

# *Oriental Aromatics*

Ref: OAL/BSE/NSE/11/2026-27

26<sup>th</sup> May, 2026

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

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

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

With reference to our letter dated 18<sup>th</sup> May, 2026, intimating about the conference call with the Institutional Investors/Analysts on Thursday, 21<sup>st</sup> May, 2026 at 04:00 p.m. to discuss the financial performance of the Company for the quarter and year ended 31<sup>st</sup> March, 2026, please find attached herewith transcript of the aforesaid conference call.

Further, the copy of the same is also uploaded on Company's website i.e. [www.orientalaromatics.com](http://www.orientalaromatics.com).

Kindly take the information on your record.

Thanking you,  
Yours Faithfully  
**For Oriental Aromatics Limited**

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

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**Oriental Aromatics Limited**  
**Q4 and FY'26 Earnings Conference Call**  
**May 21, 2026**

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**Moderator:** Ladies and gentlemen, good day and welcome to the Oriental Aromatics Limited Q4 FY'26 Earnings Conference Call.

As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "\*" and then "0" on your touchtone phone.

I now hand the conference over to Ms. Hena Khatri from Valorem Advisors. Thank you and over to you.

**Hena Khatri:** Good evening, everyone and a very warm welcome to you all. My name is Hena Khatri from Valorem Advisors.

We represent the investor relations of Oriental Aromatics Limited. On behalf of the company, I would like to thank all for participating in the company's earnings conference call for the fourth quarter and the full year ended of financial year 2026.

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

Now let me introduce you to the management participating with us today's earnings call and hand it over to them for their opening remarks. We have with us Mr. Dharmil Bodani - Chairman and Managing Director, Mr. Girish Khandelwal - Chief Financial Officer, Mr. Parag Satoskar - Chief Executive Officer and Ms. Anusha Bafna - Assistant Company Secretary. Without any further delay, I request Mr. Dharmil Bodani to start with his opening remarks. Thank you and over to you, sir.

**Dharmil Bodani:**

Thank you, Hena. Good afternoon, everybody. It is a pleasure to welcome you all to the Quarterly and Annual Earnings Call of Oriental Aromatics Limited.

Our CEO – Mr. Parag K. Satoskar, shall be briefing you all on the operational highlights for the fourth quarter, after which our CFO – Girish Khandelwal, will brief you on the financial highlights. Over to you, Parag. Thank you.

**Parag K. Satoskar:**

Thank you, Dharmil. Good afternoon, everyone.

**Before I take you through the operational performance of the company, I will begin with a milestone that is meaningful for all of us at Oriental Aromatics Limited:**

FY'25-26 marks the first year in which our company has crossed the INR 1,000 crore revenue mark with a consolidated revenue from operations of INR 1,030 crores compared to INR 928 crores in the previous year, a year-on-year growth of approximately 11%. This is an important moment in our journey and it has been achieved in what has been one of the more challenging years our industry has seen in the recent memory.

**Now let me walk you through the operational picture of the company:**

For Q4 FY'26, total sales volume increased by 16% compared to Q3 FY'26 and registered a 5% growth on a year-on-year basis. For the full year, the total sales volume grew by 9% over FY'25 and the total production volume grew by 5%. These are healthy volume numbers in an environment where pricing and demand has remained under sustained pressure. The year-on-year growth in production and sales during FY'26 underscores or highlights the inherent strength of our diversified product portfolio across the three divisions and the depth of our long-standing customer relationships. During Q4, total production volume declined by 7% compared to Q3 and by 14% on a year-to-year basis. This decline was primarily driven by lower production in our Specialty Chemicals division on account of product mix change as well as trial runs and production of new product intermediates as we continue to introduce and expand our scope in the molecules into our portfolio.

**Let me now run you through the three business verticals one after the other:**

The Fragrance and Flavor division has continued to deliver a resilient performance through Q4 FY'26. Demand has been healthy and we have continued to see traction on the back of premiumization and performance expectations from customers on the fragrance side. We have also added new customers and deepened wallet share with the existing accounts, both international as well as domestic. Having said that, the benefit of softer pricing on certain key fragrance raw materials, which we had highlighted in the earlier quarters of the year, has largely tapered off as the input cost environment has firmed up significantly in the second half and primarily in Q4 and continues to be a challenge in the coming quarters which will impact

profitability. We, however, view this not as a challenge but as an opportunity with the strength of our backward integration into the Aroma Ingredients division.

In the Aroma Ingredients division, the broader market continues to be a buyer market globally. This is consistent with what global peers in our space in both fragrances and flavors have been reporting in their recent commentary. Capacities built up by Chinese players over the past few years continue to flow into the non-tariff markets including India, Southeast Asia and parts of Europe and that has kept end product pricing on the aroma ingredients side pretty subdued. At the same time, on the cost side, we have effectively had to absorb a triple shock during the year in our aroma ingredients as well as in our Camphor and terpene chemical division. What is the triple shock? Gum turpentine, CST and alpha-pinene prices continue to go up in the last two quarters and currently are at their all-time highest ever.

Crude oil has been volatile and crude-based products which are our raw materials continue to stay firm and difficult to get. We are of the opinion that the situation will worsen before we can see some normalcy coming back in pricing of the inputs. I think the third and very important element of the shock has been the performance of the Indian currency. The Indian rupee has depreciated substantially in the past quarter which works against the import portion of our raw material basket across all the three divisions. Layered on top of this, consumer behavior through this period of broader macroeconomic certainty has been cautious and the fragrance and flavors, despite being embedded in everyday FMCG products, continue to be perceived at the margin as a discretionary category. We are countering all these adverse challenges through process re-engineering, yield optimization and disciplined cost management. And I would be transparent in saying that some of these headwinds will take a few quarters to fully work through.

In our Camphor and Terpene Chemicals division, the Bareilly facility continued to operate at healthy utilization levels throughout the year. Q4 is seasonally a softer quarter for camphor after the festive demand period of Q2 and Q3. And that pattern played out this year as well. The Indian camphor market continues to operate in a state of supply exceeding demand with substantial domestic capacity additions over the past few years, subduing demand. Natural camphor imports from China, though moderated this year compared to the previous two years, continue to influence the pricing environment. We, however, continue to focus on growing our retail business footprint under the Saraswati and 3 Pine brands and on strengthening our strategic B2B supply relationships that we have in this business.

Coming to Mahad, which is Oriental Aromatics & Sons Limited, Mahad continues to be in its ramp-up phase and continues to be a drag on our consolidated EBITDA margins to the extent of between 1% to 1.5% as we have guided in the past few quarters. This loss was the primary reason for reduction of approximately 0.98 basis points in consolidated net profit margins of the company annually. The investor community may take a note of this impact while evaluating the company's overall performance. However, we are also glad to inform that the product

acceptance with customers for the product that we manufacture at Mahad has been positive. We have completed sampling cycles with several global customers and commercial shipments have commenced. As we had explained in our earlier calls, the sample-to-commercial supply cycle in this business runs to about six months to nine months and we are progressing successfully along that timeline. We are also glad to inform you that we have been qualified to submit our bids for certain global RFQs for the second half of 2026 and once we get a llocation, this would really help us ramp up capacity even further. Mahad for Oriental Aromatics is a strategic long-horizon investment, and we remain committed to seeing it through.

For FY'26 as a whole, EBITDA margins stood at 6.60% compared to 10.06% in FY'25. This compression, as I have already mentioned, has been driven by a combination of factors which is the pricing pressure on the ingredient side, raw material cost inflation which has impacted all the three divisions, currency depreciation which has again impacted all the three divisions, and the drag created by Mahad ramp up. Our internal cost and process improvement program remains a key priority and the benefits of these initiatives will accrue progressively as we move through FY'27.

The Board has also recommended a final dividend of INR 0.50 per equity share for this year subject to shareholder approval at the upcoming AGM. As informed in our earlier calls, we are currently in a consolidation mode where the team is involved in extracting maximum benefits from the investments that we have done in the last five years across all our sites. We are open to ideas for expansion and the P&L gives us the ability to do so, but consolidation, profit preservation and growth with our current assets is the underlying theme for the team. The tariffs overhang on the India-US trade has eased compared to the earlier part of FY'25-26 and that should support a gradual recovery in order flow from North America. RFQ cycles for the second half of FY'26 are looking constructive on volumes though pricing continues to remain tight.

Our priorities for coming quarters are unchanged – drive volume growth, protect and expand market share, accelerate Mahad commercial ramp-up and rebuild margins structurally through internal efficiency programs that do not depend on the pricing cycle turning in our favour.

To summarize, FY'26 has been a year of meaningful operational progress against a genuinely difficult external backdrop.

With this, I would like to hand over the presentation to our CFO – Mr. Girish Kandelwal, for the financial highlights. Girish, over to you.

**Girish Kandelwal:**

Thank you, Parag. Good evening, everyone.

**Let me begin by sharing our consolidated performance for Q4 FY'26:**

Our operating revenue for the quarter stood at INR 282 crore, reflecting a healthy growth of 12% quarter-on-quarter and 11% year-on-year. EBITDA for the quarter was reported at INR 19.5 crore compared to INR 13.2 crore in the previous quarter and INR 19.3 crore in the corresponding quarter last year. EBITDA margins improved to 6.89% as against 5.26% in the previous quarter. Profit after tax stood at INR 3.98 crore compared to a loss of INR 1.92 crore in the previous quarter.

Now, coming to our consolidated performance for the year FY'26:

Operating revenue stood at INR 1,030.8 crore, representing an 11% year-on-year growth. EBITDA for the year was INR 68 crore compared to INR 93.3 crore in FY'25. Consequently, EBITDA margins stood at 6.6% versus 10.06% in the previous year. Profit after tax for FY'26 stood at INR 3.3 crore compared to INR 34.3 crore in FY'25, while PAT margins were at 0.32% as against 3.7% last year. During the year, cash profits stood at INR 34.3 crore compared to INR 58 crore in the previous year. On the balance sheet, as of 31 March 2026, our net debt equity ratio stood at 0.58x, reflecting a comfortable leverage position and healthy balance sheet. Return on capital employed ROCE for FY'26 stood at 4.85% compared to 9.33% in FY'25.

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

**Moderator:** Thank you. We will now begin the question-and-answer session. We have the first question from the line of Rajesh Mishra from Liberty Security. Please go ahead.

**Rajesh Mishra:** Namaskar sir. This is Rajesh Mishra speaking. First of all, congratulations on great set of results. Sir I had two questions. First question is, in the last meeting also I raised the issue of impact on company's profit and shareholder return by importing natural camphor. So, from then what are the steps taken by the management to save margin and to increase the profits such as have you given a memorandum to the government so that import duty could be increased on camphor or there should be a complete ban on the imports. My second question is, in North India's and Chennai's market a lot of material is available without GST due to which people like me who works in billing face a lot of difficulty. For this I raised an issue in the last meeting. Has the company taken any steps for this or not?

**Parag K. Satoskar:** Rajesh ji, I will try to answer your first question. We have already initiated a dialogue with the central government on this subject twice. We are discussing this subject at other levels as well. As soon as there is any development in this, we will update you. As you know, it takes time to initiate and take action. But looking at the business, we can see an observation that imports from China have decreased considerably compared to the last two years. The rate of natural camphor in China has also increased. And we are working on this. I cannot answer your second question. The way we operate, we fulfill our responsibility towards the government and run our business. If there are people who are bypassing the government dues, we do not support them, but we cannot comment on them. Thank you.

**Rajesh Mishra:** Okay, sir. Thank you.

**Moderator:** Thank you. We have the next question from the line of Prakhar Tibrewal from Choice Institutional Equities. Please go ahead.

**Prakhar Tibrewal:** Hi, sir. Congratulations on a great top line. So, my first question is on what would be our peak revenue at peak capacity utilization excluding the Mahad ramp-up and the peak revenue including the Mahad ramp-up at current price realizations? And my second question would be, sir, on what is the reason for the higher tax rate that we see in the company in general?

**Parag K. Satoskar:** So, I will probably answer the first part of the question and then I will leave it to Girish. You know, Prakhar, there would not be an absolute number because, you know, we have two programs which run parallelly. One program is where we are trying to run our plants at peak capacity, which, at an operational level, most of the plants are running between 80% to 90% to ensure that we cover all our overheads. But simultaneously, as part of our optimization program, we are always looking for adding new molecules or internalizing some intermediates. So, I would not be in a position to give you an absolute number as to at the current price realization, what will be the max turnover that we can achieve. But that should very easily be anywhere between INR 1200 crores to INR 1250 crores.

**Prakhar Tibrewal:** Okay. And what about post Mahad ramp-up, sir?

**Parag K. Satoskar:** So, Girish probably would have the number or we can share it with you at a later date about what is the incremental addition that will happen when Mahad runs at full capacity.

**Girish Khandelwal:** At the current capacity, it will be around INR 50 crores additional revenue. And regarding the tax question, I would like to answer because if you look at the standalone, it is 25% tax rate and on the consolidated also it is getting the same because, see, at the consolidated, subsidiary is giving the loss. So, that tax amount looks very high as compared to the standalone. So, standalone, if you look, our tax rate is 25%.

**Prakhar Tibrewal:** Okay. Got it. If I can just squeeze one more question, sir.

**Parag K. Satoskar:** Yes, please.

**Prakhar Tibrewal:** So, I am just very new to the industry and I wanted to understand why is our Q2 and Q4 generally stronger than Q1 and Q3?

**Parag K. Satoskar:** Q4 normally is not stronger. You know, if you look at the fragrance and flavor space as well as the camphor and terpene chemical space where Oriental operates, we, although, I mean, fragrance consumption has now become an annualized pattern basis. But Q2 and Q3, by the virtue of having a lot of festivals, are normally the strong quarters and Q4, by the absence of festival, becomes a quarter where sales as well as, you know, any promotional activities are

relatively subdued. So, Q2, Q3 are strong. Q1 is the ramp up for the festive season and Q4 is normally slow.

**Prakhar Tibrewal:** Okay. Got it. Thank you, sir.

**Parag K. Satoskar:** Thanks.

**Moderator:** Thank you. We have a next question from the line of Nishita from Sapphire Capital. Please go ahead.

**Nishita:** Yes. Am I audible?

**Parag K. Satoskar:** Yes, you are, Nishita.

**Nishita:** Yes. So, I am new to this company. So, I just wanted to understand on margins. Our EBITDA margins are at around 6% and these are at lower levels. Even before, like in FY'25, we were enjoying margins of 10%. I just wanted to understand why is it lower than the industry peers? Because from what I have seen, the industry peers enjoy margins of around 15%, 20%.

**Parag K. Satoskar:** So, I would not be able to comment on what my industry peers do. I mean, I can be very confident about my business. You know, we primarily have two kinds of verticals and there is some level of, you know, I would not say a direct edge but when the ingredient prices are lower and under pressure, the fragrance division benefits from those reduced price levels. And when the ingredient prices go up, then the fragrance division faces very strong headwinds. Now, this is common sense and this should not change for any player for the industry, A. B, like I mentioned in my introduction speech that the last two quarters, we have seen a three way shock hitting the industry which is impacting margins across the board for all the three divisions and hence we see a bit of reduction. I think an add-on to our reduction is the drag that is created by Mahad. The third point that can influence EBITDA is between ingredients and fragrances. The fragrance companies which are fragrance division heavy will tend to have a little higher EBITDA margin but for us to be active in the generic aroma ingredient space is a conscious decision to be a long-term sustainable global player in this space and hence we have done these investments for setting up these facilities for aroma ingredients which in the long-term are going to give us sustainable returns. So, to answer your question in pointers, the fragrance division normally tends to be a little more profitable reason currently all the divisions are under tremendous price pressure and I cannot comment about competitors where the EBITDA percentages are way above, EBITDA percentages that are shown by their customer industry.

**Nishita:** Right. Understood. So, like, in FY'27 can we see us going back to earlier 10% level?

**Parag K. Satoskar:** So, it will be our endeavor to go back to the guided number of around 10%. I think we have seen a lot of turbulence because of the geopolitical situation where we are seeing a substantial increase in the input costs by the variety of reasons and although we have been successfully able to pass on a lot of these price increases to our customers but how the customers manage it in a buyer's market in the coming quarters only needs to be seen. So, we are positive, we are optimistic but we also are realistic because I feel the worst is still not over in terms of the impact of the geopolitical situation on the costs of the products.

**Nishita:** Understood.

**Moderator:** Sorry to interrupt you Ms. Nishita. I request you to kindly come back in the queue for follow up questions please.

**Nishita:** Yes, sure. Thank you.

**Moderator:** Thank you. We have our next question from the line of Raghav Maheshwari from kamayakya Wealth Management. Please go ahead. Mr. Raghav, can you hear us? As there is no response, we will move on to the next question. We have the next question from the line of Unicorn Capital. Please go ahead.

**Unicorn Capital:** Hello. Congratulations first of all to the management on the strong performance of this quarter. I had a question regarding camphor imports from China. While the management has mentioned right now that the camphor imports have not reduced significantly since the last quarter, there still appears to be a substantial quantity entering in the Indian market. Has the company undertaken any industry-level assessment regarding the impact of Chinese imports on domestic pricing and margins? Also, is the management considering approaching the authorities or participating through the industry association for imposition of anti-dumping duties on camphor imports from China? It would be helpful if the management could share the key parameters being monitored while evaluating such a step.

**Parag K. Satoskar:** So, you know, I think besides the China situation, I would also like to highlight that there is a massive demand-supply gap in India itself. You know, the past few years have seen substantial capacities built for synthetic camphor in India, which are way above the expected demand which is going to be generated in the coming years. And hence, unless there is a massive reorganizing of the Indian camphor capacity happening in the coming quarters, we are going to see a lot of challenge created in the camphor business, not primarily because of the natural camphor imported from China, but because of the extra capacity that we have in India. I mean, I also would say from an operational perspective, natural camphor has some operational disadvantages when it is being used in formulations. Hence, I think the bigger challenge is the overcapacity in India, which needs to get rationalized. We have had conversations at various levels, which I will not be in a position to elaborate on this forum. But if there are any opportunities of ensuring growth in the camphor space, we will take all those steps.

**Unicorn Capital:** Okay. Got it. Thank you.

**Parag K. Satoskar:** Thank you.

**Moderator:** We have the next question from the line of Nishita from Sapphire Capital. Please go ahead.

**Nishita:** Yes. Thank you for taking my follow-up question. So, if you could just let us know about the segmental revenue that you have done in FY'26. What is the segmental revenue for FY'26?

**Parag K. Satoskar:** So, Nishita, we always have a guidance that the three divisions normally have split revenues of 33%:33%:33% broadly. We would have some division plus or minus a few percentage points. But if you look at the overall performance, it is one-third each for each of the divisions or segments.

**Nishita:** Okay. And it is going to stay the same?

**Parag K. Satoskar:** It normally, I mean, we have seen that if one segment grows, then we grow the others as well so that it stays in the same range. It is what has been our observation.

**Nishita:** Okay. Okay. Understood. And what top line do we see in FY'27?

**Parag K. Satoskar:** Actually, a crystal ball question, Nishita. I mean, we would like to really focus on, like I said, preservation of profits. We would like to ensure that we do not increase the prices so much that it causes demand destruction for the products that we operate in. So, you can be rest assured that we are going to take all the steps that are proactive and reactive to get a growth in our top line as well as retain our profitability at the end of this year, which seems to be unusually hard. And as we go on, we should probably have a clear idea. But right now, to give you a number would be really looking at the crystal ball and giving you a number, which I cannot then back it up.

**Nishita:** Okay. Thank you.

**Parag K. Satoskar:** Thank you.

**Moderator:** Thank you. We have the next question from Saket Saurabh from **Sagari Capital**. Please go ahead.

**Saket Saurabh:** Okay. Hi. Thanks for the opportunity. Am I audible?

**Parag K. Satoskar:** Yes, you are. How are you, Saket?

**Saket Saurabh:** Yes. I am good, sir. How are you?

**Parag K. Satoskar:** Good.

**Saket Saurabh:** Congratulations, first of all, for crossing the INR 1,000 crore milestone. I really appreciate this. So, starting first with the working capital question. So, if I look at the trade receivables, while our top line has gone up by, say, 11% odd, but our trade receivables have gone up by almost 40% odd. And add to that our, say, dues to SMEs has gone up from, say, INR 5 crore to almost INR 22 odd crore. And second, and a subset to this, there is an inventory aspect, right? So, while the raw material hike is there, as the management has already stated, has there been, say, some inventory gain also? Because the, say, finished good price might have also gone up. So, my question is, first, are we having issues paying as well as, say, receiving payment because of the ballooning, say, creditors as well as payables? And has there been an inventory gain? That is first question. And second, Girish sir, you just mentioned that there is INR 50 crore is what Mahad at its optimum utilization would add to our top line. Now, can you just help me jog my memory? What is the CAPEX that we have done for Mahad and what is the asset turn we are looking at? Because I think INR 50 crore seems to be slightly on the lower side based on the earlier guidance. So, is it like the realized price of Evermoss has come down? So, that would be my initial set of questions.

**Parag K. Satoskar:** Sure. So, I will probably, I mean, I will leave Girish to answer the questions on the specifics of working capital and inventory. But I would probably try to answer your question about receivables and payables. I mean, we will do a deeper deep dive into the SME outgo, which Girish can probably answer separately one-on-one. In terms of payments to be received from the customers, I think all these customers are top class customers. As part of their cash flow management systems, we have been told by some of our top customers globally to give extended credit period, which we are offering to them. But the prices have been kind of adjusted to ensure that the additional cost of money for giving that extra credit is covered in the cost. So, we do not have to worry. We do not have to worry about the quality of the debtors. The debtors still stay top class, best in the world in terms of the quality. In terms of inventory, wherever, I mean, if we see an opportunity that we might have a challenge in terms of either getting a correct price in the future or just getting the material in the future. I mean, some of the petro streams are now facing a situation where availability is becoming a challenge. We have taken conscious steps in the last one and a half, two months to kind of overstock those materials across all the three verticals. Hence, if there is an inventory increase, it probably could be because of that. These are my two answers from a strategic perspective. I think if you really want to go micro in terms of numbers, you can reach out to Girish and he will be in a position to answer your question.

**Girish Khandelwal:** Sure. And MSME related, actually, see our buying has increased from the MSMEs. So, there is no problem. We are getting the price benefits. Therefore, reach has increased, actually. And regarding the top line of the Mahad, it is on a conservative basis. Evermoss prices are also going up. And we have considered this INR 50 crore conservative revenue for this FY'27.

**Saket Saurabh:** No. See, the question was pertaining to optimum utilization. I think maybe then there is some miscommunication. I think what would be the optimum, say, top line at optimum utilization?

**Girish Khandelwal:** Around INR 60 crores to INR 65 crores because the prices has already increased.

**Saket Saurabh:** So, what was the CAPEX that went in Mahad? And of course, I recall Girish by saying that some was in the, because there is a larger plot, so we had to spend some time in the overall EPC as well. But what was the CAPEX specific to?

**Girish Khandelwal:** So, we have spent a lot for the plot development and the common infrastructure. And if we look at the plant, dedicatedly for this plant, initially we have invested around INR 90 crore approx. And this capacity can be easily doubled by adding INR 12 crores to INR 15 crores of CAPEX. So, once we reset this capacity, we will plan for the another.

**Saket Saurabh:** So, for INR 90 crores CAPEX, we are expecting INR 60 crores of top line, which is 0.66x of asset turn, right?

**Girish Khandelwal:** Because we have developed the common infrastructure, common utilities and everything.

**Parag K. Satoskar:** So, if I may intervene, you know, the INR 90 crores could be split into INR 60 crores to INR 65 crores, which have been invested only for the plant. There is INR 20 crores to INR 25 crores to INR 27 crores, which has been invested for creating a utility base, which is expandable to the enhanced capacity as well as phase 2. And hence, if you look broadly, the investment that has been done specifically for this plant should be between INR 70 crores to INR 75 crores and not INR 90 crores.

**Saket Saurabh:** Okay, got it, got it. So, another question would be that

**Moderator:** Sorry to interrupt you, Mr. Saket. I request you to join the queue for the follow-up question please.

**Saket Saurabh:** Sure.

**Moderator:** We have our next question from the line of Rhea Fernandes, who is an individual investor. Please go ahead.

**Rhea Fernandes:** Thank you for this opportunity. So, sir you had mentioned that Gum, Turpentine, CST and Alpha pinene prices are at all-time highs. So, just wanted to understand, to what extent have these increases been passed on to customers and what is the lag effect in the pricing pass-through mechanism?

**Parag K. Satoskar:** So, I think if you look at the current pricing and compare it to probably the pricing that was offered in the market a quarter back, we are looking at a price increase of anywhere between

25% to 27%, which is a substantial price hike. I think since we are in the buyer's market, there has been substantial resistance from the customers to go and increase the price. Hence, we have kind of broken the price increase into incrementals of three months, and where we have got price increases to ensure that the cost impact of pinene and the other petro steams is recovered in the realization. I think when it comes to materials that are sold on spot, we have moved to a mechanism where we are coming out with a new price list every month to ensure that if there is a pass-through, that pass-through can happen instantly in the spot market.

**Rhea Fernandes:** Okay sir. Thank you so much. That gives a lot more clarity. Also, one more question on the Mahad facility front. So, it is currently dragging the consolidated EBITDA margins by nearly 1% to 1.5%. So, by when do we expect the plant to turn EBITDA neutral and what utilization threshold is required to achieve that?

**Parag K. Satoskar:** So, I mean, we are very confident that in the next one year, we should be in a position to achieve utilization of the plant which is anywhere between 75% to 80%, and that should make the plant, because we are working on the Mahad facility in multiple ways. You know, we are looking at, we are seeing a gradual increase in the price realization. We are also working a lot on optimization and reducing the costs at our end. Hence, we feel that at 75%, 80% utilization, we should be in a position to not only make it EBITDA neutral but start contributing.

**Rhea Fernandes:** Thank you, sir. Thank you. That was very helpful.

**Moderator:** Thank you. We have the next question from the line of Pranay Sharma, an individual investor. Please go ahead.

**Pranay Sharma:** Hi, sir. Good evening. Am I audible?

**Parag K. Satoskar:** Yes.

**Pranay Sharma:** Thank you for the opportunity, sir. So,

**Moderator:** Mr. Pranay, can you hear us?

**Pranay Sharma:** It is like, hello?

**Moderator:** Yes, Mr. Pranay, your audio went off. We request you to kindly start with your question once again and go off speaker phone.

**Pranay Sharma:** Okay, sir. Yes. So, am I audible now?

**Moderator:** Yes, you are slightly audible now.

**Pranay Sharma:** Yes, sir. So, like, my question was, as the Chinese oversupply continues to pressure the aroma Indian market globally, in this environment, how is the company differentiating itself beyond pricing, particularly in the export markets like Europe and South Africa?

**Parag K. Satoskar:** So, we have a multi-point differentiation strategy. I think our whole ingredients piece helps our fragrance division to really kind of offer a very significant value proposition which is different from the fragrance companies that operate in the market who are not backward integrated. So, that is one element. I think the other very significant element is to utilize our infrastructure because between the three plants, we carry out various different chemistries and hence that expertise gives us a substantial opportunity to optimize, A - in terms of our processes which helps us get our costs down and also helps us improve our quality. And the third element which kind of differentiates us from a lot of the other aroma ingredient manufacturers is the basket of products that we offer to our customers. So, you know, all these three points put together one way or the other really gives us a summation of a value proposition which makes us different from the Chinese or a lot of the other aroma chemical manufacturers globally.

**Pranay Sharma:** Okay, sir. Understood. This helps. My one more question would be, so in this year, the split between international and domestic revenue has changed and the domestic has increased. So, what was the reason behind this?

**Parag K. Satoskar:** So, I think two reasons. You know, if you look at the global-local split in Oriental, a lot of our global business happens in the aroma ingredient space where you have seen a lot of pressure in terms of pricing and hence the contribution might have contracted a little bit. In the same breadth, I think we have also seen our fragrance division rising to the occasion extremely decisively and we have captured substantial business with local accounts across all range of customers. So, you know, a combination of these two factors probably can give you the explanation as to why we are seeing the local part of the business increasing a little bit compared to the exports.

**Pranay Sharma:** Okay, sir. Understood. One last question. Sir, just wanted to get a view from five-year basis. So, can you help me understand what was the revenue mix like five years before and currently I know it is equally, 33.33% equally divided and what is the segment that you think which will outperform other segments in the future?

**Parag K. Satoskar:** Again, a crystal ball question, Pranay. I mean, if you ask me five years back and if you ask me today, surprisingly we stay one-third, one-third, one-third. You know, I would love to say that fragrance outperforms aroma ingredients or aroma ingredients outperforms camphor. But you know, when we start working at the start of the year, I think all the three divisions really rise to the occasion and if one division is going up, the others catch up and we keep staying one-third, one-third, one-third plus or minus a few percentage points.

**Pranay Sharma:** Okay, sir. Okay, sir. Understood. Thank you so much and all the best for the future.

**Parag K. Satoskar:** Thank you.

**Moderator:** Thank you. As there are no further questions, I would now like to hand the conference over to the management for closing comments.

**Dharmil Bodani:** Thank you all for participating in this earnings conference call. I hope we have been able to answer your questions satisfactorily. If you have any further questions or would like to know more about the company, please reach out to our IR managers at Valorem Advisors. Thank you.

**Parag K. Satoskar:** Thank you.

**Moderator:** Thank you. On behalf of Oriental Aromatics Limited, that concludes this conference. Thank you for joining us and you may now disconnect your line.