

Oriental Aromatics Ltd.

Annual Report 2021-22



Years of
Sensing your Needs

Creators & Manufacturers of Flavours | Fragrances | Speciality Aroma Chemicals | Camphor

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Dharmil A. Bodani
Chairman & Managing Director

Mr. Shyamal A. Bodani
Executive Director

Mr. Satish K. Ray
Executive Director - Operations

Mr. Bhadreshkumar A. Pandya
Executive Director - Operations

INDEPENDENT DIRECTORS

Mr. Prakash V. Mehta

Mr. Ranjit A. Puranik

Mr. Harshvardhan A. Piramal

Ms. Amruda V. Nair

CHIEF EXECUTIVE OFFICER

Mr. Parag Satoskar

CHIEF R&D OFFICER

Ms. Anita P. Satoskar

CHIEF FINANCIAL OFFICER

Mr. Girish Khandelwal

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Kiranpreet Gill

AUDITORS

M/s Bagaria & Co. LLP, Chartered Accountants
701, Standford Junction of S. V. Road, Barfiwala Marg,
Andheri (West), Mumbai-400 058

CORPORATE IDENTIFICATION NUMBER

L17299MH1972PLC285731

REGISTERED/CORPORATE OFFICE

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Mumbai - 400 001
Tel. 91 22 43214000
Fax: 91 22 43214099
Website: www.orientalaromatics.com
Email: cs@orientalaromatics.com
investors@orientalaromatics.com

REGISTRAR AND TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400083.
Tel: 022-49186270
Fax: 022-49186060
Website: www.linkintime.co.in
Email: rnt.helpdesk@linkintime.co.in

BANKERS

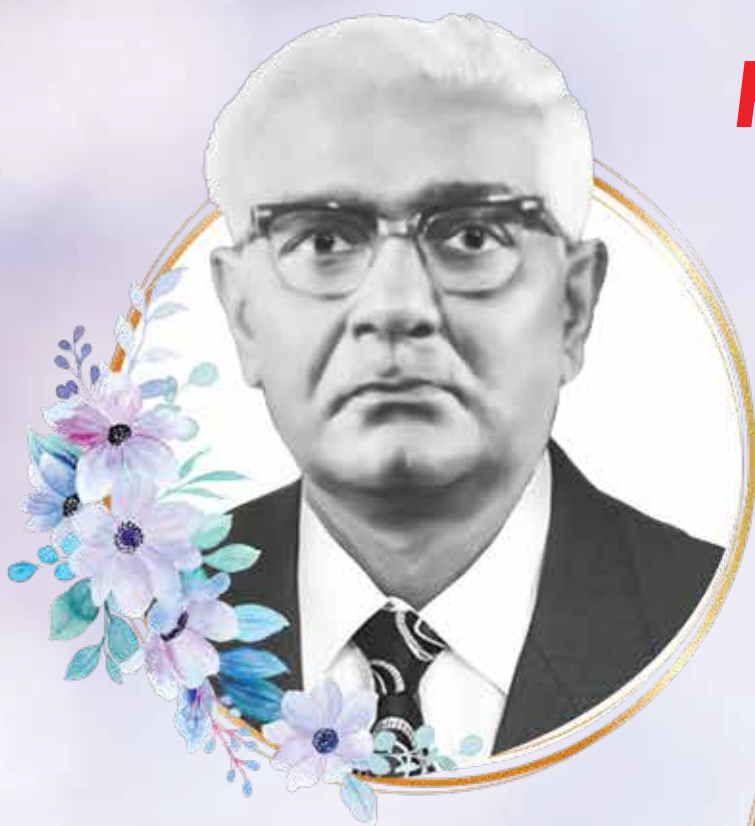
Citi Bank N.A.
DBS Bank India Ltd.
HDFC Bank Ltd.
Kotak Mahindra Bank Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation Limited (HSBC)

WORKS

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India.
Tel: +91 251 2624700
Fax: +91 251 2624799
Bareilly
P.O. Clutterbuckganj, Dist. Bareilly (U.P) 243 502, India
Tel: +91 581 2561115/2561128
Fax: +91 581 2561112

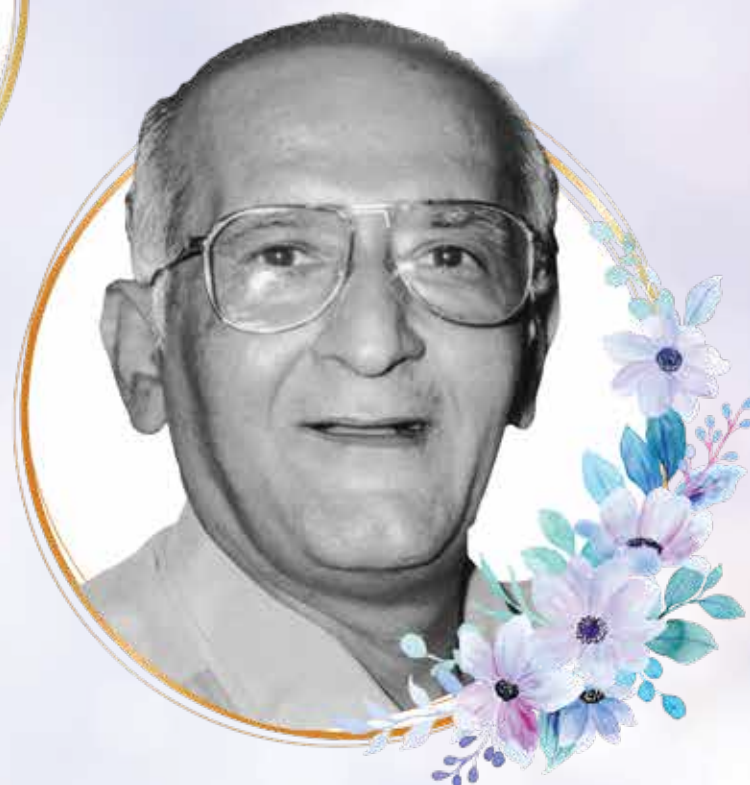
Vadodara
Plot No. 3, GIDC Ind Estate, Nandesari, Vadodara-391 340,
Gujarat, India
Tel: +91 265 2842200
Fax: +91 265 2840224

Mahad
(Unit of Oriental Aromatics & Sons Limited)
Plot No. FS-43 & 37, Additional MIDC Mahad,
Raigad-402309, Maharashtra.
Tel: 022-49186270
Fax: 022-49186060



Late Shri Keshavlal V. Bodani

Remembering our Founders



Late Shri Anil K. Bodani

“Memories that incorporate smell are the strongest.”

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

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

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

Bodani Family, Staff & Management at

Oriental Aromatics

Message from the Chairman and Managing Director



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

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

Delivering in tough times

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

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

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

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

Dear Shareholders,

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

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

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

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

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

Focussing on long-term priorities

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

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

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

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

Summing up

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

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

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

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

Warm regards,

Dharmil A. Bodani
Chairman and Managing Director

Letter to our Shareholders



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

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

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

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

Dear Shareholders,

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

50 years at the service of our customers which remains our top priority.

50 years of commitment with innovation.

50 years of effort, perseverance, and versatility.

50 years of eyes set on the present and the future.

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

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

Banking on an opportunity called India

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

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

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

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

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

Sustainability stewardship

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

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

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

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

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

Warm regards,

Shyamal A. Bodani
Executive Director

Board of Directors



Mr. Dharmil A. Bodani
Chairman & Managing Director

Audit Committee

Stakeholders Relationship Committee



Mr. Shyamal A. Bodani
Executive Director

Corporate Social Responsibility Committee – Chairman

Risk Management Committee



Mr. Satish Kumar Ray
Executive Director - Operations



Mr. Bhadreshkumar A. Pandya
Executive Director - Operations



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

Audit Committee

Corporate Social Responsibility Committee



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

Audit Committee

Nomination & Remuneration Committee

Stakeholders Relationship Committee



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

Audit Committee

Nomination & Remuneration Committee

Risk Management Committee – Chairman



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

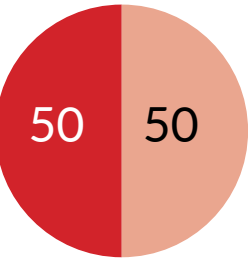
Audit Committee - Chairman

Corporate Social Responsibility Committee

Nomination & Remuneration Committee - Chairman

Stakeholders Relationship Committee - Chairman

Board Independence (%)



Executive
Independent

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

We have a rich legacy spanning multiple decades of exploration and innovation during which we have established deep expertise and reputation in the world of smell, taste, health and spirituality.

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

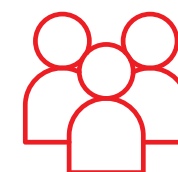
For over 50 years, our creative, high-performance and differentiated products have been playing a crucial role in delivering sensorial delight and memorable experiences to consumers. From delighting smell senses across multiple everyday products to delivering delicious flavour and taste experiences;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



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



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



1383
Employees



₹ 23,749 Lakh*
Market capitalisation

*As on March 31, 2022



1,000+
Customers



Years of
Sensing your Needs
and delivering the
WOW Experience!

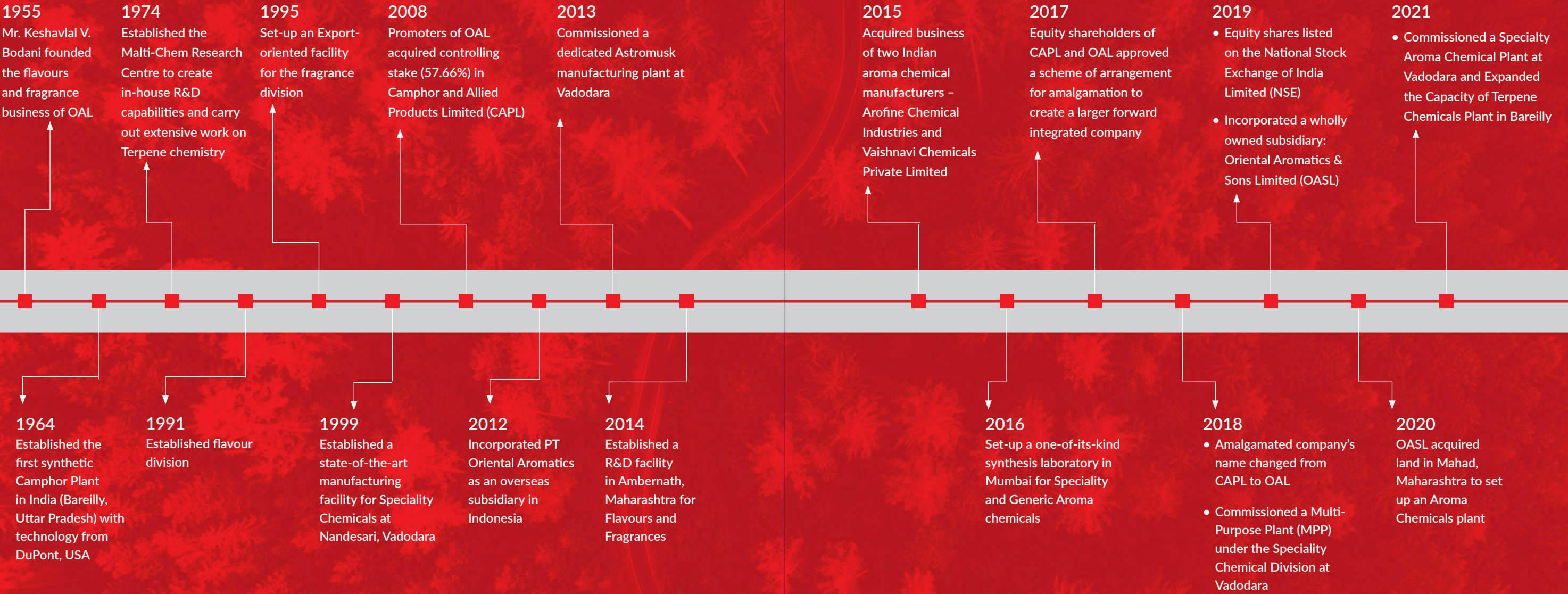
Today, we rank amongst the top few fully integrated manufacturers of flavours, fragrance as well as speciality aroma chemicals companies globally.

We are a preferred partner to several leading brands globally in the perfume, FMCG, food and beverages and religious industries, having contributed to their product success.

We are smell and taste experts who work towards crafting the perfect essence for brands and ensuring their commercial success.

We also bring in our expertise in pharmaceutical grade camphor to promote better health and imbue positive spirit with its aroma.

Our Evoking Journey

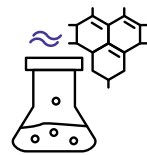


Major achievements in our 50 years journey



First in India

to licence Camphor manufacturing technology from DuPont, USA



Distinction

of manufacturing 150 aroma ingredients using 28 chemistries



Global

Producer of USFDA / WHO-GMP camphor


Our Integrated and Diversified Offerings

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

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

Flavour

Making foods and beverages delicious



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

Application

Beverages

Sweets

Oral Hygiene


Dairy Products

Instant Foods

Pharma

Fragrance

Delighting senses and creating memorable experience



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

Application

Fine fragrances

Incense sticks

Candles

Soaps & Shampoos

Hair oils

Detergents

Speciality Aroma Chemicals

Making unique flavours and fragrances possible



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

Application

Flavours

Fragrances

Essential Oils

Camphor



Spreading divinity and better healthcare

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

Application



Medicinal purposes



Religious purposes



Establishing Operational Excellence

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

Our integrated operations right from product conceptualisation along with clients to manufacturing aroma ingredients and flavours and fragrances provide us better control across value chain. This is supported by our expert team having deep

expertise in this field, enabling us to quickly meet client needs and at low cost. Over the years, we have also implemented systems and processes that enables seamless operations.

State-of-the-art facilities



Bareilly, Uttar Pradesh

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

Capacity:
7,900 MTPA

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



Vadodara, Gujarat

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

Capacity:
6,200 MTPA

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



Ambernath, Maharashtra

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

Capacity:
6,000 MTPA

Product range:
Fragrances and Flavours