 15,999.77 | 13,442.40 |
| Trade Receivables - credit impaired | 58.13 | 26.77 |
| Less: Allowance for bad and doubtful debts | (58.13) | (26.77) |
| **Total** | **15,999.77** | **13,442.40** |

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

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 9 Cash and cash equivalents

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Balances with Banks | | |
| - In current accounts | 429.86 | 451.66 |
| Cash on hand | 7.19 | 5.31 |
| **Total** | **437.05** | **456.97** |

### 10 Other Bank Balances

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Unpaid Dividend | 18.94 | 24.93 |
| Margin Money Accounts | 106.72 | 102.05 |
| **Total** | **125.66** | **126.98** |

### 11 Other financial assets - Current

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Interest accrued on Fixed Deposit | 14.36 | 80.45 |
| Rent receivable | - | 2.03 |
| Insurance claim receivable | 0.36 | 3.26 |
| Security Deposit | 5.89 | 5.73 |
| **Total** | **20.61** | **91.47** |

### 12 Other current assets

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Export benefit receivables | 15.38 | 4.77 |
| Rebate Receivable on Excise Duty | - | 6.19 |
| VAT Credit Receivable | 196.81 | 400.70 |
| Balances with Customs,GST etc | 3,962.11 | 2,630.22 |
| Advances to Suppliers | 556.01 | 810.12 |
| Advances to Staff | 74.62 | 82.67 |
| Prepaid expenses | 298.16 | 347.91 |
| **Total** | **5,103.09** | **4,282.58** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 13 Equity Share capital

a)

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Authorised** | | |
| **Equity shares** | 3,500.00 | 1,400.00 |
| As at 31st March,2019 - 70,000,000 no. of shares at ₹ 5 each. | | |
| As at 31st March,2018 - 14,000,000 no. of shares at ₹ 10 each. | | |
| | **3,500.00** | **1,400.00** |
| **Issued, subscribed and fully paid up** | | |
| **Equity shares** | 1,682.68 | 841.34 |
| As at 31st March,2019 - 33,653,576 no. of shares at ₹ 5 each. | | |
| As at 31st March,2018 - 8,413,394 no. of shares at ₹ 10 each. | | |
| | **1,682.68** | **841.34** |

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.

c) **Reconciliation of number of shares**

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Equity Shares :** | | |
| Balance as at the beginning of the year | 8,413,394 | 5,133,674 |
| Add: Shares issued during the year | - | 3,279,720 |
| Add: Issuance shares on Subdivision of Shares (refer note below) | 8,413,394 | - |
| Add: Issuance share on Bonus (refer note below) | 16,826,788 | - |
| Balance as at the end of the year | **33,653,576** | **8,413,394** |

**Note on subdivision and bonus issue**

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

a. Sub-division of 1(one) equity share of face value of ₹ 10/- each into 2 (Two) equity shares of face value of ₹ 5/- each; and

b. Issue of 1 (one) fully paid bonus equity share of the face value of ₹ 5/- each for 1 (one) 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 | |
|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 |
| Mr. Dharmil A. Bodani | No of shares | 1,24,78,752 | 31,19,688 |
| | % of holding | 37.08% | 37.08% |
| Mr. Shyamal A. Bodani | No of shares | 1,24,80,000 | 31,20,000 |
| | % of holding | 37.08% | 37.08% |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

**(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 | March 31, 2019 | March 31, 2018 | March 31, 2017 | March 31, 2016 | March 31, 2015 |
|---|---|---|---|---|---|
| Share issue on Subdivision of Shares | 84,13,394 | - | | - | - |
| Share issue on Bonus | 1,68,26,788 | - | | - | - |
| Shares issued for consideration other than cash - Refer Note 42 of standalone financial statement | - | 32,79,720 | | - | - |
| Bought back any shares issued | - | - | | - | - |

**14 Other Equity**

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **A. Summary of Other Equity balance.** | | |
| Capital Reserve on Amalgamation | 266.74 | 266.74 |
| Securities premium | - | 739.82 |
| General Reserve | 4,275.12 | 4,376.64 |
| Retained Earnings | 33,154.21 | 27,545.19 |
| Items of other comprehensive income | (86.08) | (56.78) |
| Foreign Currency Translation Reserve | (100.25) | 44.58 |
| **Total** | **37,509.74** | **32,916.19** |

**B. Nature and purpose of reserves**

**a) Capital Reserve on Amalgamation :** During business combination, the excess of net assets taken over the cost of consideration paid is treated as capital reserve.

**b) Security Premium Reserve :** The amount received in excess of face value of the equity shares is recognised in Securities Premium Reserve.

**c) 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.

**d) 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.

**e) 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.

**f) 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 | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Secured** | | |
| Term loan from a Bank | 1,176.47 | 2,117.65 |
| **Total** | **1,176.47** | **2,117.65** |

For terms and conditions - Refer standalone financial statements

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 16 Non Current Financial Liabilities - Others

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Payable towards Capital Expenditure | - | 313.65 |
| **Total** | **-** | **313.65** |

### 17 Current Financial Liabilities - Borrowings

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Secured** | | |
| Working Capital Loan from Banks | 16,156.14 | 9,129.61 |
| **Unsecured** | | |
| Working Capital Loan from Banks | - | 1,000.00 |
| **Total** | **16,156.14** | **10,129.61** |

For terms and conditions - Refer standalone financial statements

### 18 Trade payables

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Due to micro enterprises and small enterprises | 408.58 | 575.92 |
| Due to creditors other than micro enterprises and small enterprises | 4,942.31 | 5,543.37 |
| **Total** | **5,350.89** | **6,119.29** |

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 due and remaining unpaid | 408.58 | 575.92 |
| 2) Interest due on above and the unpaid interest | - | - |
| 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 | - | - |

### 19 Other financial liabilities

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Current maturities of long-term debt | 941.17 | 941.17 |
| Interest Accrued but not Due on Borrowings | 53.44 | 35.69 |
| Unclaimed Dividend | 18.94 | 24.93 |
| Deposits | - | 9.00 |
| Towards Capital Expenditure | 442.02 | 584.53 |
| **Total** | **1,455.57** | **1,595.32** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 20 Other Current liabilities

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| Advance from customers | 26.29 | 23.38 |
| Statutory Dues | 136.06 | 187.06 |
| **Total** | **162.35** | **210.44** |

### 21 Provisions

| Particulars | As at | |
|---|---|---|
| | March 31, 2019 | March 31, 2018 |
| **Provision for employee benefits :** | | |
| Provision for Gratuity | 138.09 | 42.71 |
| Provision for Compensated Absences | 199.29 | 132.05 |
| **Total** | **337.38** | **174.76** |

### 22 Revenue from Operations

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| **Sales of Products** | | |
| Manufactured Products | 75,314.67 | 50,403.68 |
| **Other operating revenue** | | |
| Export Incentives | 74.02 | 152.27 |
| Process waste sale | 70.19 | 39.71 |
| Royalty Income | 9.69 | 7.65 |
| **Total** | **75,468.57** | **50,603.31** |

### 23 Other income

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Rent and Compensation | 4.99 | 4.99 |
| Net Gain on Sale of Property, Plant and Equipment | 0.69 | 1.45 |
| Liability/Provision no longer required, written back | 104.69 | 10.32 |
| Other non-operating income | 17.56 | 19.11 |
| **Total** | **127.93** | **35.87** |

### 24 Cost of materials consumed

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Raw Materials consumed | 52,211.65 | 33,077.68 |
| **Total** | **52,211.65** | **33,077.68** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

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

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| **Opening inventories** | | |
| Finished goods | 1,410.15 | 1,678.52 |
| Work-in-progress | 3,455.71 | 2,862.73 |
| **Closing inventories** | | |
| Finished goods | (2,762.70) | (1,410.15) |
| Work-in-progress | (4,557.38) | (3,455.71) |
| **Excise duty on increase/ (decrease) of finished goods** | - | (6.48) |
| **Total** | **(2,454.22)** | **(331.09)** |

### 26 Manufacturing and Operating Costs

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Consumption of Spares Parts | 1,298.47 | 1,128.44 |
| Power and Fuel | 3,421.17 | 2,800.82 |
| License Fees (Technical Knowhow) | 339.27 | 380.53 |
| Other Manufacturing and Operating Expenses | 860.91 | 718.18 |
| Repairs to Buildings | 92.09 | 61.22 |
| Repairs to Machinery | 462.23 | 399.56 |
| **Total** | **6,474.14** | **5,488.75** |

### 27 Employee benefits expense

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Salaries and wages | 2,740.51 | 2,327.16 |
| Contribution to provident funds and other funds | 148.82 | 132.67 |
| Defined benefit plan expense | 120.08 | 33.01 |
| Workmen and Staff welfare expenses | 139.37 | 121.79 |
| **Total** | **3,148.78** | **2,614.63** |

### 28 Finance costs

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Interest expense | 1,266.38 | 712.16 |
| Foreign Exchange (gain) / loss on borrowings | (82.12) | (49.39) |
| Other borrowing costs | 84.30 | 68.87 |
| **Total** | **1,268.56** | **731.64** |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 29 Depreciation and amortization expense

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Depreciation on Property, Plant and Equipment | 1,443.16 | 1,147.52 |
| Amortization on Intangible assets | 336.55 | 334.80 |
| **Total** | **1,779.71** | **1,482.32** |

### 30 Other expenses

| Particulars | For the Year ended | |
|---|---|---|
| | 31st March, 2019 | 31st March, 2018 |
| Rent | 81.24 | 71.42 |
| Insurance | 177.19 | 178.19 |
| Rates and Taxes | 135.25 | 86.66 |
| Repairs & Maintenance Others | 144.61 | 56.80 |
| Auditor's Remuneration and Expenses | 26.59 | 27.83 |
| Legal and Professional Expenses | 499.54 | 344.66 |
| Directors Sitting Fees | 13.75 | 7.75 |
| Bad Debts | 10.98 | - |
| Provision for doubtful Debts | 31.36 | 21.96 |
| Freight Expenses | 1,856.11 | 1,212.10 |
| Commission on Sales | 176.60 | 127.65 |
| Sales Promotion Expenses | 84.17 | 95.59 |
| Traveling Expenses | 391.52 | 298.69 |
| CSR Expenses | 119.50 | 124.50 |
| Merger Expenses | - | 9.48 |
| Net Loss on Sale / Discard of Property, Plant and Equipment | 64.33 | 46.50 |
| Foreign Exchange (Gain)/Loss (net) | 66.55 | (71.85) |
| Miscellaneous Expenses | 739.42 | 640.79 |
| **Total** | **4,618.71** | **3,278.73** |

### 31 Composition of the Group

Information about the composition of the Group is as follows:

| Particulars | Place of Incorporation | Shareholding (In %) | |
|---|---|---|---|
| | | As at 31st March 2019 | As at 31st March 2018 |
| **Oriental Aromatics Inc.** (Liquidated during the year) | USA | Not Applicable | 100% |
| **PT Oriental Aromatics** (Business of Aroma Chemicals) | Indonesia | 99% | 99% |

## Notes to the Consolidated Financial Statements for the year ended 31st March, 2019

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

### 32 Earnings per share

| Particulars | For the year ended 31st March,2019 | For the year ended 31st March,2018 |
|---|---|---|
| Earnings Per Share has been computed as under: | | |
| Profit for the year - Before Exceptional Items | 5,946.55 | 2,498.16 |
| Profit for the year - After Exceptional Items | 5,714.32 | 2,498.16 |
| Weighted average number of equity shares outstanding (in Numbers) | 33,653,576 | 33,653,576 |
| Basic and diluted Earnings Per Share (Before Exceptional Items) | 17.67 | 7.42 |
| Basic and diluted Earnings Per Share (After Exceptional Items) | 16.98 | 7.42 |

The earnings per share in respect of the previous year have been restated after considering the split of shares and bonus issue of shares. Refer Note No.13

### 33 Related Parties Disclosure

**Other Parties with whom the Company has entered into transactions during the year :**

**i) KMP having significant influence:**

Keshavlal V. Bodani Education Foundation.

**ii) Key Management personnel :**

Late Mrs Chandrika A. Bodani (Executive Chairperson till 14.07.17)
Mr. Dharmil A. Bodani (Chairman and Managing Director)
Mr. Shyamal A. Bodani (Executive Director)
Mr. Animesh Dhar (Executive Director - Operations)
Mr. Satish Ray (Executive Director - Operations)
Mr. D. S. Raghava (Executive Director till 03.08.17)
Mrs. Indira Bodani (Relative KMP)
Mrs. Kinnari Panjabi (Relative KMP)
Mr. Girish Khandelwal (Chief Financial Officer)
Mrs. Kiranpreet Gill (Company Secretary)

**Transaction with the Related Parties**

**1 Compensation to Key Management Personnel**

| Particulars | Transaction during F.Y. 18-19 | Transaction during F.Y. 17-18 |
|---|---|---|
| Short term employee benefits | 353.79 | 353.03 |
| 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, 2019

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

**2 Disclosure in respect of material transaction with related parties**

| Sr No | Parituclars | Nature of transaction | Transaction during F.Y. 18-19 | Transaction during F.Y. 17-18 | Balance Oustanding as on 31.03.19 | Balance Oustanding as on 31.03.18 |
|---|---|---|---|---|---|---|
| 1 | Keshavlal V.Bodani Education Foundation | Donation (Including CST Expenses) | 117.50 | 124.50 | - | - |
| 2 | Late Mrs Chandrika A. Bodani | Remuneration | - | 18.04 | | |
| 3 | Mr. Dharmil A. Bodani | Remuneration | 162.00 | 162.00 | 0.13 | 26.83 |
| 4 | Mr Shyamal A. Bodani | Remuneration | 90.90 | 90.90 | 5.10 | 0.92 |
| 5 | Mr. D. S. Raghava | Remuneration | - | 32.59 | | |
| 6 | Mr. Animesh Dhar | Remuneration | 26.41 | 12.83 | - | - |
| 7 | Mr. Satish Ray | Remuneration | 16.26 | 7.99 | - | - |
| 8 | Mrs. Indira Bodani | Remuneration | 18.00 | 11.67 | - | - |
| 9 | Mrs. Kinnari Panjabi | Remuneration | 3.60 | 10.23 | - | - |
| 10 | Mr. Girish Khandelwal | Remuneration | 25.09 | 16.77 | - | - |
| 11 | Mrs. Kiranpreet Gill | Remuneration | 11.53 | 8.05 | - | - |

**Note :**

1 No amount in respect of related party have been written off/write back/provided for during the year.

2 Related parties relationship have been identified by the management and relied upon by the auditors.

**34 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 31st March 2019 | As at 31st March 2018 |
|---|---|---|
| Within India | 53,783.37 | 34,571.64 |
| Outside India | 21,685.20 | 16,031.67 |
| **Total** | 75,468.57 | 50,603.31 |

**35** There is only one foreign subsidiary company with insignificant transactions. The accounting policies and notes to accounts being similar to that of the holding company as stated in standalone financial statements are not appended hereto.

**36** The previous year's figures have been re-grouped / re-classified wherever required to conform to current year's classification. All figures of financials has been rounded off to nearest lacs rupees.

Signatures to Notes 1 to 36 which form an integral part of the financial statement.

**On behalf of Board of Directors**

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

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

**Girish Khandelwal**
Chief Financial Officer

**Parag Satoskar**
Chief Executive Officer

**Date : 27th May, 2019**
**Place : Mumbai**

**Kiranpreet Gill**
Company Secretary

## Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 realting to subsidiary and joint venture companies for the year ended March 31, 2019

| Sr No | Name of the Subsidiary Company | Date of acqusition/ incorporation | Reporting Currency | Exchange Rate | Share Capital | Reserves | Total Assets | Total Liabilities | Investments | Turnover | Profit Before Taxation | Provision for Taxation | Profit after Taxation | Dividend | % Equity Interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | PT Oriental Aromatics | March 07, 2013 | Rupiah | 0.005 | 151.88 | (922.31) | 209.46 | 213.56 | - | 633.13 | (184.80) | 0.84 | (185.64) | - | 99.00% |

# Oriental Aromatics Ltd.

Formerly Camphor and Allied Products Products Limited

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**CIN:** L17299MH1972PLC285731

## Form No. MGT-11
## PROXY FORM

Name of the company: Oriental Aromatics Limited
(Formerly Camphor and Allied Products Limited)

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

| | |
|---|---|
| Name(s) of the Member(s): | |
| Registered Address: | |
| E-mail Id: | |
| Folio No. / Client ID: | |
| DP ID | |

I/We, being the holder(s) of _____shares of the above named company, hereby appoint.

1. Name:_____ Address: _____

   E-mail ID: _____ Signature, or failing him:_____

2. Name:_____ Address: _____

   E-mail ID: _____ Signature, or failing him:_____

3. Name:_____ Address: _____

   E-mail ID: _____ Signature, or failing him:_____

as my/ our proxy to attend and vote (on a poll) for me/our behalf at the 47th Annual General Meeting of the company, to be held on the 25th day of September, 2019 at 11:00 a.m at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Kala Ghoda, Fort, Mumbai- 400001 and at any adjournment thereof in respect of the following Resolutions

| Resolution No | Resolutions | Vote (Optional see Note 2) | | |
|---|---|---|---|---|
| | | No of Shares** | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
| 1 | To consider and adopt the Annual Audited Standalone and Consolidated Financial Statements and Reports thereon. (Ordinary Resolution) | | | |
| 2 | To declare dividend on Equity shares of the Company. (Ordinary Resolution) | | | |
| 3 | To appoint Mr. Animesh Dhar (DIN: 07905777) who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution) | | | |
| 4 | To ratify the remuneration to be paid to M/s V. J. Talati & Co. (Firm Registration No. R00213), Cost Accountants, 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. Satish Kumar Ray (DIN: 07904910), Whole Time Director of the Company. (Ordinary Resolution) | | | |
| 6 | To revise the terms of appointment of Mr. Animesh Dhar (DIN: 07905777), Whole Time Director of the Company. (Ordinary Resolution) | | | |
| 7 | To re-appoint Mr. Harshvardhan A. Piramal (DIN: 00044972), Non-executive Independent Director of the Company. (Special Resolution) | | | |
| 8 | To re-appoint Mr. Prakash V. Mehta (DIN:00001366), Non-executive Independent Director of the Company. (Special Resolution) | | | |
| 9 | To re-appoint Mr. Ranjit A. Puranik (DIN:00199353), Non-executive Independent Director of the Company. (Special Resolution) | | | |
| 10 | To create charge on the assets/undertaking of the Company. (Special Resolution) | | | |

** Each Share shall have one vote

**Affix Revenue Stamp Re.1/-**

Signed this_____day of 2019

1. Signature of shareholder (s)

2. Signature of proxy holder (s)

**Notes:**

1. This form in order to be effective be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference, if you leave, for/against column blank with respect to any or all the resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

# NOTES

# NOTES

If undelivered please return to:

Registrar & Share Transfer Agent
Sharex Dynamic India Pvt. Ltd.,
Unit No. I, Luthra Industrial Premises,
Safed Pool, Andheri Kurla Road,
Andheri (East),
Mumbai - 400 072.

Unit: Oriental Aromatics Ltd.
Formerly Camphor and Allied Products Products Limited

Conceptualised, designed and developed by **Valorem Advisors** - www.valoremadvisors.com