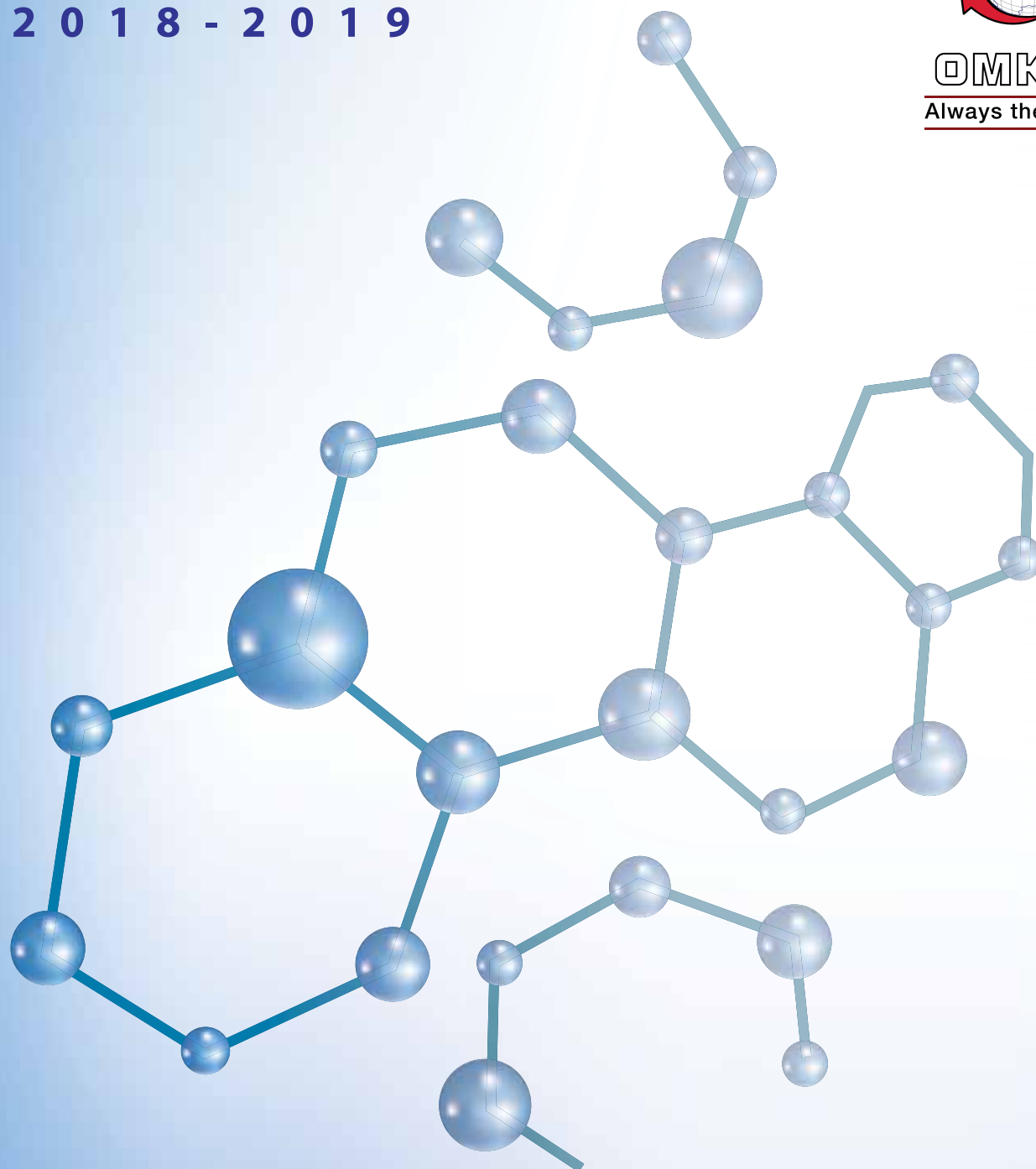


ANNUAL REPORT 2018 - 2019



OMKAR
Always the leaders



EMPOWERING GROWTH THROUGH CATALYST CHEMISTRY

OMKAR SPECIALIY CHEMICALS LTD.



Our Chairman & Managing Director Mr. Pravin Herlekar receiving process patent for “HALQUINOL”



Our Whole Time Director Mr. Rishikesh Herlekar receiving process patent for “SODIUM SACCHARIN (BENZOIC SULFIMIDE) ”



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GEOGRAPHICAL MARKET PRESENCE



OUR KEY PRODUCTS SERVE SEGMENTS LIKE:



CHEMICALS



PHARMA



FEED AND NUTRITION



COSMECEUTICALS



FRAGRANCES



DIVERSE PRODUCT MIX

Diverse mix of over 100 niche products, which cater to a wide spectrum of applications, including pharma, glass and ceramics, fragrance & flavours, feed & nutrition, catalysis, etc

SUSTAINED GROWTH

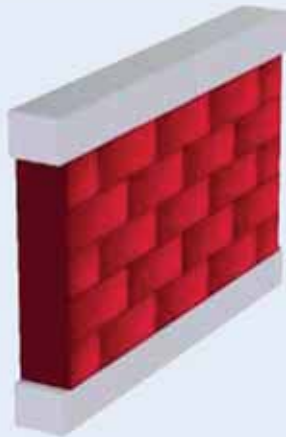
Our operational efficiency and profitability with steady improvement in our sales due to backward integration has led to enduring growth over last eight years

GROWTH AVENUES

Continue to explore strategic business expansion and steady growth through organic and inorganic opportunities as levers for growth

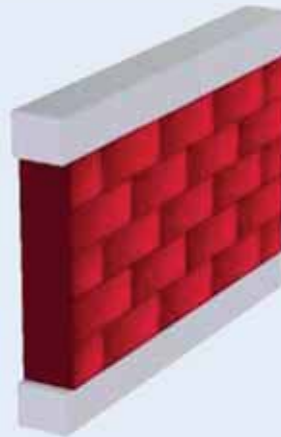
CORPORATE CORNERSTONE

FORAYED INTO CRAMS VERTICAL



APRIL 2018

LAUNCHED PROPRIETARY CATALYSTS TO HELP IN IMPROVING YIELD AND MITIGATE RAW MATERIAL WASTE



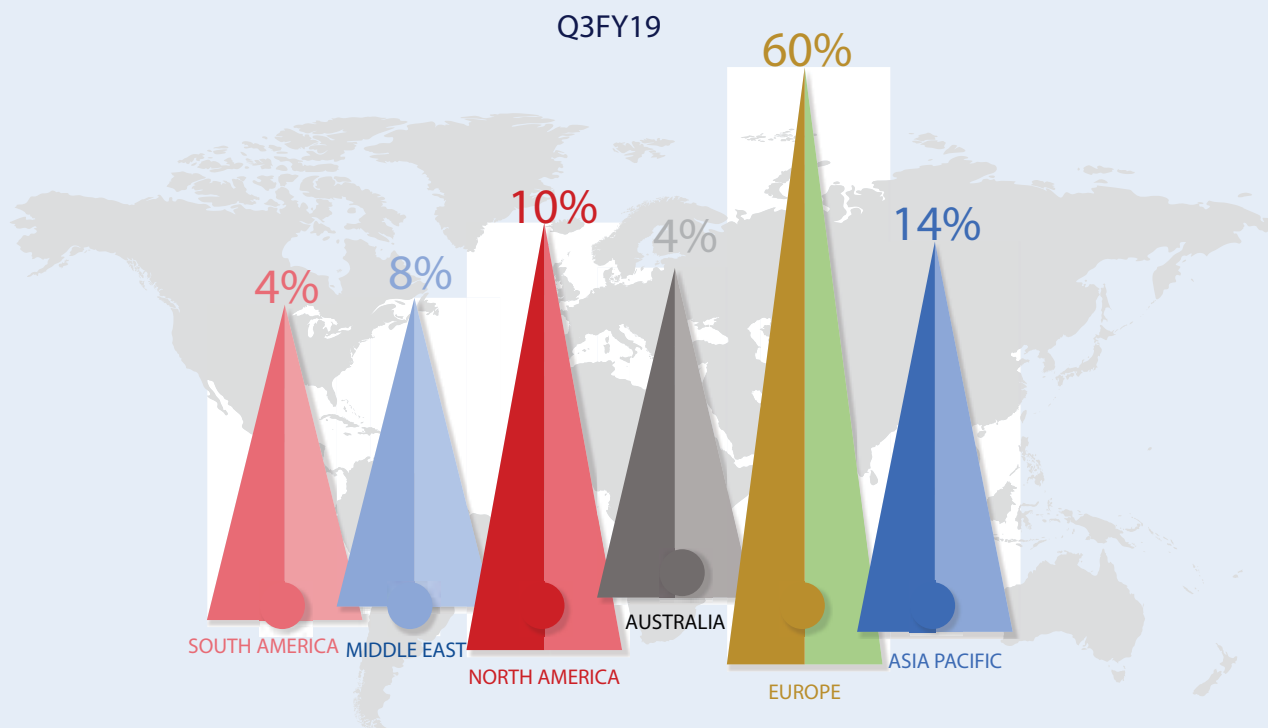
FEBRUARY 2019



KEY HIGHLIGHTS

- Omkar Speciality Chemicals Limited (OSCL) is a vertically integrated group spanning the entire speciality chemicals and pharma value chain, with established credentials in complex chemistry, research & development, manufacturing and global marketing
- Pioneer and leader in niche molecules since over last 37 years
- Managed by a dynamic management team and consortium of technocrats with well rounded experience spanning over four decades
- Global footprint across 40 countries, with a customer base of over 1,000
- Diverse mix of over 100 products that meet the demand of potential new and existing customers
- Five vertically integrated manufacturing base located at Badlapur, Thane District, Maharashtra
- Seven 'process patents', and six more in the pipeline
- Multipurpose manufacturing facility, with significant backward integration linkages that provides flexibility to change the product mix, and cater to the growing market needs
- GMP compliant facility manufacturing Selenium Sulphide (USP)

INTERNATIONAL SALES QUOTIENT



FROM THE CHAIRMAN'S DESK



Dear shareholder,

On behalf of Omkar Speciality Chemicals Limited (OSCL), I sincerely thank you for your unrelenting support. It has been an incredibly humbling journey for me to serve your company, and it's my privilege to present our company's 7th Annual Report.

Looking back at FY2018-19, it turned out to be yet another roller-coaster phase for your company with its share of uncertainty and volatility due to quite a few external and internal factors.

Though the year started with a lower than expected turnover, however, the business picked up noticeably in FY2018-19 against the backdrop of an anticipated global economic recovery, leading to decent order book.

It has been a very satisfying year because two years back the situation was quite bleak. It's not only OSCL, but the entire speciality chemicals sector was reeling under pressure.

The improvement in our gross margin was on account of our focus on development of Next-Gen niche molecules with high EBITDA margins. This led to a noticeable improvement in our overall working capital cycle. Besides, our past R&D efforts have also helped us in reaping

We have been focusing on improving the operating metrics of your company by pruning debt and growing our sales, organically. I along with my entire team, we are making efforts and results are quite visible in all areas like production, quality control, sales revenues, EBTDA and gross margin.

Your Company is pulling out all the stops to return to normal operations in the future. But let me accentuate that we are not yet out of the woods. Your company needs to further bring down finance costs which might require additional innovative debt restructuring.

These key corporate initiatives, such as increasing revenues, controlling operational costs, reducing the debt and interest burden will need to be carried out in an increasingly competitive milieu.

Though it's a tough challenge, but we are confident that it can be met and overcome. Therefore, I have reasons to expect your company to perform better in FY2019-20, and with that, get OSCL on to a financially sustainable trajectory.

To sustain the journey of growth and innovation amidst a highly competitive global business environment, we are also focussing on building our team's competencies. A significantly improved order book combined with substantial manufacturing and execution capabilities should enable your company to grow in the future. Efforts to streamline our operations and innovation to differentiate our product offerings will certainly ensure a sustainable and profitable growth of your company in the medium to long-term.

On behalf of the Board, I thank our shareholders for believing the management of OSCL and the employees for their loyalty and contribution. Going forward, we will continue to invest in people with the right expertise and R&D to scale up to new growth frontiers. As a trusted partner to all our stakeholders, we will continue to responsibly provide our services that will enable our business to contribute meaningfully towards economic progress.

I would also like to express my gratitude to our customers for their continued support and trust. Finally, I would like to thank our employees, whose hard work at every level of the business has allowed us to deliver strong performance.

I would like to end by expressing my gratitude to all our customers, investors, bankers, regulators and shareholders for the trust they have reposed in us. I thank all those who have accorded their support to us.

The best of OSCL is yet to come, and I am confident that with your support, your company will reach even greater heights.

Yours Sincerely,

Sd/-

Pravin S. Herlekar
Chairman & Managing Director



FROM THE DESK OF WHOLE-TIME DIRECTOR



To all our stakeholders,

We are happy to share with you our Annual Report for FY2018-19. Your Company delivered reasonable performance during the year despite convergence of adverse external realities. We made steady progress in transforming your Company into a leaner and more customer-focussed.

R&D continues to be the backbone of your Company's growth story, and we continued to focus on our investment in technology upgradation, process innovations by adopting the latest technology in manufacturing niche speciality chemical molecules.

We have reinforced our Research & Development division so as to attract partnership from global pharmaceutical and agro-chemical companies for Contract Research and Manufacturing Services (CRAMS) apart from addressing our in-house research initiatives.

During the year, we successfully enhanced our product mix with our existing customers, and expanded our client base.

Our niche product range comprises pharma, feed & nutrition, industrial speciality chemicals, cosmeceuticals, and flavours & fragrance.

These initiatives have enabled us to have a positive impact on exports across top developed markets comprising South America, South Africa, Asia, Australia, Europe.

We remain well-equipped to cater to the increasing growth opportunities. Our exports have been growing at a steady rate, and have enabled us to maintaining volumes in depressed market conditions. We are targeting to become a formidable speciality chemicals player with presence across more developed markets.

We are constantly striving for new product development using innovative methods to enhance our manufacturing capabilities, and cater to the stringent quality requirements of our valued customers.

We have added new clients to our diversified list of global clientele, expanded the scope of engagement with many of our existing clients, successfully passed regulatory and client audits, and hired the best talent in the industry.

While we expanded our collaborations with existing clients, we have explored new client engagement opportunities. One of the most significant highlights of the year was the signing strategic, multiyear collaborations with new and existing clients for CRAMS.

OUTLOOK

Your Company expects to encounter exciting opportunities in developed markets through integrated product development, regulatory compliance and utilisation of latest technologies. Your Company pursues an innovative R&D approach backed with low risk and decisive management inputs that facilitate a healthy pipeline of products. Our R&D drives innovation in meeting business strategy and success. Your Company continues to be engaged in the creation of a strong product pipeline along with efficient regulatory filings coupled with excellence in manufacturing operations.

I wish to thank our employees for their continued focus and commitment, which has enabled us to be a partner of choice for our clients; our clients for giving us the opportunity to collaborate with them as a valued partner; and our shareholders for their conviction and unwavering support in us.

As we progress into FY2019-20, we will continue to pursue our strategic priorities, focus on our financial commitments and build on our growth momentum. I must thank all our shareholders for their support through a challenging phase. I must assure that we are on the verge of capitalising on opportunities that will enhance value for all our stakeholders across the foreseeable future.

Moving ahead on this progressive trajectory, your Company is well poised to herald in the next phase of growth. Finally, I would like to take this opportunity to thank our bankers, business associates and all stakeholders for their faith in OSCL. I would also like to express my gratitude for the valuable advice provided by the Board and the management team.

I would also like to convey my appreciation for the unfaltering dedication of all employees. Last, but not the least, I wish to thank our clients for their enduring support.

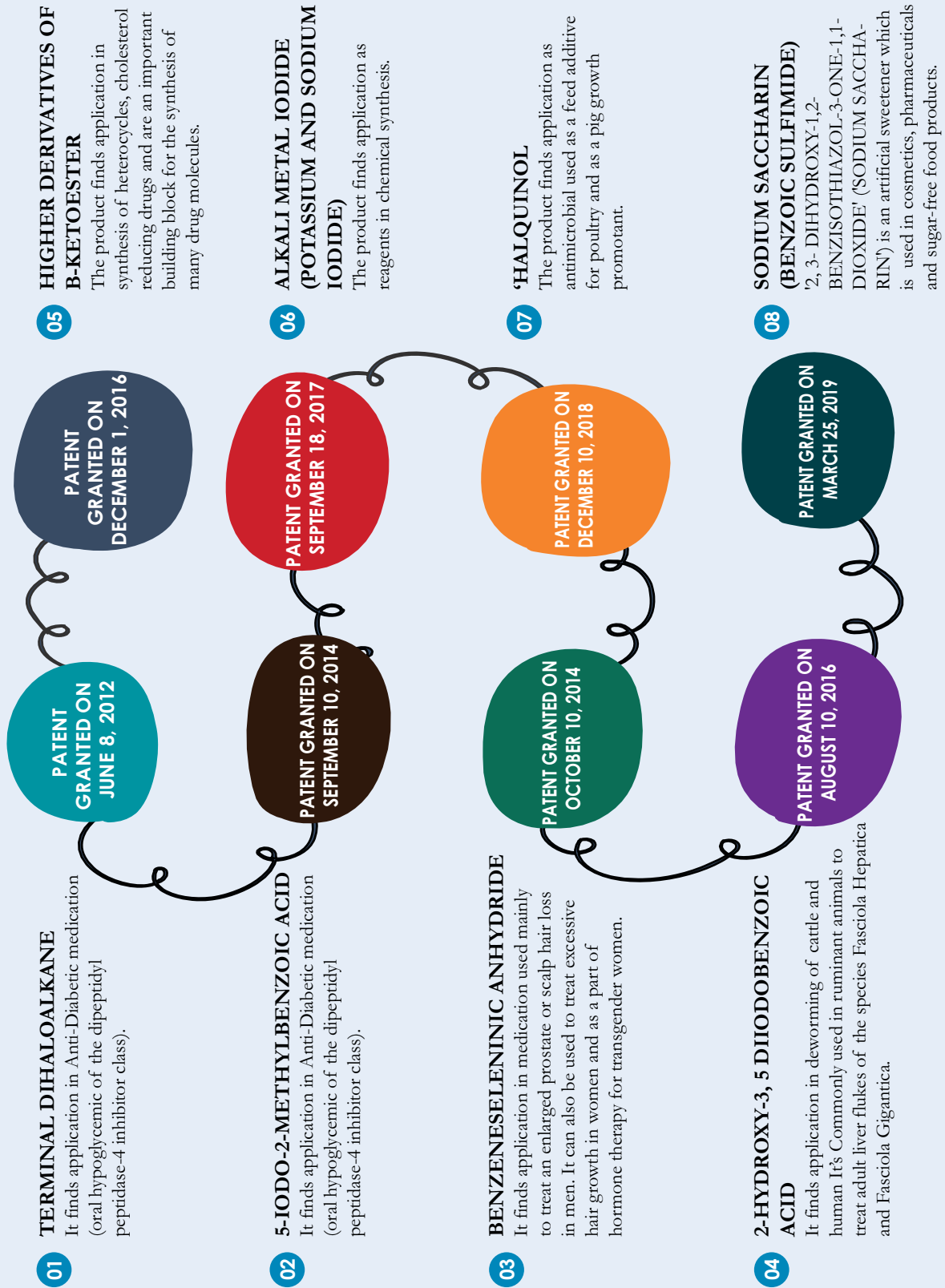
Sincerely,

Sd/-

Rishikesh P. Herlekar

Whole-Time Director

OUR PATENT PORTFOLIO





CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & MANAGING DIRECTOR

Mr. Pravin S. Herlekar

WHOLE TIME DIRECTOR

Mr. Rishikesh P. Herlekar

EXECUTIVE DIRECTOR

Mr. Prakash H. Rao

NON EXECUTIVE NON INDEPENDENT DIRECTOR

CA Laxmikant R. Kabra

INDEPENDENT DIRECTOR

CA Sitendu Sharma

Adv. Sanjivani Patare

Dr. Vikas Telvekar

CS Bhavana Shewakramani

} Till August 14, 2019

COMPANY SECRETARY & COMPLIANCE OFFICER:

CS Sunny Pagare

COMMITTEES OF BOARD OF DIRECTORS

Audit Committee

CA Sitendu K. Sharma
(Chairman)
CA Laxmikant R. Kabra
Adv. Sanjivani S. Patare

Nomination and Remuneration Committee

CA Sitendu K. Sharma
(Chairman)
Dr. Vikas N. Telvekar
CA Laxmikant R. Kabra

Stakeholders Relationship Committee

Adv. Sanjivani S. Patare
(Chairperson)
CA Sitendu K. Sharma
Mr. Prakash H. Rao

Corporate Social Responsibility Committee

Mr. Pravin S. Herlekar
(Chairman)
CA Sitendu K. Sharma
CA Laxmikant R. Kabra
Mr. Prakash H. Rao

OTHER INFORMATION

Statutory Auditors

M/s Desai Saksena & Associates
Chartered Accountants
Laxmi Building, 1st Floor, Sir P.M. Road,
Fort, Mumbai-400 001

Cost Auditors

M/s N. Ritesh & Associates
Cost Accountants
602, 6th Floor, Silver Matru Prabha,
Cama lane, Kirool Road, Ghatkopar (W),
Mumbai-400 086

Secretarial Auditors

M/s Nilesh A Pradhan & Co.
Practicing Company Secretaries
B-201, Pratik Industrial Estate, Near Fortis
(Wockhardt) Hospital, Mulund Goregaon
Link Road, Nahur (W), Mumbai-400 078

Internal Auditors

M/s Dipika Patel & Associates
Chartered Accountants
Rukshmani Bunglow, Devdaya Park,
Opp. J.K. Post, Thane- 400 606.

Corporate Identification Number (CIN)

L24110MH2005PLC151589

Registered and Corporate Office

B-34, M.I.D.C., Badlapur (E) Dist: Thane,
Maharashtra.
Tel No. +91(0251) 2690651, 2697340/48/ 49
Fax: +91(0251) 2691572, 2697347

Registrar and Share Transfer Agent

M/s. Bigshare Services Private Limited
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road Marol,
Andheri (East) Mumbai - 400 059

Bankers

Bank of Baroda
NKGSB Co-operative Bank Ltd.
Axis Bank Limited

CONTACT DETAILS

Tel No. +91 – 0251 – 2690651, 2697340/ 48/ 49

Fax: +91 – 0251 – 2691572/ 2697347

E-mail: info@omkarchemicals.com

WEBSITE

www.omkarchemicals.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of Omkar Speciality Chemicals Limited will be held on Saturday, the 21st Day of September, 2019 at 11:00 a.m. (IST) at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane- 421503, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Prakash Rao (DIN: 07239167), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of CA Laxmikant R. Kabra (DIN: 00061346), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

Explanation for item no 2 & 3: Based on the terms of appointment, executive directors and the non-executive and non-independent directors are subject to retirement by rotation, Mr. Prakash Rao and CA Laxmikant R. Kabra, being the longest-serving members and who are liable to retire, being eligible, seeks reappointment. The board recommends their reappointment.

Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an **ORDINARY RESOLUTION:**

RESOLVED THAT, pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the shareholders of the Company be, and is herewith by accorded to the reappointment of Mr. Prakash Rao and CA Laxmikant R. Kabra as Directors, who are liable to retire by rotation.

SPECIAL BUSINESS:

4. Approval of Cost Auditors Remuneration:

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 all 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 thereof, for the time being in force), consent of the members be and is hereby accorded for the payment of remuneration of Rs. 75,000/- (Rupees Seventy Five thousand only) plus applicable goods and service tax and reimbursement of out of pocket expenses to M/s. N. Ritesh & Associates, Cost Accountants, (Firm Registration No. 100675) appointed by the Board of Directors of the company on the recommendation of Audit committee for conducting the audit of cost records of the company for the Financial Year ending on March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors and/or the Key Managerial Personnel of the company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Registered Office:

B-34, M.I.D.C., Badlapur (E),
Thane- 421503, Maharashtra.
Tel.: +91 (0251) 2697340, 2690651,
Email: investor@omkarchemicals.com;
Web: www.omkarchemicals.com;
CIN: L24110MH2005PLC151589

By Order of the Board of Directors
For **Omkar Speciality Chemicals Limited**

Date: May 30, 2019
Place: Badlapur

Sd/-
Sunny Pagare
Company Secretary & Compliance Officer

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company. Provided that a member holding more than ten (10) percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or member. The holder of proxy shall prove his identity at the time of attending the Meeting.

In order that the appointment of a proxy is effective, the instrument appointing a proxy must be deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of meeting. Proxies submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate resolutions/ authority, as applicable.

2. 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.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act") in respect of the Special Business under Item No. 4 be transacted at the 14th Annual General Meeting is annexed hereto and forms a part of the Notice.
4. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 27, 2017.
5. Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations, 2015"), a statement giving additional information in respect of all Directors seeking appointments/ re-appointments, in respect of Resolutions at Items No. 2 & 3 is annexed herewith.
6. Corporate members intending to depute their authorised representatives to attend the Meeting are requested to send to the Company, a duly Certified True Copy of the Board Resolution under Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote on their behalf at the Meeting.
7. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
8. SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulations, mandating transfer of securities to be carried out only in dematerialized form (except in case of transmission or transposition of securities) which shall be effective April 1, 2019. Accordingly requests for transfer of securities of listed entities shall not be processed unless the securities are held in the dematerialized form with depositories. In view of the same Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management.
9. The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by the Company and has issued circulars allowing service of notices / documents including annual report by e-mail to its members. To support this green initiative of the government in full measure, members who have not registered their e-mail addresses so far, are requested to register the same in respect of electronic holdings with the depository through their depository participants. Members who are holding shares in physical form are requested to get their e-mail addresses registered with the Registrar and Share Transfer Agent.
10. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS), National Electronic Funds Transfer (NEFT), etc. facilities to the members for the remittance of dividend. For this purpose, the details such as, name of the bank, name of the branch, 9-digit MICR code, 11-digit IFS code (as appearing on the cheque), account type, account number etc. are to be furnished/ updated to your Depository Participants ("DPs") if the shares are in electronic form or to the Registrar & Transfer Agents ("RTA"), Bigshare Services Private Limited, if they are held in physical form. Members are requested to send all communications relating to shares to Bigshare Services Private Limited, RTA, at the following address:-

By Post/ Courier/ Hand Delivery:-**M/s. Bigshare Services Private Limited**

Unit: Omkar Speciality Chemicals Limited
 Bharat Tin Works Building, 1st Floor,
 Opp. Vasant Oasis, Makwana Road, Marol
 Andheri(East), Mumbai - 400 059

11. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar and Share Transfer Agents for assistance in this regard.
12. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
13. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form are requested to file their nomination with the Company whilst those members holding shares in dematerialized mode are requested to file their nomination with their Depository Participants (“DPs”).
14. Members/ Proxies are requested to bring their Attendance Slips sent herewith, duly filled in for attending the meeting, along with their copy of Annual Report to the Meeting.
15. In terms of the applicable provisions of Section 124 and 125 the Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Those members who have so far not encashed their dividend warrants pertaining to below mentioned Financial Years are requested to approach the company or the office of the R&TA for the payment thereof on or before September 30, 2019, as the same will be transferred to Investor Education and Protection Fund (IEPF) on respective due dates mentioned below. Kindly note that after such date, the members will have to claim such dividend from such Investor Education and Protection Fund.

Year	Date of Declaration of Dividend	Dividend Per Share	Due date of transfer of Dividend to IEPF
2011- 12	August 4, 2012	1.25	September 1, 2019
2012- 13	August 13, 2013	1.50	September 10, 2020
2013- 14	August 9, 2014	1.50	October 6, 2021
2014- 15	September 26, 2015	1.50	October 24, 2022
2015-16	September 26, 2016	1.50	October 24, 2023

It may be noted that unclaimed dividend for the financial year 2011-12 declared on August 4, 2012 is due to be transferred to the IEPF by September 2019. The same can, however, be claimed by the Members by August 2019. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2012 may forward their claims to the Company's Registrar and Share Transfer Agents before they are due to be transferred to the IEPF. In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2011 and remained unpaid or unclaimed were transferred to the IEPF. The Company has sent notices to all such Members in this regard and thereafter transferred the shares to the IEPF during Financial Year 2018-19.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/ Claimant is required to make an online application to the IEPF Authority in Form IEPF-5 (available on www.iepf.gov.in) along with 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 Ministry of Corporate Affairs (“MCA”) on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (“IEPF Rules”) which is applicable to the Company. The objective of IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The details of unclaimed dividend as



on September 24, 2018 i.e. date of the last Annual General Meeting are placed under “Investors Section” on the Company’s website (www.omkarchemicals.com). The information is also available on the website of Investor Education and Protection Fund (www.iepf.gov.in)

16. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (“PAN”) by every participant in the securities market. Members holding shares in dematerialized form are requested to submit their PAN details and email address to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details and email address to the Company or Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.

Company encourages paperless communication as a contribution to greener environment and therefore, we request the shareholders/ investors to forward their queries pertaining to Annual Accounts and other Sections of Annual Report by e-mail to investor@omkarchemicals.com

Members holding shares in physical form are requested to register/ update their e-mail address with the Bigshare Services Private Limited, the Registrars & Share Transfer Agents of the Company and members holding shares in electronic form are requested to register/ update their e-mail address with their respective Depository Participants in case the same is still not registered.

If there is any change in the e-mail address already registered with the Company, members are requested to immediately notify such change to the Registrars & Share Transfer Agents of the Company in respect of shares held in physical form and to their respective Depository Participants in respect of shares held in electronic form. Members are further requested to note that they shall be entitled to be furnished free of cost with a physical copy of such documents sent by email upon receipt of a requisition from such members.

17. Electronic copy of the Annual Report for Financial Year 2018-19, notice of this Annual General Meeting inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail addresses, physical copies of the Annual Report for 2018-19 are being sent in the permitted mode.

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the Financial Year 2018-19 will also be available on the Company’s website www.omkarchemicals.com for their download.

18. All the documents referred to in the accompanying notice and explanatory statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.
19. A route map showing directions to reach to the venue of the 14th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards on General Meeting (SS-2).
20. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, Auditor’s Report and Secretarial Audit Report shall be available for inspection in physical form at the AGM.

VOTING THROUGH ELECTRONIC MODE:

21. In compliance with the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations”), the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Company has engaged the services of National Securities Depository Limited (NSDL) as authorized agency to provide e-voting facility. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (“remote e-voting”). It is clarified that it is not mandatory for a member to vote using remote e-voting facility. Resolutions passed by the Members through remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting (“AGM”).

22. The facility for voting through Polling Paper will be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through Polling Paper. The detailed instructions for e-voting are given below.
23. The Company has appointed CS Nilesh A. Pradhan, of M/s Nilesh A. Pradhan & Co, Practicing Company Secretary (Membership No. FCS 5445), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed as the Scrutinizer.
24. The members who have cast their votes by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” option available on www.evoting.nsdl.com.

25. The remote e-voting period will commence on Wednesday, September 18, 2019 (9.00 a.m.) and will end on Friday, September 20, 2019 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 14, 2019, may cast their votes by remote e-voting. The remote e-voting module will be disabled for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.

The voting rights of members shall be in proportion of the paid-up equity share capital of the Company on the cut-off date.

Only those members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date shall be entitled to vote. If a person was a member on the date of the Book Closure as aforesaid but has ceased to be a member on the cut-off date, he/ she shall not be entitled to vote. Such person should treat this notice for information purpose only.

The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, would count the votes cast at the meeting, thereafter unlock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and submit, not later than 3 days of conclusion of the meeting, a consolidated Scrutinizer’s Report to the Chairman or in his absence, any other Director so authorized in this behalf, who shall counter sign the same. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company (www.omkarchemicals.com), the website of NSDL (www.evoting.nsdl.com) and the Notice Board of the Company at its Registered Office immediately after the declaration of result by the Chairman or in his absence, any other Director so authorized in this behalf. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

26. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Annual General Meeting.

27. INSTRUCTIONS FOR E-VOTING

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):
 1. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
Open the internet browser and type the following URL: <https://www.evoting.nsdl.com>.
 2. Click on Shareholder – Login.
 3. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
 4. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.



5. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.

Please take utmost care to keep your password confidential.

6. Once the e-voting home page opens, click on e-voting> Active Voting Cycles.
7. Select “EVEN” (E-Voting Event Number) of Omkar Speciality Chemicals Limited.

Now you are ready for e-voting as Cast Vote page opens.

8. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
9. Upon confirmation, the message “Vote cast successfully” will be displayed.
10. Once the vote on the resolution is cast, the member shall not be allowed to change it subsequently.

Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investor@omkarchemicals.com, with a copy marked to evoting@nsdl.co.in.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com or call on toll free No.: 1800-222-990.

- B. In case a member receives physical copy of the notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
 1. Initial password will be provided by Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company: EVEN (E-Voting Event Number), user ID and password.
 2. Please follow all steps from Sr. No. 2 to Sr. No. 11 above, to cast vote.

Registered Office:

B-34, M.I.D.C., Badlapur (E),
Thane- 421503, Maharashtra.
Tel.: +91 (0251) 2697340, 2690651,
Email: investor@omkarchemicals.com;
Web: www.omkarchemicals.com;
CIN: L24110MH2005PLC151589

**By Order of the Board of Directors
For Omkar Speciality Chemicals Limited**

Date: May 30, 2019
Place: Badlapur

Sd/-
Sunny Pagare
Company Secretary & Compliance Officer

ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT OR RE-APPOINTMENT

[In pursuance of regulation 36(3) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2]

Name of Director	Mr. Prakash Rao	CA Laxmikant R. Kabra
Director Identification No.	07239167	00061346
Date of Birth	December 03, 1960	March 9, 1969
Date of appointment on Board	July 17, 2015	March 26, 2015
Nationality	Indian	Indian
Qualifications	Commerce Graduate from University of Mumbai.	He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and also a Commerce Graduate from Mumbai University.
Expertise in specific functional areas	He has a wide expertise of over 20 years of experience in the fields of policy matters, HR, administration and Public Relations.	He has wide expertise of over 24 years of experience in the fields of Income Tax, Company Law, Banking, Finance, Audit, etc.
List of Directorships held in Other Companies*	N.A	<ul style="list-style-type: none"> • Narendra Investments (Delhi) Limited • Amarnath Securities Limited
Memberships / Chairmanships in Committees across Public Companies*	Member of Stakeholders Relationship committee, corporate social relationship committee, Internal complaints committee, Whistle Blower Committee in Omkar Speciality Chemicals limited.	Member of Audit committee and Stakeholders relationship committee in Amarnath Securities Limited and member of audit committee, Nomination and Remuneration committee and Corporate Social Responsibility Committee in Omkar Speciality Chemicals limited.
Number of shares held (As on March 31, 2019)	Nil	Nil
Relationships between the Directors inter-se	None	None

**As per Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 details of Chairmanship/ Membership of Audit Committee and Stakeholders' Relationship Committee are provided. Directorships in private companies, Section 8 companies, foreign companies, membership in governing councils, chambers and other bodies, partnership in firms etc., are not provided.*



EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4:

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, (Firm Registration No. 100675), to conduct the audit of the cost records of the Company for the Financial Year 2019-20 on remuneration of Rs. 75,000 /- (Rupees Seventy Five Thousand only) plus applicable Service Tax and reimbursement of out of pocket expenses incurred by the Cost Auditors in connection with the said audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be approved by the shareholders of the Company.

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for approval/ ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2020.

Your Board, thus, recommends the said resolution for your approval.

None of the Directors or Key Managerial Personnel of the Company, and their relatives are, in anyway concerned or interested, financially or otherwise, in the said resolution.

Registered Office:

B-34, M.I.D.C., Badlapur (E),

Thane- 421503, Maharashtra.

Tel.: +91 (0251) 2697340, 2690651,

Email: investor@omkarchemicals.com;

Web: www.omkarchemicals.com;

CIN: L24110MH2005PLC151589

Date: May 30, 2019

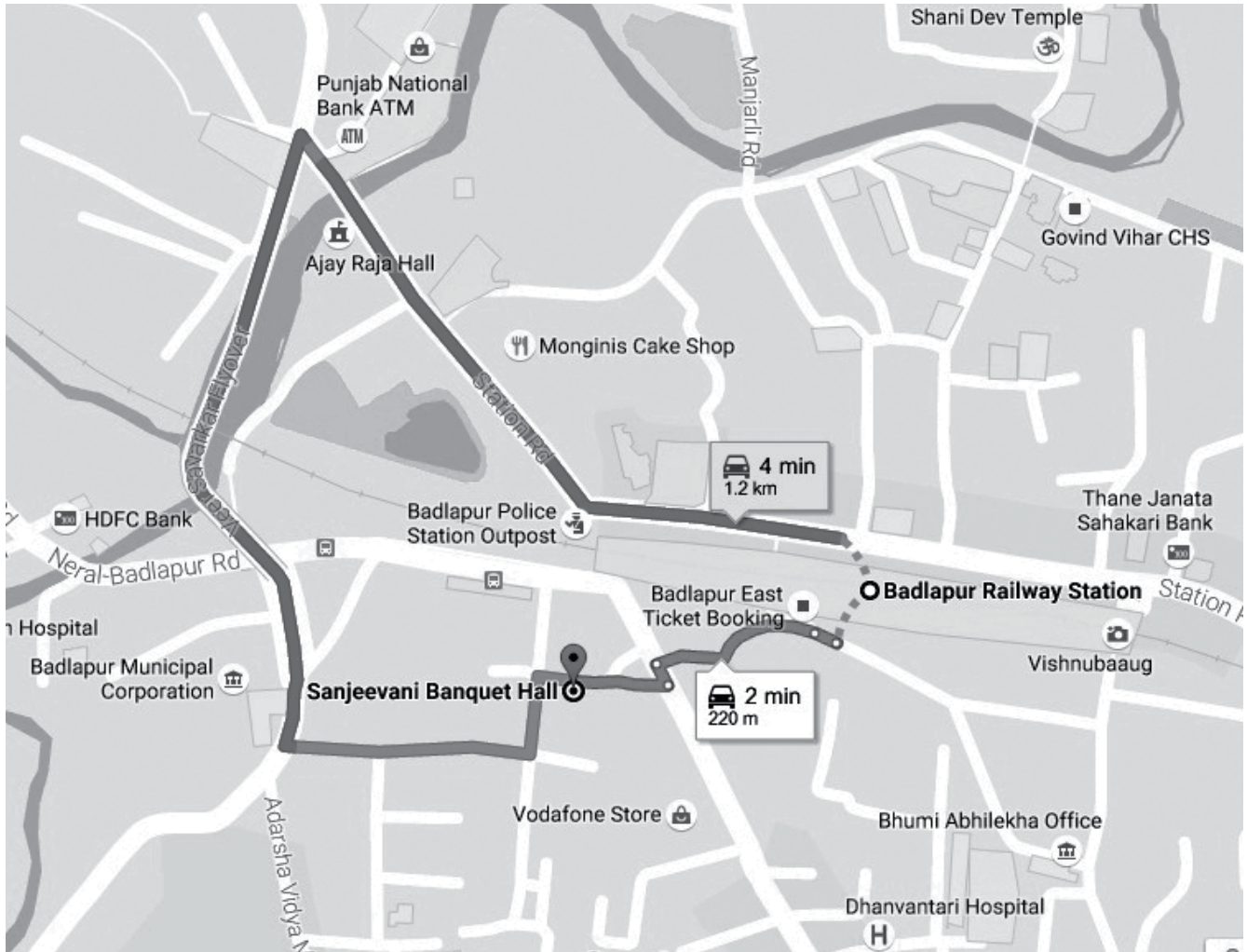
Place: Badlapur

By Order of the Board
For Omkar Speciality Chemicals Limited

Sd/-
Sunny Pagare
Company Secretary & Compliance Officer

ROUTE MAP – AGM

Direction for the 14th Annual General Meeting of Omkar Speciality Chemicals Limited to be held at Sanjeevani Hall, next to Monginis cake Shop, Badlapur (east), thane– 421503 on Saturday, 21st day of September, 2019 at 11:00 a.m.





BOARD'S REPORT

TO THE MEMBERS OF OMKAR SPECIALITY CHEMICALS LIMITED

Your Directors are pleased to present their fourteenth Annual Report on business and operations of your Company together with Audited Financial Statements for the Financial Year ended on March 31, 2019.

➤ FINANCIAL HIGHLIGHTS:

Particulars	(Rs. in Lakhs)	
	2018-19	2017-18
Total Revenue	4,511.29	20,132.42
Total Expenditure	6,656.39	27,528.70
Profit Before Tax & Exceptional Items	(2,145.10)	(7,396.28)
Profit Before Tax	(1,152.09)	(12,654.83)
Tax Expenses	535.37	(2,258.02)
Profit After Tax	(1,687.46)	(10,371.95)
Balance in Profit & Loss Account brought forward from Previous Year	-	-
Appropriations:	-	-
a) Proposed Dividend	-	-
b) Tax on Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to the next year's account	-	-

➤ PERFORMANCE REVIEW:

o Income

Your Company's performance in the current Financial Year, in terms of Total Income stood at Rs. 4,511.29 Lakhs as compared to Rs. 20,132.43 Lakhs in the previous year.

o Profit / Loss Before Tax

Your Company's Profit before Tax for the current year was Rs. (1,152.09) Lakhs as against Rs. (12,654.82) Lakhs in the previous year.

o Profit / Loss After Tax

Your Company's Profit after Tax for the current year was Rs. (1,687.46) Lakhs as against Rs. (10,396.80) Lakhs in the previous year.

A detailed discussion of operations for the year ended March 31, 2019 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

➤ RIGHTS ISSUE:

The company has filed application for the proposed Right issue to the Exchange(s) and SEBI for their in principal approval and the Company also received their approval.

➤ SHARE CAPITAL:

The movement of Equity Capital is as under:

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2018	2,05,78,004
Increase/ Decrease during the year	NIL
Equity Capital as on March 31, 2019	2,05,78,004

Your Company has only one class of Equity Shares and it has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

Ordinary Resolution passed by the Voting through Postal Ballot Process conducted by the Company to increase the Authorised Share Capital to facilitate issuance of Rights Shares and for future requirements, if any. Hence, the Authorised Share Capital increased to Rs. 65,00,00,000 (Rupees Sixty five crores only) divided into 6,50,00,000 (Six Crore Fifty lakhs only) Equity Shares of Rs. 10/- equity shares of Rs. 10 each, ranking pari passu with the existing equity shares.

No disclosure is required under Section 67(3) (c) of the Companies Act, 2013 (“Act”) in respect of voting rights not exercised directly by the employees or Key Managerial Personnel of the Company as the provisions of the Section are not applicable.

➤ **DIVIDEND:**

In view of losses incurred by your Company, no dividend has been proposed to be declared in the Financial Year 2018-19.

➤ **FINANCIAL LIQUIDITY:**

As at March 31 2019, your Company had liquid assets of Rs.16.63 lakhs as against Rs. 145.79 lakhs at the previous year end on consolidated basis. Your company maintains sufficient cash reserves to meet its operations and strategic objectives

➤ **PARTICULARS OF LOANS, GUARANTEE OR INVESTMENTS U/S 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI Listing Regulations, 2015”) are given in the notes to the Financial Statements.

➤ **MATERIAL CHANGES AND COMMITMENT:**

Except as disclosed elsewhere in the Report, there have been no material changes in commitment between the end of Financial Year to which this financial statements relates on the date of this Report.

➤ **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and date of this report. There has been no change in the nature of business of the Company.

- Application No. 1738 of 2017- Ela Enterprises Vs Omkar Speciality Chemicals Limited:

An application under Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 has been filed by Ela Enterprises as an Operational Creditor, through Rohini Hemant Paraskar, Proprietor against the Company (Corporate Debtor) before National Company Law Tribunal, Mumbai Bench at Mumbai. As per said application, the Company, as on November 11, 2017 owes Ela Enterprises a sum of Rs. 107.63 Lakhs on account for payment of wages to contractors, workers as supplied by the Petitioner. As per the application filed by the Petitioner there is no security created in favour of the Operational Creditor on account of amount owed by the Company. The matter is currently pending before the Tribunal for disposal.

- Raj Metals & Alloys, partnership firm Vs Omkar Speciality Chemicals Limited Company Petition No. 3730/MB/2018:

A company petition no. 3730/MB/2018 was filed before the National Company Law Tribunal, Mumbai Bench by Raj Metals & Alloys, a partnership firm (the Petitioner) under Section 9 of the Insolvency and Bankruptcy Code, 2016 against our Company (the Respondent) for amount owed to the Petitioner on account of being an Operational Creditor supplying Selenium Drums to the Company. As per the said petition the Petitioner has raised an invoice dated June 3, 2017 on the Company for an amount of Rs. 42.85 Lakhs which was due on September 1, 2017. A demand notice was sent by the Petitioner to the Company and subsequently the Company had paid a total amount of Rs. 8.10 Lakhs on July 25 and July 30. The said petition has been filed for the remaining amount of Rs. 38.99 Lakhs by the Petitioner along with interest @15% per annum from the due date of payment till April 30, 2018 before the National Company Law Tribunal, Mumbai Branch and is currently pending for disposal.

➤ **INTERNAL FINANCIAL CONTROLS:**

The details in respect of internal financial controls and their adequacy are included in the Management Discussion & Analysis, which forms part of this Report.

➤ **SUBSIDIARY COMPANIES:**

The Company does not have any Subsidiary Company. There are no associate companies or joint venture companies within the meaning of Section 2(6) of the Act.



➤ **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo is provided in Annexure A, which forms part of this Report.

➤ **CHANGES IN KEY MANAGERIAL PERSONNEL:**

The Board of Directors appointed Mr. Rishikesh Herlekar as the Chief Financial Officer of the Company with effect from May 30, 2019.

➤ **EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Sub-section (3) of Section 92 of the Act read with Sub-rule (1) of Rule 12 of the Companies (Management and Administration) Rules, 2014, is included in this report as Annexure B and forms an integral part of the Directors' Report.

➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on March 31, 2018, the Board comprised of 8 (Eight) Directors out of which 5 (Five) were Non-Executive Directors of which 4 (Four) Directors were Independent Directors.

• Re-appointments

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, CA Laxmikant R. Kabra (DIN: 00061346) and Mr. Prakash Rao (DIN: 07239167) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. CA Laxmikant R. Kabra and Mr. Prakash H. Rao have confirmed their respective eligibility and willingness to accept the office of the Directors of your Company, if confirmed by the members at the ensuing Annual General Meeting. Items seeking your approval on the above re-appointments are included in the Notice convening Annual General Meeting.

In the opinion of your Directors, CA Laxmikant R. Kabra and Mr. Prakash Rao have requisite qualifications and experience and therefore, your Directors recommend that the proposed resolutions relating to their re-appointment be passed.

➤ **DECLARATION BY INDEPENDENT DIRECTORS:**

All Independent Directors of the Company have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, 2015. In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

➤ **ANNUAL PERFORMANCE EVALUATION:**

In compliance with the provisions of the Act, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the performance evaluation was carried out as under:

- **Board:** In accordance with the criteria suggested by the Nomination and Remuneration Committee, the Board of Directors evaluated the performance of the Board, having regard to various criteria such as Board composition, Board processes and Board dynamics. The Independent Directors, at their separate meeting, also evaluated the performance of the Board as a whole based on various criteria. The Board and the Independent Directors were of the unanimous view that performance of the Board of Directors as a whole was satisfactory.
- **Committees of the Board:** The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Act, the Rules framed thereunder and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- **Individual Directors:** Independent Directors: In accordance with the criteria suggested by the Nomination and Remuneration Committee, the performance of each independent director was evaluated by the entire Board of Directors (excluding the director being evaluated) on various parameters like qualification, experience, availability and attendance,

integrity, commitment, governance, independence, communication, preparedness, participation and value addition. The Board was of the unanimous view that each independent director was a reputed professional and brought his/her rich experience to the deliberations of the Board

- **Non-Independent Directors:** The performance of each of the non-independent directors (including the Chairperson) was evaluated by the Independent Directors at their separate meeting. Further, their performance was also evaluated by the Board of Directors. Various criteria considered for the purpose of evaluation included qualification, experience, availability and attendance, integrity, commitment, governance, communication, etc. The Independent Directors and the Board were of the unanimous view that each of the non-independent directors was providing good business and people leadership.

➤ **BOARD MEETINGS HELD DURING THE YEAR:**

During the year under review, 4 (Four) meetings of the Board of Directors were held as required under the Act and SEBI Listing Regulations, 2015. The details pertaining to the composition, terms of reference, etc. of the Board of Directors of your Company and the meetings thereof held during the Financial Year are given in the Report on Corporate Governance section forming part of this Annual Report.

➤ **DIRECTORS' RESPONSIBILITY STATEMENT:**

In terms of provisions of Section 134(3)(c) and Section 134(5) of the Act, the Board of Directors of Omkar Speciality Chemicals Limited, to the best of their knowledge and ability, in respect of the financial year ended March 31, 2018, confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Loss of the Company for that period;
3. They had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. They had prepared the annual accounts on a going concern basis;
5. They had laid-down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

➤ **BOARD COMMITTEES:**

The Board of Directors has the following Committees:

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

➤ **POLICIES OF THE COMPANY:**

Your Company has posted the following documents on its website www.omkarchemicals.com:



1. Nomination & Remuneration Policy
2. Corporate Social Responsibility Policy
3. Environment, Health & Safety Policy
4. Risk Management Policy
5. Whistle Blower Policy
6. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
7. Policy governing transactions with Related Parties & Material Non-listed Subsidiaries
8. Policy for procedure of inquiry in case of leak of unpublished price sensitive information
9. Anti-Sexual Harassment Policy
10. Board Diversity Policy
11. Policy on Materiality
12. Preservation of Documents Policy
13. Records & Archives Management Policy
14. Code of Internal Procedures And Conduct For Regulating, Monitoring And Reporting Of Trading By Insiders
15. Materiality Policy, pursuant to the SEBI ICDR Regulations

➤ **NOMINATION & REMUNERATION POLICY OF THE COMPANY:**

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

➤ **RISK MANAGEMENT POLICY:**

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. These procedures have been periodically reviewed to ensure that the executive management controls the risk through properly defined framework.

➤ **WHISTLE BLOWER POLICY:**

The Company has devised an effective Vigil Mechanism for stakeholders including Directors, shareholders, employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy to freely communicate their concerns about illegal or unethical practices. The policy has been explained in detail in the Corporate Governance Report, which forms a part of this Report.

➤ **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:**

The details in respect of familiarization programmes for Board members are included in the Corporate Governance, which forms part of this Report.

➤ **CORPORATE SOCIAL RESPONSIBILITY(CSR):**

In terms of Section 135 of the Act, every company having Net Worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or a Net Profit of Rupees Five Crore or more during the previous year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three (3) or more Directors, out of which at least one Director shall be an Independent Director. All such companies are required to spend at least 2% of the average Net Profits of their three (3) immediately preceding Financial Years on CSR related activities. Accordingly, your Company was not required to spend any amount toward CSR activities on account of losses. The Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The Company also has in place a CSR policy and the same is available on the website of the Company and can be accessed through we blink: <http://www.omkarchemicals.com/Policies/CSR-policy-28-1-16.pdf>. The details on CSR have been briefly discussed in Annexure C forming part of the Directors' Report.

➤ **RE-CLASSIFICATION AS PER REGULATION 31A OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015**

The Company had, at its Annual General Meeting held on September 27, 2017, obtained the approval of the shareholders for re-classification of the following Persons from "Promoter and "Promoter Group" category to Public category as per Regulation 31A of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

- Anjali Herlekar
- Omkar Herlekar

Subsequent thereto, the Company had made applications to the Stock Exchanges for their approval for the aforementioned reclassification. The Company has received the approvals from Stock Exchanges for the re-classification on July 26, 2018.

The current promoter and promoter group are:

Promoter:

- Mr. Pravin Herlekar

Promoter Group:

- Mr. Rishikesh Herlekar
- Svaks Biotech Pvt. Ltd.

➤ **DISCLOSURE UNDER SECTION 197(12) AND RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc. as stipulated under the above Rules are annexed as Annexure to this Report.

➤ **TRANSACTIONS WITH RELATED PARTIES:**

Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at March 31, 2019.

The Company has adopted a Related Party Transactions Policy. The Policy, as approved by the Board, is uploaded on the Company's website and can be accessed through web link: <http://www.omkarchemicals.com/Policies/RPT%20%20&%20Material%20Non-listed%20Subsidiaries.pdf>. Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC-2.

➤ **POLICY ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted Anti Sexual Harassment Policy, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The policy is applicable for all employees of the organization, which includes corporate office, branches, depots and manufacturing locations etc. The policy is applicable to non-employees as well i.e. business associates, vendors, trainees etc.

A Complaints Committee has also been set up to redress complaints received on sexual harassment as well as other forms of verbal, physical, written or visual harassment.

During the financial year under review, the Company did not receive any complaints of sexual harassment and no cases were filed under the POSH Act.

➤ **GRANT OF PATENT:**

The Company received a letter from Intellectual Property India, The Government of India Patent Office, for grant of seventh Process Patent to produce 'HALQUINOL' on 10 December, 2018

Company received its Eighth Process Patent to produce '2, 3- DIHYDROXY -1, 2- BENZISOTHIAZOL -3-ONE -1, 1-DIOXIDE' ('SODIUM SACCHARIN') product from the Intellectual Property India, The Government of India Patent office on 25 March, 2019.

With this, the number of patents granted to OSCL till date stands at 8, and addition five more patents applications filed for other products are pending for grant.

➤ **HUMAN RESOURCE MANAGEMENT**

Your Company recognizes its human resources as one of its prime & critical resources. The relations between the Management and the Staff Members remained very cordial throughout the year under review. As on March 31, 2019 the Company had 78 permanent employees at its manufacturing plants and administrative office. Two (2) employees were employed throughout the year. There was no employee who was employed for the part of the Financial Year 2018-19 and was in receipt of remuneration of Rs. One crore two lakhs per annum and Eight Lakhs fifty thousand per month or more. There was no employee who was in receipt of remuneration in the year which was in excess of the remuneration of the Managing Director or Whole Time Director. Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as Annexure D to the Board's Report.



➤ **INDUSTRIAL RELATIONS:**

The relationship with the workmen and staff remained cordial and harmonious during the year and the management received full cooperation from the employees.

➤ **MANAGEMENT DISCUSSION AND ANALYSIS:**

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, detailed review of operations, performance and future outlook of the Company is covered under a separate Annexure to this report as Management's Discussion & Analysis.

➤ **REPORT ON CORPORATE GOVERNANCE:**

A detailed Report on Corporate Governance, pursuant to the requirements of SEBI Listing Regulations forms part of the Annual Report. A Certificate from the Auditors of the Company, M/s Desai Saksena & Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V (E) of SEBI Listing Regulations, also forms part of the Annual Report.

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI Listing Regulations, 2015, is not applicable to your Company for the Financial Year ending March 31, 2019.

➤ **REGULATORY APPROVALS:**

The relevant regulations and policies as prescribed by the Government of India and other regulatory bodies have been duly complied with by your Company.

Our manufacturing facilities are monitored and approved by various regulatory authorities. Periodically, the FDA, MPCB, Department of Explosives etc. conducts routine audits of all approved facilities.

➤ **AUDITORS AND AUDITOR'S REPORT:**

• **Statutory Auditors:**

At the Annual General Meeting held on September 27, 2017, M/s Desai Saksena & Associates, Chartered Accountants, Mumbai (Firm Regn. No.: 102358W) were appointed as Statutory Auditors of the Company to hold office till the conclusion of the 17th Annual General Meeting to be held in the calendar year 2022. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

Further, in terms of the Regulation 33(1) (d) of the SEBI Listing Regulations, 2015, the Statutory Auditors of your Company are subjected to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI). M/s Desai Saksena & Associates have confirmed that they hold a valid certificate issued by 'Peer Review Board' of ICAI.

Explanation or comments by the board on every qualification, reservation or adverse remark or disclaimer made by the statutory auditors:

- 1) The company has a sound business plan in terms of its diversified product profile and a wide customer base both on the domestic as well as international front. The business fundamentals are extremely strong and the company can progress with reasonable growth rate in coming years. The company normally has sufficient orders on ongoing basis. The business in the recent past has been affected on account of Working Capital requirements. However, the company is planning for improving the cash flows by infusion of Equity through suitable fund raising structure.

In view of the above, in spite of having negative net worth the financial results have been prepared assuming that the company will continue as a going concern.

- 2) Our account has been classified as non-performing asset by our lenders, the Company is in discussion with its Bankers for restructuring of its current debt inclusive of outstanding interest suitably. Bank of Baroda and Axis Bank have not debited any interest pending the said proposal. Hence, the Company has not provided for interest amounting to Rs.1109.33 lakhs and Rs.525.56 lakhs during the year March 31, 2019 and current quarter on various credit facilities/loans from the said Banks. The accumulated interest of Rs.993.01 lakhs which was provided till September 2018 has been shown as reversed as exceptional items. The Statutory Auditors have qualified their Review Report in respect of the said matter. The necessary net effect shall be given in the books once the banks conclude decision on our proposal

3) The auditors have qualified about inadequacies in IFCR policies and procedures and over all Internal Controls. Wherever the weaknesses in the system are being pointed out by the Internal Auditors/statuary auditors, they are regularly and promptly being taken care of. The management has always been receptive, keen, eager and willing to strengthen the Internal Control Systems, if any lacuna/ shortfalls are brought to our notice. With the appointment of CFO, the necessary controls are expected to be brought in place.

- **Cost Auditors:**

The maintenance of cost records and cost audit is applicable to the company and company has complied with the same. As per the requirement of Central Government and pursuant to Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company has been carrying out audit of cost records every year.

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s N. Ritesh & Associates, Cost Accountants, Mumbai (Firm Regn. No.: 100675) as the Cost Auditor to audit the cost records of the Company for Financial Year 2018-19.

The Company is seeking the ratification of the Shareholders for the appointment of M/s N. Ritesh & Associates, Cost Auditors, Mumbai (Firm Regn. No.: 100675) as the Cost Accountant of the Company for the Financial Year ending March 31, 2020 vide Item no. 4 of the Notice of AGM.

- **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Nilesh A. Pradhan & Co., Practicing Company Secretary (C.P. No.: 3659) to undertake the Secretarial Audit of the Company for the year ended March 31, 2019. The Secretarial Audit Report for the Financial Year ended March 31, 2019 has been annexed to this Report as Annexure E and forms an integral part of this Report.

In connection with the auditors observations in the Secretarial Audit Report it is clarified that:

Observation 1: Your company was in the process of finding a suitable candidate for the position of CFO and has appointed Mr. Rishikesh Herlekar as the CFO of the company w.e.f 30.05.2019

Observation 2-4: Your company has noted the same for proper compliance.

- **FRAUD REPORTING:**

There have been no instances of frauds reported by the Auditors under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder, either to the Company or to the Central Government.

- **STATUTORY DISCLOSURES:**

There were no transactions/events with respect to the following items during the financial year under review and accordingly no disclosure or reporting is required with respect to the same:

- Deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014;
- Issue of equity shares with differential rights as to dividend, voting or otherwise;
- Receipt of any remuneration or commission by the Managing Director/Whole-time Director of the Company from any of its subsidiaries;
- Significant or material orders passed by the regulators or courts or tribunals which impact the going concern status and the Company's operations in future;
- Buyback of shares;
- Material changes and commitments, affecting the financial position of the Company that have occurred between the end of the financial year to which the financial statements relate and the date of this report unless otherwise stated in the report.

The details pertaining to the composition of various committees of the Board including the Audit Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee and the details of establishment of Vigil Mechanism are included in the Corporate Governance Report, which is a part of this report.

The Company has complied with the Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by ICSI.



➤ **ACKNOWLEDGEMENTS:**

Your Directors place on record their appreciation to Company's esteemed clients, vendors, investors, business associates and bankers for their continuous support to the Company.

The Directors also thank the Central & State Governments, Governments of various countries, Customs & Excise Departments, Ministry of Commerce, Ministry of Finance, Ministry of External Affairs, Ministry of Corporate Affairs, Maharashtra Industrial Development Corporation and other Government Agencies for their positive support, and look forward to their continued support in the future.

Your Directors also place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, and support, your Company's achievements would not have been possible.

**For and On behalf of the Board
For Omkar Speciality Chemicals Limited**

Date: May 30, 2019
Place: Badlapur

Sd/-
Pravin S. Herlekar
Chairman & Managing Director
(DIN: 00525610)

ANNEXURE A**REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

As on the Financial Year ended on March 31, 2019

[Pursuant to Section 134(3) (m) of the Companies Act 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

CONSERVATION OF ENERGY:**DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY:**

Power and Fuel Consumption	Current Year 2018-19	Previous Year 2017-18
1. Electricity		
a) Purchased		
Unit (kwh)	735256	8,88,547
Total Amount (Rs)	8613052	89,22,234
Rate / Unit (per kwh)	11.71	10.04
b) Own Generation		
(i) <i>Through diesel generator</i>		
Quantity (ltrs)	9769.82	12,894
Units Generated		11,951
Total Amount (Rs)	692652.50	7,76,815
Units per ltr. of diesel oil		1.66
Cost / Unit	70.90	60.24
(ii) <i>Through steam turbine/generator</i>		
Units	-	-
Total Amount (Rs)	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/unit	-	-
2. Coal		
Quantity (tonnes)	319	595
Total cost	1722811.12	29,06,113
Average rate	5.41	4.88
3. Light Diesel Oil		
Quantity (ltrs.)	46227	91,633
Total Amount (Rs)	2163485.56	32,02,125
Average Rate	46.80	34.95
4. Furnace Oil		
Quantity (ltrs.)	104390	1,42,102
Total Amount (Rs)	3994361.72	42,43,173
Average Rate	38.26	29.86
5. Others/internal generation (please give details)		
Quantity	-	-
Total cost	-	-
Rate/unit	-	-

STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

- Installation of Natural draft cooling towers in one units. This does not require fan which has resulted in saving of electrical energy
- PVC fills of FRP cooling towers are cleaned periodically & replaced damaged ones, as and when required, to maintain the efficient working of cooling towers.
- Use of energy efficient screw compressor helped in reducing the cost of compressed air.
- Regular arresting and monitoring of steam, water, brine, fuel and compressed air leakages.
- Regular checking and maintenance of hot and cold insulation to avoid loss of heat energy.
- Use of LED lamps on reaction vessels and lighting has helped in reducing the electrical load.



- Water harvesting in units has helped in water conservation.
- Installation of Turbo ventilators, wherever required, helped in reducing the electrical consumption for ventilation.
- Use of APFC and parallel switching of capacitors to maintain power factor to near unity to avail maximum possible rebate in electricity bills and reduce electrical consumption.
- Regular preventive maintenance of DG sets to maintain efficient working.
- Regular cleaning of cooling tower ponds.
- Periodic cleaning of condensers, chillers, steam heating coils, by external chemicals, to maintain efficient heat transfer.
- Use of soot cleaning agent to maintain clean boiler and thermic fluid heater coils.
- Annual servicing of power transformer to maintain efficient working.
- Periodic cleaning and replacement of filters of AHUs, as and when required.
- Use of air curtains in GMP area to avoid loss of air conditioning.
- Recycling of Steam condensate from equipment's has helped in cutting down the loss of water and heat energy.
- Use of VFDs, wherever possible, to optimize power consumption of equipment's.
- Installation of energy efficient graphite condensers.

THE STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATE SOURCES OF ENERGY:

The Company has started utilizing Coal and Furnace Oil as an alternate source of energy to Light Diesel Oil for undercutting the cost of manufacturing.

TECHNOLOGY ABSORPTION:

EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

The Company's philosophy right from its inception has always remained focused on in-house product development and launching the same for domestic or overseas market. The Company is pioneer in most of the products being currently manufactured by it. The R&D Centre of the Company not only works on development of new products but is also focused on continuous upgradation of processes for improving in quality and costing. The cost reduction is brought about by improving process efficiency, use of innovative catalysts, savings in utilities and energy cost.

The Company also focuses on enhancing the value addition by way of backward and forward integrations. The manufacturing facilities at all locations are designed in such a manner that there is a total fungibility for manufacturing various products as per the market requirements. This leads to a reasonably high level of capacity utilization.

BENEFITS DERIVED:

The above efforts help the Company to achieve following objectives:

- Cost Reduction
- Expanding the product base
- Widening the customer base
- Quality improvements
- Increased customer satisfaction.

EXPENDITURE ON R&D:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Capital Expenditure	0.0	0.83
Recurring Expenditure	25.47	31.64
Total	25.47	32.47

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Foreign Exchange Earned	965.01	2139.57
Foreign Exchange Used	392.48	4796.02
Total	1357.49	6935.59

ANNEXURE B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L24110MH2005PLC151589
(ii)	Registration Date	February 24, 2005
(iii)	Name of the Company	Omkar Speciality Chemicals Limited
(iv)	Category / Sub-Category of the Company	Category – Company Limited by Shares Sub-Category – Public Company (Indian Non-Government Company)
(v)	Address of the Registered office and contact details	B-34, M.I.D.C., Badlapur (E), Thane 421503, Maharashtra Tel: +91-251 – 2690651/ 2697340 Fax: +91-251 – 2697347/ 2691572
(vi)	Whether listed company (Yes / No)	Yes. Listed on BSE Limited and National Stock Exchange of India Limited
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Private Limited 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai - 400 059 Tel: 022 62638200 Fax : 022 62638299 e-mail: investor@bigshareonline.com SEBI Registration No.: INR 000001385

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and description of main Products/Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Manufacture of Organic & Inorganic chemicals compounds n.e.c.	20119	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section of the Companies Act, 2013
1.	-	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
a) Individuals /HUF	5308783	0	5308783	25.80	5302827	0	5302827	25.76	(0.02)	
b) Central Govt.										
c) State Govt.(s)										
d) Bodies Corporate	380000	0	380000	1.85	380000	0	380000	1.85	0	
e) Banks/FI	0	0	0	0.00	0	0		0	0	
f) Any Other	0	0	0	0.00	0	0	0	0	0	
Sub Total A(1)	5688783	0	5688783	27.64	5682827		5682827	27.62	(0.02)	



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0
Sub Total A(2)	0	0	0	0.00	0	0	0	0.00	0
Total Shareholding of Promoter (A) = A(1) + A(2)	5688783	0	5688783	27.64	5682827		5682827	27.62	(0.02)
a) Mutual Funds	0	0	0	0.00	0	0	0	0	0
b) Banks/ FI	31051	0	31051	0.15	1629	0	1629	0.0079	(0.14219)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investors	0	0	0	0	0	0	00	0.00	0.00
Sub Total B(1)	31051	0	31051	0.15	1629	0	1629	0.00	(0.1429)
i) Indian	156244	0	156244	7.59	2503355	12.16	2503355	12.16	0.11
ii) Overseas									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	10518184	10	10518184	51.1137	9126254	10	9126264	50.3367	(4.196)
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	1731321	0	1731321	8.41	2538536	0	2538536	12.3362	1.053
i) Clearing Members	417007	0	417007	2.03	191109	0	191109	0.9287	(1.101)
ii) NRIs	449456	0	449456	2.18	527521	0	527521	2.56	0.43
iii) Trust	11	0	11	0.00	11	0	11	0	
d) NBFCs registered with RBI	14300	0	14300	0.07	6500	0	6500	0.0316	(0.038)
Others (Body corporate)	1562444	0	1562444	7.592	2503355	0	2503355	12.17	4.58
Others(IEPF)	0	0	0	0	262	0.001	262	0.001	0.001
Sub Total B(2)	14858170	10	14858170	72.20	14893548	10	14893548	78.36	1.5732
Total Public Shareholding (B) = B(1) + B(2)	14889221	10	14889221	72.36	14889211	10	14895177	78.36	1.5732
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A + B + C)	20578004	15	20578004	100.00	20577994	10	20578004	100	0.00

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in shareholding 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	Pravin Shivdas Herlekar	3535821	17.18	59.83	4785821	23.26	70.08	6.08
2	Omkar Herlekar	1255956	6.10	96.83	*	*	*	-
3	Rishikesh Pravin Herlekar	517006	2.51	0.00	517006	2.51	0.00	0.00
4	Svaks Biotech India Private Limited	380000	1.85	0.00	380000	1.85	0.00	0.00

* Received approval letter from NSE and BSE on July 26, 2018 for Reclassification of shareholders under Regulation 31A of SEBI (LODR) Regulations, 2015.

(iii) Change in Promoter's Shareholding (please specify, if there is no change)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Pravin Shivdas Herlekar	3535821	17.18	01.04.2018	At the Beginning of the year		3535821	17.18	
				01.06.2018	Inter-se	1250000	6.07	1250000	6.0744
				31.03.2019				4789821	23.27
				31.03.2019	At the End of the year				
2.	Rishikesh Pravin Herlekar	517006	2.5124		No Change		517006	2.51	
3.	Svaks Biotech India Private Limited	380000	1.85		No Change		380000	1.85	

(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and holders of GDRs and ADRs)

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)		Increase/ Decrease in Shareholding@	Cumulative Shareholding during the year (31.03.2019)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1.	Celestial Tradechem Private Limited	0	0	600000	600000	2.92
2.	Angel Fincap Private Limited	6259	0.03	398888	405147	1.97
3.	Santosh Vishwanath Suryavanshi	0	0	226522	226522	1.10
4.	Globe Capital Market Limited	99753	0.48	142264	242017	1.18
5.	Oriou Capital LLP	192755	0.94	(192755)	0	0
6.	Sumpoorna Portfolio Limited	18	0.00	166297	166315	0.18
7.	Nilesh Jalindar Kadam	0	0	157653	157653	0.77
8.	Payal Samit Jhaveri	0	0	147648	147648	0.72
9.	Rahul Mahajan	124999	0.61	(124999)	0	0
10.	Prasad Ramakant Dhonde	110000	0.53	(110000)	0	0
11.	Deenar Krishnarao Toraskar	103595	0.50	0	103595	0.50
12.	Shekar Sivasubramanian	74532	0.36	28908	103440	0.50
13.	Karvy Stock Broking Limited-Client Account-BSE CM	109300	0.53	(35455)	73845	0.
14.	Dipti Kanta Sahoo	95000	0.46	(43839)	51161	0.25
15.	Tradebulls Securities Private Limited	32178	0.16	(43839)	132936	0.65
16.	Rano Manish Verma	80000	0.39	(80000)	68014	0.33
17.	IL&FS Securities Services Limited	68014	0.33	(36964)	31050	0.15
18.	Ravi Kumar Kowtha*#	100000	0.49	(100000)	100000	0.49
19.	ICICI Bank Limited*#	97620	0.47	(81498)	16122	0.08
20.	Shree Bahubali Stock Broking Limited*#	92623	0.45	(71920)	20703	0.10
21.	Sharekhan Financial Services Pvt Ltd*#	69498	0.34	(69398)	100	0.00

NOTES:

* Not in the list of Top 10 shareholders as on April 1, 2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2019.

ceased to be in the list of Top 10 shareholders as on March 31, 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2018.



(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Directors & KMP's Name	Shareholding at the beginning of the year (01.04.2018)		Date	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company
Directors							
1.	Pravin Herlekar	3535821	17.18	01.04.2018		3535821	17.18
				01.06.2018	1250000	1250000	6.074
				31.03.2019	At the End of the year	4789821	23.27
2.	Rishikesh Herlekar	517006	2.51	No Change		0	0
3.	Sanjivani Patare	0	0	No Change		0	0
4.	Vikas Telvekar	0	0	No Change		0	0
5.	Sitendu Sharma	0	0	No Change		0	0
6.	Laxmikant Kabra	0	0	No Change		0	0
7.	Prakash Rao	0	0	No Change		0	0
8.	Bhavana Shewakramani	0	0	No Change		0	0
KMP's							
9.	Sunny D. Pagare	0	0	No Change		0	0

V. INDEBTEDNESS:

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

(in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,661,731,249.00	616,945,448.00		2,278,676,697.00
ii) Interest due but not paid	45,694,698.00	2,799,047.00		48,493,745.00
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	1,707,425,947.00	619,744,495.00	-	2,327,170,442.00
Change in Indebtedness during the financial year				
• Addition	19,142,868.48	36,570,431.62		55,713,300.10
• Reduction	29,966,889.00	57,884,198.81		87,851,087.81
Net change	(10,824,020.52)	(21,313,767.19)		(32,137,787.71)
Indebtedness at the end of the financial year				
i) Principal Amount	1,665,000,000.00	594,601,901.19		2,259,601,901.19
ii) Interest due but not paid	31,601,926.48	3,828,826.62		35,430,753.10
iii) Interest accrued but not due	-	-		-
Total (i+ii+iii)	1,696,601,926.48	598,430,727.81	-	2,295,032,654.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

(in Rs.)

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/or Manager (Rs.)			Total Amount
		Pravin S. Herlekar	Rishikesh P. Herlekar	Prakash H. Rao	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	60,00,000	18,00,000	12,42,000	88,17,316
2.	Stock Option				
3.	Sweat Equity				
4.	Commission as % of profit others, specify				
5.	Others, please specify				
	Total (A)	60,00,000	18,00,000	12,42,000	88,17,316
	Ceiling as per the Act	In terms of the Companies Act, 2013, the remuneration payable to Managing Director & Whole Time Director in aggregate shall not exceed 10% of the net profit of the Company. The remuneration paid to Managing Director and Whole Time Director is well within the said limit.			

B. Remuneration to other Directors**1. Independent Directors**

(in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount
	Sanjivani S. Patare	Vikas N. Telvekar	Sitendu K. Sharma	Bhavana Shewakramani	
Fees for attending Board and Committee Meetings	92,250	53,000	1,01,250	55,250	3,01,750
Commission	-	-	-	-	-
Others, please specify	-	-	-	-	-
Total (1)	92,250	53,000	1,01,250	55,250	3,01,750

2. Other Non-Executive Directors

(in Rs.)

Particulars of Remuneration	Name of Directors		Total Amount
	Laxmikant R. Kabra		
Fees for attending Board and Committee Meetings	92,250		92,250
Commission			
Others, please specify (Professional Charges)			
Total (2)	92,250		92,250
Total (B) = (1+2)			3,94,000
Total Managerial Remuneration (A+B)			92,11,316
Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the Directors is well within the said limit.		


C. Remuneration to Key Managerial Personnel Other Than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary		
		Sunny D. Pagare		
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	8,37,480		8,37,480
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	(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	8,37,480		8,37,480

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

ANNEXURE C**REPORT ON THE CSR ACTIVITIES**

As on the Financial Year ended on March 31, 2019

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. 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 or programs:

The Corporate Social Responsibility (CSR) Policy comprises the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large. The Policy focuses on enhancing the stakeholder's value, generating economic value of the nation and working towards the well-being of the society through addressing critical social, environmental and economic need of the marginalized / underprivileged sections of the society. The policy is displayed on the Company's web site (Weblink: http://www.omkarchemicals.com/Policies/CSR%20Policy_OSCL.pdf).

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee of the Company comprises of following directors as on March 31, 2019:

Name of Members	Category
Mr. Pravin S. Herlekar – Chairman	Chairman & Managing Director
CA Laxmikant R. Kabra – Member	Non-Executive and Non-Independent Director
Mr. Prakash H. Rao – Member	Executive Director
CA Sitendu K. Sharma	Independent Director

3. Average Net Profit of the Company for the last three financial years: (3,377.64)Lakhs

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): (67.55) Lakhs

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent if any: Nil

6. Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct through implementing agency
1.	Nil	Nil	Nil	Nil	Nil	Nil	Nil

7. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report:

Due to net loss for the year ended March 2019, the company is not liable to spend the amount on CSR activities.

There are also certain philanthropic/CSR activities/initiatives undertaken by the Company for the substantial well-being of the people in the community, which are not getting covered under the above CSR report due to the specified format under the applicable Rules.

8. Responsibility statement of CSR Committee:

We hereby affirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and On behalf of the Board of Directors of Omkar Speciality Chemicals Limited
Sd/-

Date: May 30, 2019

Place: Badlapur

Pravin S. Herlekar
Chairman & Managing Director
(DIN:00525610)



ANNEXURE D

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. **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 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:** (Explanation:(i)The expression “median” means the numerical value separating the higher half of the population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii)If there is even number of observations, the median shall be average of the two middle values.)

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2018-19 (In Rs.)	% increase in Remuneration in the Financial Year 2018-19	Ratio of Remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. Pravin S. Herlekar Chairman & Managing Director	60,00,000	0	25.08
2.	Mr. Rishikesh P. Herlekar Executive Director	17,20,800	0	7.19
3.	Adv. Sanjivani S. Patare Non-Executive and Independent Director	92,250	-	0.38
4.	Dr. Vikas N. Telvekar Non-Executive and Independent Director	53,000	-	0.22
5.	CA Sitendu K. Sharma Non-Executive and Independent Director	1,01,250	-	0.43
6.	CA Laxmikant R. Kabra Non-Executive and Non-Independent Director	92,250	-	0.38
7.	Mr. Prakash H. Rao Executive Director	12,42,000	0	5.21
8.	CS. Bhavana Shewakramani Independent Director	55,250	-	0.23
9.	CS Sunny D. Pagare Company Secretary	8,72,040	0	3.64

Notes:

- Remuneration includes commission paid to Executive Director and sitting fees paid to Non-Executive Directors.
- The remuneration to Directors is within the overall limits approved by the shareholders.
- The numbers of permanent employees on the rolls of the Company: 78 (As on March 31,2019)**
- Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** There is no change / increase in remuneration.
- Affirmation that the remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that the Remuneration paid to the Directors is as per the Remuneration Policy of the Company.

DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended on March 31, 2019

1. **Details of employees employed throughout the year and in receipt of remuneration at the rate of not less than One crore two Lakh rupees per annum:** None
2. **Details of employees employed for a part of the financial year and in receipt of remuneration for any part of the year, at a rate which, in aggregate, was not less than Eight Lakh Fifty thousand rupees per month:** None
3. **Details of employees employed throughout the financial year or part thereof and was in receipt of remuneration in the year and is in excess of the remuneration of the Managing Director or Whole Time Director:** None

**For and On behalf of the Board of Directors of
Omkar Speciality Chemicals Limited**

Date: May 30, 2019

Place: Badlapur

Sd/-
Pravin S. Herlekar
Chairman & Managing Director
(DIN:00525610)



ANNEXURE E

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019 (01-04-2018 to 31-03-2019)

To,

The Members,
OMKAR SPECIALITY CHEMICALS LIMITED
B-34, M.I.D.C., BADLAPUR (EAST) BADLAPUR- 421503.

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Omkar Speciality Chemicals Limited (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 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, during the audit period covering the financial year ended 31st March, 2019 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 Omkar Speciality Chemicals Limited for the financial year from April 1, 2018 to March 31, 2019 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable during the financial year under review);
 - (e) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable as the Company has not issued any further share capital during the year)
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable as the Company has not issued and listed debt securities during the financial year under review);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review);
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable as the Company has not delisted /propose to delist any of its securities during the financial year under review.); and
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable as the Company has not bought back /propose to buy back any of its securities during the financial year under review).

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year from 1st April, 2018 to 31st March, 2019 under review the Company has complied with the provisions of the Act, Old Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following:

1. *Whereas in terms of the provisions of Section 203 of the Companies Act, 2013 the Company was required to have Chief Financial Officer, the Company did not have Chief Financial Officer.*
2. *Some of the forms are filed with the Ministry of Corporate Affairs with delay and company paid additional fees for the same. The Company has not filed form SH-7 towards increase in authorized capital to Rs. 65,00,00,000/- (Rupees Sixty Five Lakh Only).*
3. *Whereas in terms of the provisions of Regulation 29 (2) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the intimation of trading of securities is required to be given by person within two working days of transactions to the Company and to the Exchange (s). There was delay in submission of the above disclosure in one case.*
4. *Whereas in terms of the provisions of Regulation 31 (1) of the Securities And Exchange Board Of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the intimation of encumbrance of shares is required to be given by promoter within seven working days of transactions to the Company and to the Exchange (s). There was delay in submission of the above disclosure in one case.*

I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days 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.

Majority decision is carried through while wherever required, the dissenting member's views are captured and recorded as part of 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, there were no instances of:

- (i) Public / Rights / Preferential issue of shares / debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to Section 180 of the Companies Act, 2013.
- (iv) Foreign Technical collaborations.

We further report that during the audit period the Company has not undertaken events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company has received patent certificate for a process for preparation of Halquinol Product.
2. The Company has filed draft letter of offer with the Securities & Exchange Board of India for issue of shares on right basis.
3. The Petition filed against the Company by MIQ Logistics Private Limited U/S 9 under Section 9 of the I&B Code, 2016 is rejected.
4. Axis Bank, Bank of Baroda & NKGSB Bank has declared the loan account of the Company as Non-performing asset.

**For Nilesh A. Pradhan & Co., LLP
Company Secretaries**

Sd/-
Nilesh A. Pradhan
Partner
FCS No: 5445.
COP No: 3659

Place: Mumbai
Date: May 30, 2019

Note: This report should be read with our letter which is annexed as Annexure I and forms integral part of this report.

**ANNEXURE -I**

To,

The Members,
OMKAR SPECIALITY CHEMICALS LIMITED
B-34, MIDC, BADLAPUR (EAST) BADLAPUR- 421503

Our report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices that we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts and internal Control System of the company.
4. Where ever required, more specifically with respect to the all other applicable laws , except as stated in Secretarial Audit Report we have obtained and relied upon the Management Representation letter about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 Nilesh A. Pradhan & Co.,LLP
Company Secretaries

Sd/-
Nilesh A. Pradhan
Partner
FCS No: 5445.
COPNo: 3659

Place: Mumbai
Date: May 30, 2019

MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC SCENARIO

Global economy witnessed a growth of 3.6 percent during 2018-19 after facing several turbulences on account of ongoing trade tension between the US and China. In the coming year, the global economy is expected to grow at three percent on account of tariff enacted by the US and China.

The recent momentum in the investment growth and improvement of India's position according to the World Bank's recently published 'Ease of Doing Business' report is expected to give a support to the growth of the economy, with the GDP estimated to touch 7.5 percent during FY2019-20.

INDIAN ECONOMIC SCENARIO

Indian economy remained at 7.2 percent during 2018-19, a bit higher from 6.7 percent compared to the previous financial year mainly due to improvement in the performance of agriculture and manufacturing sectors, according to Central Statistics Office (CSO).

According to reports, the gross domestic product (GDP) grew by 7.1 percent during 2016-17 and 8.2 percent in 2015-16.

Real GVA (Gross Value Added) remained at seven percent during the FY2018-19 as against 6.5 percent in FY2017-18. According to the CSO data, the expansion in activities in agriculture, forestry and fishing increased to 3.8 percent during the fiscal—from 3.4 percent in the preceding year. The growth of the manufacturing sector remained at 8.3 percent this fiscal, up from 5.7 percent in 2017-18.

OVERVIEW OF SPECIALITY CHEMICALS SECTOR

Speciality Chemical industry is known for its end-use performance enhancing applications. It's a blend of base chemicals and marketed on the basis of their quality or utility, rather than product composition or brand. Products are relatively high value, but low volume molecules as compared to basic chemicals or commodity chemical products.

GLOBAL SPECIALITY CHEMICALS MARKET

According to Grand View Research, the global speciality chemicals market was estimated at \$1.16 trillion during FY2016-17, and is expected to grow at a CAGR of 5.6 percent between 2017 and 2025, to reach \$1.79 trillion by 2025.

Globally, speciality chemicals are driven by extensive product research and innovation, which is a significant differentiator over the commoditised chemical industry. Low cost labour and vast raw material resources are contributing to the increased growth in the Asia-Pacific region, as foreign players are investing in emerging nations.

China is the leader in the speciality chemical space, but it is losing its market share slowly due to environmental concerns. Strict pollution norms have slowed down chemical production in China. Moreover, companies are being shifted to dedicated areas or restrictions are being placed on production. Companies that preciously sourced from china are now looking for alternate supply source like India.

INDIAN SPECIALITY CHEMICALS MARKET

India is the sixth largest producer and consumer of chemicals worldwide. The speciality chemicals industry in India represents a \$25 billion market, growing at 14 percent over the last five years led by domestic consumption, growing faster than the chemical sector as a whole.

The industry serves both the local market and the global market. The key speciality segments in India are pharmaceuticals, agrochemicals, paints, coating and construction chemicals, colourants, fine chemicals, personal care chemicals and aroma chemicals.

According to reports, specialty chemicals industry is expected to grow at 13 percent per annum during FY15-20 (on the back of increasing consumption and high growth in end-use industries), leading to a market size of \$52 billion by 2020.

The speciality chemicals market is likely to clock a compounded annual growth rate of 12-13 per cent over the next five years, with the intensity of specialty chemicals in end-use domestic markets expected to rise, a report has said.

According to a report by rating agency CRISIL, the closure of plants in the European Union and China owing to increasing environmental concerns, has opened up doors for Indian manufacturers to invest further in specialty chemicals.

While India also faces threat from environmental concerns, the threat is limited to smaller players and shall serve as an opportunity for larger players to capture the market.



Some of the large players have established themselves in global markets like the EU and the US, and have active export revenue share which will help them seize the opportunity.

Global players are looking to diversify the supply risk, thereby improving export opportunities for Indian players, said CRISIL report.

However, slowdown in the global economy is likely to hamper the overall growth potential for speciality chemicals. Nevertheless, despite shutdowns in China and lack of capacity additions in other developed countries, India still stands to benefit in the export market.

Also supporting the growth in India is its ability to manufacture at a lower price compared with its western counterparts. This along with the emergence of established players bodes well for Indian manufacturers.

In order to take full advantage of the export market, existing players will have to update their product mix, upgrade their facilities and introduce specialty chemicals in their portfolio and accelerate investments in R&D.

Lack of infrastructural development and R&D investment acts as hindrance to the sector. At the same time, threat of cheaper imports and unavailability of raw materials also impact domestic production growth. Going forward, government support in the form of feedstock availability and protection from aggressive imports is vital for the industry.

SNAPSHOT

India: World's chemical nucleus

Chemicals industry in India is highly diversified, covering more than 80,000 commercial products. It is broadly classified into basic chemicals, specialty chemicals and agrochemicals. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale.

Chemicals industry in India has been de-licensed except for few hazardous chemicals. Upcoming Petroleum, Chemicals and Petrochemicals Investment Regions (PCPIRs) and Plastic parks will provide state-of-the-art infrastructure for specialty chemicals sector.

OPPORTUNITY AND SECTOR-WISE OUTLOOK

The factors driving the growth of the specialty chemicals market include large base of end-use industries, high demand from Asia-Pacific, increasing demand from automotive industry, and technological advancements. Over and above, faster end-use industry growth, low penetration of specialty chemicals in India will support growth.

Your Company is engaged in manufacturing of specialty chemicals in following major segments:

- A. Pharmaceuticals
- B. Flavours and Fragrances
- C. Industrial Chemicals
- D. Feed and Nutrition

PHARMACEUTICAL INDUSTRY

Global health spending is on the rise. The compound annual growth rate (CAGR) for health care spending across 60 countries is predicted to increase 5.4 percent for the period 2018–2022, compared to just 2.9 percent over 2013–2017. The overall share of Gross Domestic Product (GDP) devoted to health is forecast at 10.5 percent for 2019. Per-person spending varies widely by country—from \$11,674 in the US to just \$54 in Pakistan. Except for North America, all regions anticipate spending to accelerate compared to the growth over the period 2013–2019.

India is the world's tenth-largest pharmaceutical market in US-dollar terms. Private expenditure is expected to drive growth. In particular, the increased use of online pharmacies is creating a demand for more advanced, costly medicines among India's growing middle class. NCDs account for 53 percent of deaths, while diabetes accounts for only two percent. The leading cause of death is ischemic heart disease followed by chronic obstructive pulmonary, diarrheal, and cerebrovascular diseases.

India accounts for approximately 20 percent of global generics output, and generic drugs account for three-quarters of the Indian market by volume. Local production of generic drugs and vaccines keeps prices low, while local companies are taking advantage of low labour and research costs to export generics.

The Indian pharmaceutical is one of the fastest growing markets globally, growing at a rate of 10 percent per annum, despite recent impact of demonetization and GST roll-out. Globally, pharmaceutical market is the largest exporter of generics, by volume, with the total Indian pharma export market estimated at about \$17 billion, which is in addition to the domestic market of about \$18 billion. Furthermore, India accounts for about 40 percent of generic drug approvals in the US, based on FY17-18 data, thereby indicating increasing relevance of India in the global pharma market.

FLAVOURS AND FRAGRANCES

Global flavours and fragrance market size stands at \$25.6 billion, which is expected to grow at 5.6 percent by 2019. Key growth drivers include evolving dietary preferences and adoption of fragrances as an essential part of daily personal care.

Indian flavours and fragrance market size stands at \$0.7 billion, which is expected to grow at 15 percent by 2019. This would be largely driven by increased penetration of personal care products in rural markets, premiumisation of personal care and cosmetic products and demand for processed food products

Increasing acceptance of natural flavours and fragrance ingredients globally is beneficial for Indian players. This is because India is one of the leading suppliers of natural ingredients that caters to about 60 percent of global spice oleoresin demand and about 80 percent of global mint extracts.

Synthetic ingredients continue to dominate the Indian market, though green processes and 'natural like products' are increasing in popularity.

Indian market dominated by global F&F houses, who are further strengthening presence in India. Besides, Indian players are less likely to displace them in near future.

The blending segment is dominated by MNCs, with global F&F houses constituting over 60 percent of the Indian market and exports contributing to most of their revenue.

Global market will continue to grow with a shift towards natural products. Indian players have an advantage of natural feedstock availability; however, they will need to optimize costs, build scale and invest in product development in order to succeed.

INDUSTRIAL CHEMICALS

Industrial chemicals are used in variety of applications such as glass and ceramics, electro plating and metal finishing, paints and pigments, construction chemicals, polymer technology, etc. These chemicals are generally performance chemicals which are used for imparting desirable properties for the purpose of the end applications. Though some of these chemicals are general purpose products, sometimes they are also tailor-made for the desired purpose. These chemicals serve the purpose of enhancing the quality of end products as well as doing the value addition in their applications.

FEED AND NUTRITION

The Indian animal feed market stood at Rs 817 billion during 2018. The market is further projected to reach Rs 1,683 billion by 2024, growing at a CAGR of 12.7 percent during 2019-2024.

India currently represents one of the fastest growing animal feed markets in the world. The increasing demand for animal protein and dairy products has resulted in a growing livestock population in India, which in turn has increased the demand for animal feed. Currently the poultry, aqua and dairy industry accounts for the major share of the Indian animal feed industry. Modern animal feed products are manufactured by carefully selecting and blending ingredients to impart highly nutritional diets that both increase the quality of its end products such as meat, milk, eggs and at the same time maintain the health of the animal.

The population in India is expected to increase continuously in the medium and long terms. This will create a strong demand for eggs, meat, milk, etc., in turn increasing the demand for animal feed.

The Indian government along with private initiatives is increasing the awareness of better feed practices among farmers. Farmers are getting more aware about animal health and the importance of a balanced and nutritional food for their animals.

Apart from domestic consumption, Indian exports of animal feed are rising and will also represent an important growth driver during the next five years.

Changing lifestyles and rising per capita incomes in India have resulted in a shift in the dietary habits in the country. This has resulted in an increase in the consumption of milk and meat, leading to a growing demand for animal feed.



FINANCIAL PERFORMANCE:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Total Revenue	4,511.29	20,132.42
Total Expenditure	6,656.39	27,528.70
Profit Before Tax & Exceptional Items	(2,145.10)	(7,396.28)
Profit Before Tax	(1,152.09)	(12,654.83)
Tax Expenses	535.37	(2,258.02)
Profit After Tax	(1,687.46)	(10,371.95)

CAPACITY UTILISATION:

The volumetric and rated production capacities of the existing units of OSCL are as under:

Production Units	Activity Undertaken	In Tonne Per Annum			Capacity Utilisation (%)
		Volumetric Capacity	Rated Capacity	Production in FY19	
Unit No 1, Badlapur	Inorganic Derivatives	1100	800	154.27	19.28%
Unit No 2, Badlapur	Organic Intermediates	1325	900	191.58	21.29%
Unit No 3, Badlapur	Dedicated facility for Selenium Sulphide	75	20	9.38	46.90%
Unit No. 4, Badlapur	Centralize Warehouse	-	-	-	-
Total		2500	1720	355.23	20.65%

The volumetric capacities indicate the aggregate volumes of all the reactors installed in the respective Unit. The rated capacity signifies the expected production in tonnage for a given product mix which is commonly being manufactured in the respective Unit. The aggregate capacity will therefore not match with the actual production in tonnage because the production in tonnage will depend on the following factors:

- The number of stages involved in each product;
- The reaction time cycle in each stage of the process;
- The dilution involved in each of the process step;
- The type of product mix produced in a given quarter.

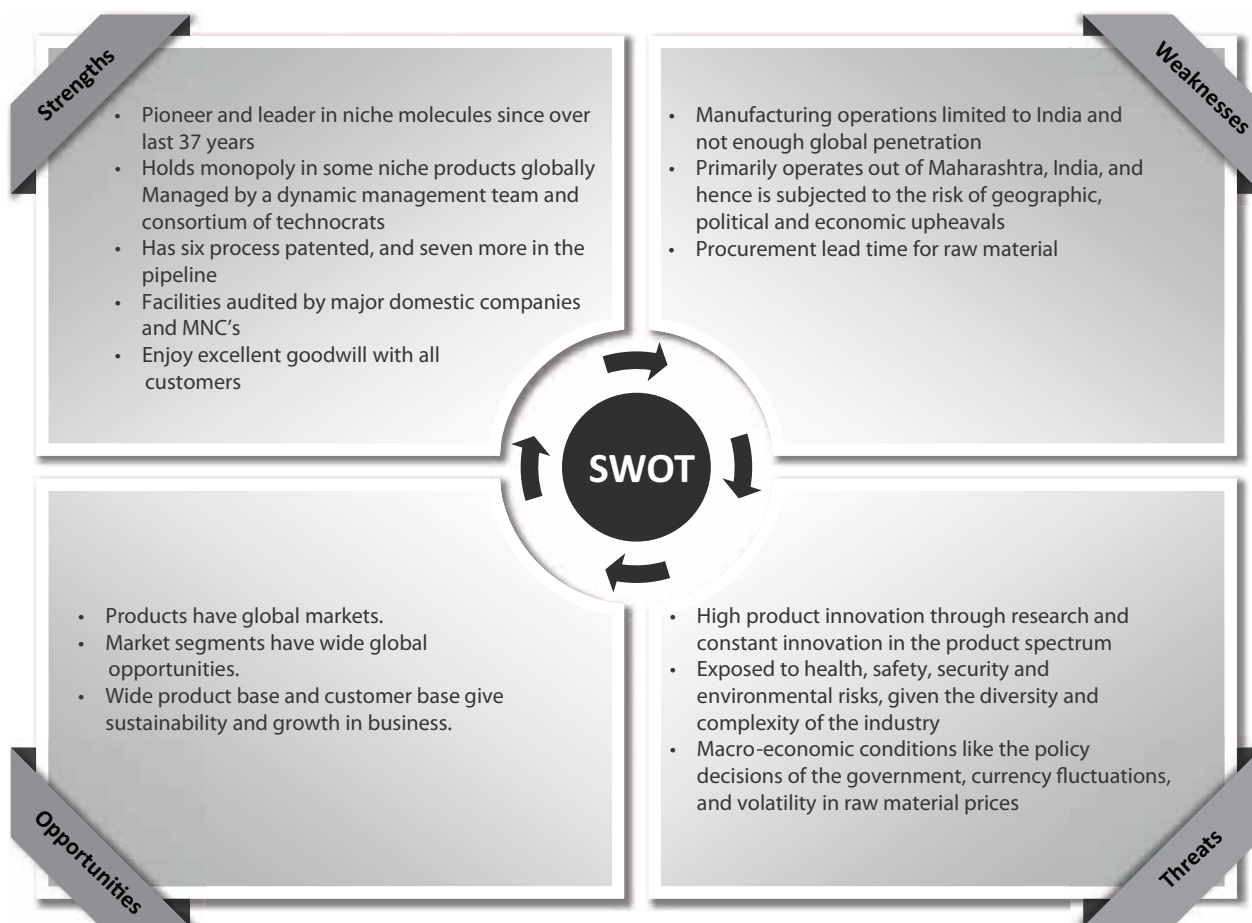
Other factors which influence the tonnage capacity include:

- Processing required for recovery of solvents for reuse;
- Reactor occupancy for recovery of by-products or side streams and purification thereof;
- Down time arising out of cleaning of equipments for changeover of products in line with the SOP.

The percent utilization of the capacity may appear to vary marginally Q-o-Q on account of various factors listed above.

Installed capacities of manufacturing units of the Company are not dedicated for any single product. Installed capacities are interchangeable for different compounds based on product demand.

Considering the changes in product mix, multifunctioning capacities of the machineries and variation in production cycle of the product mix, predefining of production capacity of the machineries is not possible.

SWOT ANALYSIS:**HUMAN RESOURCES**

The Company takes pride in commitment, competency and dedication shown by its employees in all areas of business. Your Company's human resource agenda continues to remain focused on reinforcing key thrust areas, building an exclusive culture and a strong talent pipeline, building capabilities in the organization and continuing to focus on progressive employee relations policy.

The current work force has a good mix of workers at all levels. The average age bracket of the employees represents a healthy mix of senior experienced personnel alongwith young enthusiastic individuals. HR Department has selected key performance indicators for different positions on the basis of which the performance of every employee is evaluated. The management believes that every individual should be given an opportunity to develop his/her potential.

ENVIRONMENT, HEALTH & SAFETY POLICY

At OSCL, we constantly upgrade our manufacturing processes by adopting to best available technology, which is environmentally sustainable and safe to operate. Our aim is to have processes that have 'zero' impact on employees and the environment. We follow efficient manufacturing processes by using minimum energy and raw materials. The effluents generated at our manufacturing units are treated on-site to meet all the standards set by regulatory authorities.

RESEARCH AND DEVELOPMENT

Research and Development (R&D) plays a pivotal role in innovation and invention of new molecules. New product development is always a priority for OSCL as needs of consumers is constantly changing, globally. Apart from new product development, it's paramount for speciality chemicals company to develop and upgrade existing products. Investment on research and development (R&D) is never wasted as the right kind of product and breakthrough can help the company to have an edge over competitors.



OSCL emboldens R&D to cater to the need of our customers, and we have developed a number of niche molecules chemicals as per customer specifications for pharmaceutical industries, FMCG, fragrance and flavours.

INTERNAL CONTROL SYSTEMS

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act. Your Company has in place an adequate system of internal controls to ensure compliance with various policies, practices and statutes in keeping with the organization's pace of growth and increasing complexity of operations. It has procedures covering all financial and operating functions and processes. These have been designed to provide a reasonable assurance with regards to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses and compliance with regulations. Key controls have been tested during the year and corrective and preventive actions are taken for any weakness.

The internal controls and governance process are duly reviewed for their adequacy and effectiveness through periodic audits by independent Internal Audit Function. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observations and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. M/s. Dipika D. Patel & Associates, Chartered Accountants, Mumbai is the Internal Auditor of the Company.

CAUTIONARY STATEMENT

Statements in the "Management Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations may be "forward- looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include climatic conditions, economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



“The Corporate Governance Regulations aim to promote Transparency, Integrity and Fairness in the Company’s Business Endeavours.”



REPORT ON CORPORATE GOVERNANCE

[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors. The philosophy of your Company on Corporate Governance envisages working towards high levels of transparency, professionalism, accountability and delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by the following principles of Corporate Governance in all its interactions with stakeholders including shareholders, banks, employees, customers, creditors, suppliers, local communities and statutory authorities:

- Implementing the procedures to safeguard the integrity of the financial reporting of the Company;
- Timely disclosure of material matters concerning the Company;
- Respecting the rights of stakeholders and helping them to exercise those rights by effectively communicating the information;
- Respecting to the legal, contractual, social, and market driven obligations towards stakeholders;
- Developing a Code of Conduct for Directors and senior management employees for promoting ethical and responsible decision making.

A Report on Compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India in Chapter No. IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations, 2015") is given below.

2. BOARD OF DIRECTORS

- a. The Company believes that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The Board is at the core of our corporate governance practices. Driven on the principles of ethics and accountability, the Board strives to work in best interest of the Company and its stakeholders. It provides strategic direction, leadership and guidance to the Company's management as also monitors the performance of the Company with the objectives of creating long term value for the Company's stakeholders.

The strength of Board as on March 31, 2019 is eight Directors. The Board comprises of Executive and Non-Executive Directors. There are five Non-Executive Directors, of which four Directors are Independent Directors. The Board also consists of two Woman Independent Director. The board is chaired by full time Executive Director. The number of Independent Directors on the Board is in conformity with the requirement of Regulation 17(1) (a) and (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

b. Skills Matrix for the Board of Directors:

The NRC has identified the following core skills, expertise and competencies for the effective functioning of the Company which are currently available with the Board:

Competencies/ Skills	Description
Business/ Domain expertise	Expertise with respect to the sector in which the organization operates; Has an understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.
Strategy & Marketing	Strategic directions to the management, branding Understands the macro-economic environment, the nuances of the business, consumers and trade in the geography, and has the knowledge of the regulations & legislations of the market/(s) in which the business operates.

Competencies/ Skills	Description
People Practices	People practices and policies, connect with the millennium. Experience in Human Resource management such that they bring in a considered approach to the effective management of people in an organization
Technology Perspective	Expertise with respect to business specific technologies such as in the field of Research & Development (R&D), manufacturing, etc.; Has experience and adds perspective on the future ready skills required by the organization such as E-Commerce, Digital, Sustainability, etc.
Finance and Governance	Compliance, Driving Global best practices in Governance, Ethics and Values to enhance the value of the Stakeholders
Sales	Sales transformation and marketing technologies, connects in Global markets

c. **Board Tenure and Change in Board composition:**

Name	Description	Tenure in the current term	
		From	To
Mr. Pravin Herlekar	Chairman and Managing Director	01-04-2015	31-03-2020
Mr. Rishikesh Herlekar	Whole-time Director	20-05-2017	19-05-2022
Mr. Laxmikant Kabra	Non-Executive Non Independent Director	26-03-2015	NA
Mr. Sitendu Sharma	Non-Executive Independent Director	08-05-2015	07-05-2020
Mrs. Sanjivani Patare	Non-Executive Independent Director	17-07-2015	07-05-2020
Dr. Vikas Telvekar	Non-Executive Independent Director	9-08-2014	08-08-2019
Mr. Prakash Rao	Whole Time Director	17-07-2015	16-07-2020
Ms. Bhavana Shewakramani	Non-Executive Independent Director	26-07-2017	25-07-2022

d. **Board Induction and Training:**

At the time of appointing a Director, a formal Letter of Appointment is given to him / her, which, *inter alia*, explains the role, functions, duties and responsibilities of a Director of the Company. The Director is also explained in detail the compliances required from him / her under the Act and the Listing Regulations and other relevant Regulations and his / her affirmation is taken with respect to the same.

e. **Other Directorships & Committee Positions in Other Companies of Directors:**

None of the Directors of the Company is:

- A Director in more than 10 (ten) public limited companies - As per Section 165 of the Act;
- A Director in more than 8 (eight) listed companies – As per Regulation 17A of the Listing Regulations;
- An Independent Director in more than 7 (seven) listed companies OR 3 (three) listed companies (in case he / she serves as a Whole Time Director / Managing Director in any listed Company) - As per Regulation 17A of the Listing Regulations;
- A Member of more than 10 (ten) Committees and Chairperson of more than 5 (five).
- As per Regulation 26 of the Listing Regulations.

The details of other Directorships held by the Directors of the Company, along with the Board/ Committee Chairmanships / Memberships held by them as on March 31, 2019 are given hereunder:

Sr. No.	Name	Directorship*	No. of Board committees#	Names of Listed Companies in which Directorship is held and Category of Directorship
1	Mr. Pravin Herlekar	0	Chairman - 0 Member - 0	Nil
2	Mr. Rishikesh Herlekar	0	Chairman - 0 Member - 0	Nil
3	Mr. Laxmikant Kabra	2	Chairman - 0 Member - 3	Amarnath Securities Limited (Non-Executive Non Independent Director) Narendra Investments (Delhi) Limited (Chairman)



Sr. No.	Name	Directorship*	No. of Board committees#	Names of Listed Companies in which Directorship is held and Category of Directorship
4	Mr. Sitendu Sharma	1	Chairman - 1 Member - 3	Astec Lifesciences Limited (Independent Director)
5	Mrs. Sanjivani Patare	0	Chairman - 0 Member - 0	Nil
6	Dr. Vikas Telvekar	0	Chairman - 0 Member - 0	Nil
7	Mr. Prakash Rao	0	Chairman - 0 Member - 0	Nil
8	Ms. Bhavana Shewakramani	0	Chairman - 0 Member - 0	Nil

* Excludes alternate directorship and directorship in foreign companies, private companies and companies governed by Section 8 of the Companies Act, 2013.

In accordance with Regulation 26 of the Listing Regulations, Membership(s)/ Chairmanship(s) of only Audit Committees and Stakeholders' Relationship Committees in all public limited companies (excluding Omkar Speciality Chemicals Limited Limited) have been considered.

- f. The Board meets in executive session, at least 4 (four) times during a Financial Year, mostly at the quarterly intervals inter alia to review quarterly financial statements and other items on the Agenda. Additional meetings are held, if deemed necessary, to conduct the business. 8(Eight) Board Meetings were held during the year and the gap between two meetings did not exceed 120 (One Hundred And Twenty). Further, consequent to applicability of Ind-AS, all assets were revalued and accordingly effect was given in the financial statements, which delayed the finalization and adoption of quarterly results. The necessary quorum was present for all the meetings. During the year 2018-19, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, 2015, has been placed before the Board for its consideration.

Four Board Meetings were held during the year ended March 31, 2019, i.e. on May 30, 2018, August 13, 2018, November 14, 2018 and February 4, 2019. The last Annual General Meeting of the Company was held on September 24, 2018.

The Board of Directors as on March 31, 2019, and their attendance at the Board Meeting and the last Annual General Meeting of the Company :

Name of the Director	Category of Directorship in the company	No. of Board Meetings Attended	Attendance at the last AGM
Mr. Pravin Herlekar [§]	Chairman (Promoter and Managing Director)	4	Yes
Mr. Rishikesh Herlekar [§]	Whole-Time Director	4	Yes
Adv. Sanjivani Patare	Independent Director	4	No
Dr. Vikas Telvekar	Independent Director	4	Yes
CA Sitendu Sharma	Independent Director	4	No*
CA Laxmikant Kabra	Non- Executive Non-independent Director	4	Yes
Mr. Prakash Rao	Whole-Time Director	4	Yes
Ms. Bhavana Shewakramani	Independent Director	4	Yes

§ Mr. Pravin Herlekar is Father of Mr. Rishikesh Herlekar. Apart from this, there are no inter-se relationships between the Board Members

* Dr. Vikas Telvekar has been appointed as Alternate Chairman of Audit Committee

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulations 16(1) (b) and 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- g. The Company has been fortunate to have eminent persons from diverse field as Directors on its Board. All Directors possess the requisite qualifications and experience in general corporate management, finance and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company. They collectively bring with them a range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

Number of Board of Directors or Board Committees other than Omkar Speciality Chemicals Limited in which the Director is a Chairman / Member and their category of directorship as on March 31, 2019, is as follows:

Name of Director	No. of Directorships	No. of Audit Committees and Stakeholders' Relationship Committees in which Chairman / Member	
		Chairman	Member
Mr. Pravin Herlekar	1	Nil	Nil
Mr. Rishikesh Herlekar	1	Nil	Nil
Adv. Sanjivani Patare	Nil	Nil	Nil
Dr. Vikas Telvekar	Nil	Nil	Nil
CA Sitendu Sharma	1	1	2
CA Laxmikant Kabra	2	1	3
Mr. Prakash Rao	Nil	Nil	Nil
Ms. Bhavana Shewakramani	Nil	Nil	Nil

Pursuant to SEBI Listing Regulations, 2015, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is uploaded on the Company's website and can be accessed through web link <http://www.omkarchemicals.com/policies.html>

h. Independent Directors

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, 2016 read with Section 149(6) of the Companies Act, 2013. They help to maintain the independence of the Board and separate the Board functions of governance from business management.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website. The maximum tenure of Independent Directors is in compliance with the Act. None of the Independent Directors serve as Independent Directors in more than seven (7) listed companies, complying with the requirements of SEBI Listing Regulation, 2015. All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1) (b) of the SEBI Listing Regulations, 2015 read with Section 149(6) of the Act. They have also confirmed their Directorship in other companies and their committees.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 31, 2019, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of SEBI Listing Regulation, 2015. The Independent Directors at the meeting evaluated:

- Performance of Non-independent Directors and Board of Directors as whole;
- Performance of the Chairman of the Company taking into account the views of the Executive and Non- Executive
- Quality, content and timelines of flow of information between the Management and Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present throughout the Meeting and CA Sitendu Sharma chaired the meeting. Their suggestions were discussed at the Board Meeting and are being implemented to ensure a more robust interaction at a Board level.



i. **Disclosure of Shareholding of Non-Executive Directors**

Name of Director	Shares held as on 31.03.2019
Adv. Sanjivani Patare	Nil
Dr. Vikas Telvekar	Nil
CA Sitendu Sharma	Nil
CA Laxmikant Kabra	Nil
Ms. Bhavana Shewakramani	Nil

j. **Familiarization Programme for Board Members:**

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programs. Senior management personnel of the Company make presentations to the Board Members on periodic basis, briefing them on the operations of the Company, plans, business strategy; risks involved, new initiatives, global business environment, etc., and seek their opinions and suggestions on the same. Quarterly updates on relevant statutory and regulatory changes are circulated to the Directors. Site visits to various plant locations are organized for the Directors to enable them to understand the operations of the Company. The Board Members are also provided with necessary documents/ brochures, reports and internal policies.

Non-Executive Directors who are inducted on the Board are given an orientation about the company, its operations, services, details of subsidiaries, Board procedures and processes and major risks and risk management strategies. Further, the Chairman and Managing Director have one-to-one discussion with newly appointed Directors to familiarize them with the Company.

Details of Familiarization Programs for Independent Directors are available on the website of the Company and can be accessed through web link <http://www.omkarchemicals.com/policies.html>

k. **Board Committees**

Your Company has Eight (8) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Internal Complaints Committee, Whistle Blower Committee and Resources Committee as on March 31, 2019.

The Board Committees are represented by a judicious mix of Executive and Non-Executive Directors. The Committees deliberate on the matters assigned or referred to them by the Board or as mandated by the statutes. Recommendations of the Committees are submitted to the Board for Board's decision. The minutes of all Committee meetings are circulated to the Board members for noting.

3. **AUDIT COMMITTEE**

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter- corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

The members of the Audit Committee are CA. Laxmikant Kabra, CA Sitendu Sharma and Adv. Sanjivani Patare. All the members of the Audit Committee are Non-Executive and Independent Directors. All the members possess sound knowledge of accounts, audit, financial management expertise, etc. In addition to the Audit Committee members, Chief Financial Officer, Heads of Finance and Accounts, Internal Auditors, Cost Auditors, Statutory Auditors and other executives are invited to the Audit Committee Meetings, on need basis.

CA. Sitendu Sharma, the Chairman of the Committee could not attend the last Annual General Meeting held on September 24, 2018 (Dr. Vikas Telvekar has been appointed as Alternate Chairman of Audit Committee), and accordingly he had given the authorization that any member of the Committee could act on his behalf at the last Annual General Meeting, in accordance with Section 177(1) of the Companies Act, 2013.

The Company Secretary of the Company acts as the Secretary of the Committee.

M/s. Dipika D. Patel & Associates, Chartered Accountants, Mumbai is the Internal Auditor of the Company for the financial Year 2018-19. Internal Audit Plan and their remuneration is approved by the Audit Committee. The reports and findings of the Internal Auditor and the Internal Control System are periodically reviewed by the Audit Committee.

There were four meetings of the Audit Committee during the year ended March 31, 2019, i.e. on May 30, 2018, August 13, 2018, November 14, 2018 and February 04, 2019

Name of Director	No. of Meetings attended
CA Sitendu Sharma	4
CA. Laxmikant Kabra	4
Adv. Sanjivani Patare	4

The Internal Auditor and the representatives of the Statutory Auditors also attend the Audit committee meetings, besides the executives invited by the Audit Committee to be present thereat.

Terms of reference:

The Committee performs the functions as enumerated in Section 177 of the Act and SEBI Listing Regulation, 2015. These broadly includes (i) developing an annual plan for Committee (ii) reviewing of financial reporting processes, (iii) reviewing of risk management, internal control and governance processes, (iv) conducting discussions on quarterly, half yearly and annual financial statements and the auditor's report, (v) conducting interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process, (vi) recommending appointment, remuneration and terms of appointment of auditors and (vii) reviewing risk management framework concerning the critical operations of the Company.

All the items listed in the Act and SEBI Listing Regulation, 2015 are covered in the Terms of Reference of the Audit Committee. The scope and terms of reference and working of the Audit Committee are constantly reviewed and appropriate changes are made from time to time for greater effectiveness of the Committee. Terms of Reference of Audit Committee is as detailed below:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;



9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision

Necessary information such as Management Discussion and Analysis of financial performance and results of operations, statement of significant related party transactions submitted by the management, management letters/ letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, the terms relating to Internal Auditors, statement of deviations, etc. as required by SEBI Listing Regulations, 2015 are reviewed by the Audit Committee.

The Audit Committee is empowered to do the following:

- i. To investigate any activity within terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee meets with the requirements of the provisions of Section 178(1) of the Act and Regulation 19 of SEBI Listing Regulation, 2015.

The terms of reference of the Nomination & Remuneration Committee are:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,
- ii. formulation of criteria for evaluation of performance of Independent Directors and the Board,
- iii. devising a policy on Board diversity,
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

- v. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors.

The members of the Committee are CA. Sitendu Sharma, CA. Laxmikant R. Kabra and Dr. Vikas N. Telvekar

CA. Sitendu Sharma is the Chairman to the Nomination and Remuneration Committee

There was one meeting of the Nomination & Remuneration Committee during the year ended 31st March, 2019, i.e. on 30th March, 2019. All Directors were present at the meeting.

Name of Director	No. of meetings attended
CA Sitendu Sharma	1
CA. Laxmikant Kabra	1
Dr. Vikas Telvekar	1

a. Performance Evaluation of the Board, its Committees and Individual Directors:

Pursuant to the provisions of the Act and the SEBI Listing Regulation, 2015 (as may be applicable), the Nomination and Remuneration Committee and the Board of Directors (Board) had carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance evaluation criteria were determined by the Nomination and Remuneration Committee. A structured questionnaire was prepared by Nomination and Remuneration Committee after taking into consideration the various aspects such as participation at Board/ Committee Meetings, Board functioning, knowledge and skill, personal attributes, Board composition and quality, Board Meetings and procedures, Board strategy and risk management, Board and Management Relations etc. The Nomination and Remuneration Committee reviewed the performance of the Board, its Committees and of the Directors. The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performances of the Committees were evaluated by the Board seeking inputs from the Committee members.

Further, the Independent Directors had their separate meeting without the attendance of non-independent directors and members of management wherein they reviewed the performance of the Board as whole, its Chairman and Non-Executive Directors and other items as stipulated under the Act. Recommendations and suggested areas of improvement for the Board, its various committees were considered by the Board.

b. Remuneration of directors:

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The nomination and remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The compensation of the Executive Directors comprises of fixed component, perquisites and commission. The compensation is determined based on the remuneration prevailing in the industry and the performance of the Company. The remuneration package of the Executive Directors is periodically reviewed and suitable revision is recommended to the Board by the Committee. The Non-Executive Directors are paid sitting fees for attending meetings of Board/ Committees.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

(1) Appointment Criteria and Qualifications

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his/ her appointment;
- (b) 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 are sufficient/ satisfactory for the concerned position.



- (c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole Time Director or manager, who is below the age of twenty one years or 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.

(2) Term/ Tenure

- (a) Managing Director/ Whole-time Director/ Executive Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time 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.

At the time of appointment of Whole Time Director it should be ensured that number of Boards on which such Director serves is restricted to three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed from time to time.

- (b) 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 of upto maximum of 5 years each, 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.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director Serves is restricted to seven listed companies as an Independent Director or such other number as may be prescribed from time to time.

(3) Evaluation

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval.

(4) Removal

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

(5) Retirement

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

POLICY FOR REMUNERATION TO DIRECTORS/ KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT PERSONNEL

Remuneration to Director, Key Managerial Personnel and Senior Management:

- (1) Fixed pay: Managing Director, Whole-time Director, Executive Director, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, 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 Managing Director, Whole Time Director or Executive 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 prior approval of the Shareholder and Central Government.

- (3) Provisions for excess remuneration: If any Managing Director, Whole Time Director or Executive 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 in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

- (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 the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- (3) Limit of Remuneration/ Commission:

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net 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.

Detailed Nomination and Remuneration Policy, as adopted by the Board, is placed on the Company's website and can be accessed through the web link: <http://www.omkarchemicals.com/policies.html>

Criteria of making payments to Non-Executive Directors is placed on the website of the Company and can be accessed through the web link: <http://www.omkarchemicals.com/policies.html>

c. The Details of Remuneration to all Directors:

Remuneration payable to the Directors is considered and approved by the Nomination and Remuneration Committee constituted in accordance with the SEBI Listing Regulation, 2015 and the provisions of the Act, having due regard to the relevant factors. Non-Executive Directors are being paid sitting fees of Rs. 12,500/- for attending each meeting of Board of Directors and Rs. 10,000/- for each meeting of the Committees of the Board of Directors. Rs. 10,000/- was also paid as sitting fees to the Independent Directors who attended the Meeting of the Independent Directors. The Company also reimburses the out-of-pocket expenses incurred by the Non-Executive Directors for attending the meetings. Executive Directors are not paid sitting fees for attending the Meetings of the Board and its Committees.

The details of remuneration paid to each Director for the Financial Year ended March 31, 2019 along with their holding as on March 31, 2019 are as under:

(Amount in Rs.)

Sr. No.	Name of Director	Equity Shares held	Salary and Perquisites	Sitting Fees*	Total Remuneration
1	Mr. Pravin Herlekar ^s	4785821	60,00,000	NA	60,00,000
2	Mr. Rishikesh Herlekar ^s	517006	17,20,800	NA	17,20,800
3	Mr. Prakash Rao	NIL	12,42,000	NA	12,42,000
4	Adv. Sanjivani Patare	NIL	NA	92,250	92,250
5	Dr. Vikas Telvekar	NIL	NA	53,000	53,000
6	CA Sitendu Sharma	NIL	NA	1,01,250	1,01,250
7	CA Laxmikant Kabra	NIL	NA	92,250	92,250
8	Bhavana Shewakramani	NIL	NA	55,250	55,250

**NOTES:**

§ Mr. Pravin Herlekar is Father of Mr. Rishikesh Herlekar. Apart from this, there are no inter-se relationships between the Board of Directors.

* Inclusive of all Taxes

The Whole-time Directors are not paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof. Presently, the Company does not have a scheme for grant of stock options either to the Whole-time Directors or employees

No pension will be paid by the Company to any of the Directors. Your Company did not advance any loans to any of the Executive and/ or Non-Executive Directors during the period under review.

d. Separate meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

One meeting of the independent directors was held during the year ended March 31, 2019 i.e. on March 30, 2019.

All the meetings of the Independent Directors held during the year were without the attendance of Non-independent Directors and members of management.

The Independent Directors at their meetings also consider:

- a. Review of the performance of the Non-Independent Directors and the Board as a whole;
- b. Review of the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- c. Assessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Independent Directors discussed matters pertaining to the management of the Company and functioning of the Board and presented their views to the Managing Director for appropriate action.

Name of Director	No. of meetings attended
CA Sitendu Sharma	1
Adv. Sanjivani Patare	1
CA. Laxmikant Kabra	1
CS. Bhavana Shewakramani	1

5. STAKEHOLDERS RELATIONSHIP COMMITTEE.

Pursuant to provisions of Section 178(5) of the Act and Regulation 20 of SEBI Listing Regulation, 2015, Stakeholders Relationship Committee of the Board has been constituted to especially look into the mechanism of redressal of grievances of stakeholders.

a. Terms of reference:

The Stakeholders Relationship Committee, inter alia, is primarily responsible for considering and resolving grievances of security holders of the Company. The additional terms of reference of the Stakeholders Relationship Committee are:

1. To oversee and review all matters connected with transfer of Company's securities.
2. To approve issue of duplicate of shares/debentures certificates;
3. To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
4. To investigate into complaints relating to allotment of shares, approval of transfers or transmission of shares, debentures or any other securities;
5. To review the measures taken for effective exercise of voting rights by shareholders;

6. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company;
7. To review measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely report of dividend warrants/ annual reports/ statutory notices by the security holders of the Company;
8. Carry out any other function as is mandated by the Board of Directors from time to time and/or enforced by any statutory notification(s), amendment(s) or modification(s) as may be applicable.
9. To specifically look into various aspects of interest of Shareholders, debenture holders and other security holders.”

The Stakeholders Relationship Committee comprised of three (3) Directors, two (2) of whom were Independent Directors.

The committee comprises of Adv. Sanjivani Patare, CA Sitendu Sharma, Mr. Prakash Rao. The Committee is chaired by Adv. Sanjivani Patare, Non- Executive Independent Director.

The Company Secretary of the Company acts as the Secretary of the Committee.

The Stakeholders Relationship Committee met One (1) time during the Financial Year 2018-19.i.e. on March 30, 2019

The details of meeting held were as follows:

Name of Director	Number of meetings
CA Sitendu Sharma	1
Adv. Sanjivani Patare	1
Mr. Prakash Rao	1

b. Investor complaints

A summary of various complaints received and cleared by the Company during the FY 2018-19 is given below:

Complaint	Received	cleared
Number of Shareholders complaints received during the year 2018-19	1	1
Number not resolved to the satisfaction of Shareholders	0	0
Number of Complaints pending/ unattended:	0	0
Number of share transfers remained pending for over 15 days during Financial Year 2018-19	0	0

Normally all complaints /queries are disposed-off expeditiously. The Company had no complaint pending at the close of the financial year.

The Securities Exchange Board of India has initiated a platform for redressing the investor grievances through SCORES, a web based complaints redressal system. The system processes complaints in a centralized web based mechanism. The company is in compliance with this system. Further, the company has periodically filed a statement detailing investor complaints with BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Name, designation and address of the Compliance Officer:

Mr. Sunny Pagare
 Company Secretary
 B-34, MIDC, Badlapur (East), Thane – 421 503
 Tel.No.91-251-2690651
 Fax No.: 91-251-2697347
 Email: cs@omkarchemicals.com

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE.

The Corporate Social Responsibility Committee's constitution meets with the requirements of the provisions Section 135 of the Act.



a. Terms of reference:

The purpose of the Committee is to formulate CSR Policy of the Company and monitor its implementation. Terms of Reference of Corporate Social Responsibility Committee is as detailed below:

1. To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the CSR activities to be undertaken by the Company in compliance with provisions of the Act and rules made there under;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To constitute a transparent monitoring mechanism for implementation of Corporate Social Responsibility projects or programmes or activities undertaken by the company.
4. To review, approve and sign the Annual Report on Corporate Social Responsibilities (CSR) to be annexed to the Board's Report; and
5. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the Provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

As on March 31, 2019, the Corporate Social Responsibility Committee comprised of four (4) Directors including two (2) Independent Directors of the Company. Mr Pravin Herlekar is the Chairman of the Committee. The Committee comprised of Mr. Pravin Herlekar, CA Sitendu Sharma CA Laxmikant Kabra and Mr. Prakash Rao.

The Company Secretary of the Company acts as the Secretary of the Committee.

During the year under review, the Corporate Social Responsibility Committee met once on February 04, 2019. All members attended the meeting.

The details of meeting held were as follows:

Name of Director	No. of meetings attended
Mr. Pravin Herlekar	1
CA. Sitendu Sharma	1
CA Laxmikant Kabra	1
Mr. Prakash Rao.	1

The CSR Policy, as approved by the Board, has been placed on the Company's website and can be accessed through the web link: <http://www.omkarchemicals.com/policies.html>

7. RISK MANAGEMENT COMMITTEE:

The Risk Management Committee was voluntarily constituted by the Company.

a. Terms of reference:

The Committee lays down procedures to inform Board members about the risk assessment and minimization procedures and the Board is responsible for framing, implementing and monitoring the risk management plan of the Company. Terms of Reference of Risk Management Committee are as detailed below:

1. To lay down procedure to inform Board members about the risk assessment and minimization procedure;
2. To frame, implement and monitor the risk management plan for the Company specifically covering cyber security
3. To monitor and review the risk management plan.
4. To make necessary amendments/ revisions the Risk Management Policy of the Company from time to time, as it may deem fit."

As on March 31, 2019, the Risk Management Committee comprised of Three (3) Directors including One (1) Independent Director of the Company, The Committee comprised of CA Sitendu Sharma, Mr. Rishikesh Herlekar, Mr. Prakash Rao. CA Sitendu Sharma is the Chairman of the Committee.

The Company Secretary of the Company acts as the Secretary of the Committee.

During the year under review, no meeting of the Risk Management Committee was held.

8. CODE OF CONDUCT:

Code of Conduct laid down by the Board of Directors is applicable to all the Directors and Senior Management of the Company. The Code of Conduct is also posted on the Company's website www.omkarchemicals.com. The Company has a comprehensive Code of Conduct for prevention of insider trading and code of practices and procedures for fair disclosure of un-published price sensitive information in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which is effective from May 15, 2015. The Board has formulated a Code of Conduct to regulate, monitor and report trading by insiders. The Company has obtained annual declaration from Directors and Senior Management affirming their compliance to the Code of Conduct for the current year. The Chairman has affirmed to the Board of Directors that this Code of Conduct has been complied with by the Board members and Senior Management and a declaration to this effect forms part of this report.

9. GENERAL BODY MEETING:

a. Location and time of the Company's last three Annual General Meetings with details of Special Resolution passed:

Particulars	2015-16	2016-17	2017-18
Date	September 26, 2016	September 27, 2017	September 24, 2018
Time	4.30 p.m.	11.00 a.m.	11.00 a.m.
Venue	Sanjeevani Hall, Near Monginis Cake	Shop, Badlapur (East) – 421503, Thane	
Details of Special Resolutions passed	Appointment of Mr. Subhash P. Mali as an Executive Director.	1. Appointment of Mr. Rishikesh Herlekar as an Whole Time Director 2. Appointment of Ms. Bhavana Shewakramani as an Independnet Director 3. Issue of Equity Shares on rights issue basis.	-

b. Resolution passed through Postal Ballot during the FY 2018-2019, the person who conducted the postal ballot exercise and details of the Voting Pattern:

- The Company sent Postal Ballot notice dated May 18, 2018 to the members seeking their approval through postal ballot for passing the following resolutions:

Resolution No 1: Increase in Authorised Share Capital of the Company and consequent alteration in the Memorandum of Association of the Company (Ordinary Resolution)

Resolution No 2: Amendment in the Resolution no. 10 passed in the Annual General Meeting held on September 27, 2017.

Nilesh A. Pradhan & Co., Practising Company Secretary was appointed as the Scrutinizer for conducting the postal ballot process. Accordingly, the postal ballot was conducted by the Scrutinizer and a report was submitted to the Chairman of the Board.

- The Company sent Postal Ballot notice dated November 14, 2018 to the members seeking their approval through postal ballot for passing the following resolutions:

Resolution No 1: Seeking approval of members for considering extension of the resolution (Resolution no. 10 passed in the AGM held on September 27, 2017) for issue of Equity shares of the Company on a rights basis.

Nilesh A. Pradhan & Co. LLP, Company Secretaries were appointed as the Scrutinizer for conducting the postal ballot process. Accordingly, the postal ballot was conducted by the Scrutinizer and a report was submitted to the Chairman of the Board.

Chairman announced the postal ballot result at the Registered Office of the Company that all the above Postal Ballot conducted were duly approved by the Shareholders with requisite majority.

c. Means of Communication

The Company uses a wide array of communication tools including face-to-face, online and offline channels to ensure that information reaches all the stakeholders in their preferred medium.



The quarterly and the half yearly results, published in the format prescribed by the SEBI Listing Regulations, 2015 read with the Circular issued there under, are approved and taken on record by the Board of Directors of the Company.

The Quarterly Results are immediately sent to the Stock Exchanges are filed electronically through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre, for dissemination on their respective websites. Investor grievances are redressed through SEBI Complaints Redress System (SCORES).

The quarterly and half-yearly reports are not separately sent to each Shareholder. However, the Company provides the same to individual Shareholders, if requested. The Company has been sending Annual Reports, notices and other communications to the Shareholders through e-mail, post or courier.

Quarterly, half-yearly and annual financial results, along with the Notes, of the Company as per the statutory requirement under SEBI Listing Regulations, 2015 are published within the stipulated time in leading newspapers, as under:

Newspapers	Date of publication of results for the Quarter ended			
	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018
Business Standard (All Editions) (English)	June 01, 2018	August 14, 2018	November 15, 2018	February 05, 2019
Mumbai Lakshdeep (Mumbai) (Marathi)	June 01, 2018	August 14, 2018	November 15, 2018	February 05, 2019

Comprehensive information about the Company, its businesses and operations and press releases can be viewed on the Company's website at www.omkarchemicals.com. The "Investor Relations" section on the website gives information relating to financial results, annual reports, scheme of arrangement, schedule of Analyst/ Institutional Investor meetings and presentations made to analysts and at Annual General Meetings. Information about unclaimed dividends is also available on the website, under the head "Unclaimed/ Unpaid Dividend".

The quarterly shareholding pattern, official news releases, presentations made to Institutional Investors and Analysts, etc. are uploaded on NEAPS and BSE Listing Centre of NSE and BSE respectively and also posted on the Company's website.

Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Listing Centre. They are also displayed on the Company's website.

The Company has a dedicated help desk with e-mail ID: investor@omkarchemicals.com for providing necessary information to the investors.

Table below gives a snapshot of the communication channels used by the Company to communicate with its stakeholders:

Particulars	Board Meetings	Shareholder Meetings	Formal Notices	Website Information	Press / Web Releases	Annual Reports
Board of Directors	√	√	√	√	√	√
Employees	-	-	-	√	√	√
Shareholders		√		√	√	√
Financial Analysts	-	-	-	√	√	√
General Public	-	-	-	√	√	-
Frequency	Quarterly	Annually	Event Based	Event Based	Event Based	Annually

d. **General Shareholder Information:**

Date, Time and Venue of AGM	September 21, 2019 at 11:00 a.m. @ Sanjeevani Hall, near Monginis cake shop, Badlapur (E), Thane – 421503.
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a. Financial Year	April 1 to March 31	
b. Tentative Financial Calendar	Results for Quarter Ending	To be published
	June, 2019	On or before August 14, 2019
	September, 2019	On or before November 14, 2019
	December, 2019	On or before February 14, 2020
	March, 2020	On or before May 30, 2020

Name & Address of Stock Exchanges	Stock Code/ Symbol	ISIN Number for NSDL/ CDSL (Dematerialized shares)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	533317	INE474L01016
The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051	OMKARCHEM	
Annual Listing Fee and Annual Custodial Fee:	The Company has paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the Financial Year 2019-2020.	

e. **Stock**

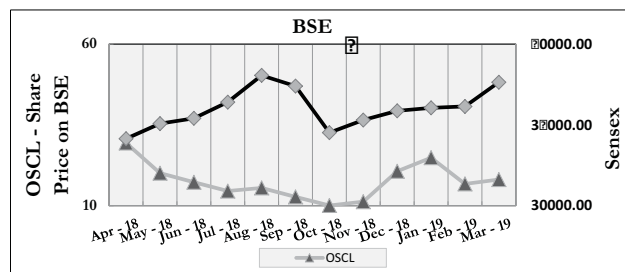
Market Price Data Monthly High/ Low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges is given hereunder:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2018	37.80	18.90	38.00	18.90
May 2018	23.80	16.25	23.80	16.25
June 2018	19.90	15.55	20.25	15.50
July 2018	18.10	11.50	18.20	11.00
August 2018	18.50	13.00	18.45	13.05
September 2018	15.90	11.00	15.60	10.90
October 2018	11.80	8.72	11.80	8.40
November 2018	13.25	9.60	13.45	9.50
December 2018	27.25	13.91	27.30	14.10
January 2019	29.9	18.90	29.50	18.85
February 2019	21.45	14.25	21.40	14.65
March 2019	20.73	15.20	20.40	15.00

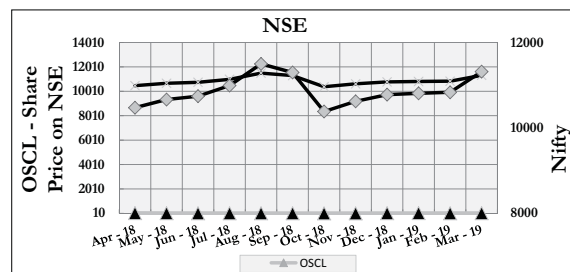


Graphical presentation of movement of Company's Stock Price as compared to Nifty and Sensex from April 1, 2018 to March 31, 2019 is as follows:

Stock Price Data: BSE Limited (Sensex)



Stock Price Data: National Stock Exchange of India Limited (Nifty)



f. **Depositories of the Company:**

National Securities Depository Limited

4th and 5th Floor, 'A' Wing, Trade World,
Kamala Mills Compound,
Lower Parel, Mumbai 400 013, India.
Tel.: +91 (22) 2499 4200
Fax : +91 (22) 2497 6351
E-mail: info@nsdl.com
Website: www.nsdl.com

Central Depository Services (India) Limited

25th Floor, Marathon Futurex, N.M.Joshi Marg Lower Parel
(East), Mumbai 400013, India.
Tel.: +91 (22) 2272 3333
Fax: +91 (20) 2272 3199
E-mail: investors@cdslindia.com
Website: www.cdslindia.com

Registrar and Share Transfer Agent ("RTA"):

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East)
Mumbai - 400 059.
Tel: 022 62638200
Fax: 022 62638299
Website: www.bigshareonline.com

g. **Share Transfer System**

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Company has appointed M/s. Bigshare Services Private Limited as its Registrars and Share Transfer Agents. Share transfers are processed and the share certificates duly endorsed are returned within a period of thirty (30) days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers/ transmission etc. of the Company's shares to the Stakeholder's Relationship Committee of the Board, which meets regularly to approve the share transfers and other related work. A summary of transfer/ transmission etc. of shares of the Company so approved by the said committee is placed periodically before the Board at its meeting. As of March 31, 2019, there were no pending share transfers pertaining to the year under review. The Company also obtains a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulation, 2015, from a Practicing Company Secretary and files the same with BSE & NSE. Further, the company periodically files with BSE & NSE, a certificate stating that all activities in relation to both physical and electronic share transfer facility are in compliance.

For matters regarding shares transferred in physical form, share certificates, dividends, change of address, etc., shareholders should communicate with Bigshare Services Private Limited. The address is given in the section on shareholder information under this report.

h. **Distribution of Shareholding as on March 31, 2019:**

Shareholding Nominal value		Shareholders		Shares amount Nominal Value	
From	To	No.	%	No.	%
1	5000	16415	79.1237	25249960	12.2704
5001	10000	2022	9.7465	16449920	7.9939
10001	20000	1163	5.6059	17839810	8.6694
20001	30000	384	1.8510	9920490	4.8209
30001	40000	174	0.8387	6318010	3.0703
40001	50000	156	0.7520	7396810	3.5945
50001	100000	236	1.1376	17438010	8.4741
100001	& above	196	0.9448	105167030	51.1065
TOTAL		20746	100.00	205780040	

i. **Categories of shareholders:**

Category	Shares As on March 31, 2019		Shares As on March 31, 2018	
	No.	%	No.	%
Promoter & Promoters Group	5682827	27.61	5688783*	27.65
Banks and Financial Institutions	1629	0.0079	31051	0.15
Foreign Portfolio Investors	0	0	0	0
Bodies Corporate & Trusts	2509866	12.19	1576755	7.66
Foreign Nationals and NRIs	527521	2.56	614903	2.99
Indian Public	11664790	62.67	12249505	59.53
Clearing Members	191109	0.9287	417007	2.03
Others (IEPF)	262	0.0013		
Total	20578004	100	20578004	100

NOTES:

*In the beneficial position received from the depositories 3,12,500 shares are not reflected in the name of Mr. Omkar P. Herlekar, Promoter of the Company as they are under encumbrance.

j. **Statement showing Shareholding more than 1% of the Share Capital as on March 31, 2019:**

Sr. No.	Names of Shareholders	Number of Shares	Percentage of Capital
1.	Pravin Herlekar*	4785821	23.26
2.	Rishikesh Herlekar*	517006	1.51
3.	Svaks Biotech India Private Limited*	380000	1.85

NOTES:

*Promoters & Promoters Group

k. **Dematerialization of Shares and Liquidity:**

The Company's Equity Shares have been dematerialised with the Central Depository Services (India) Limited (CDSL) and the National Securities Depository Limited (NSDL). The International Security Identification Number (ISIN) is an identification number for traded shares. This number is to be quoted in each transaction relating to the dematerialised shares of the Company. The ISIN of the Company for its shares is mentioned above. The Company also periodically undertakes audit of share capital by Practicing Company Secretary and submits the same with BSE & NSE.



The statuses of shares held in physical and dematerialized forms, as on March 31, 2019, are given below:

Shares held	Shareholders		Shares Held	
	No.	%	No.	%
Physical Form	1	0.00	10	0.00
Electronic Form with NSDL	13665	57.67	11485753	55.82
Electronic Form with CDSL	10028	42.32	9092241	44.18
Total	23694	100.00	20578004	100.00

l. Outstanding GDR/ ADR/ Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

As on March 31, 2019, the Company has no GDR/ ADR/ Warrants or any such Convertible Instruments outstanding and there is no likely impact on the Company's Equity Shares in the Financial Year 2019-20.

m. Commodity Price Risks and Commodity Hedging Activities: Not applicable

n. Foreign exchange risk and hedging Activities:

The Company is a not forex earner and cover is taken based on budgeted rates and management judgment.

o. Plant locations:

- **Manufacturing Unit – I:** W-92(A), W-93(A), W-94(A) & W-95(A), M.I.D.C., Badlapur (East), Thane– 421503, Maharashtra
- **Manufacturing Unit – II :** F-24, M.I.D.C., Badlapur (East), Thane- 421503, Maharashtra
- **Registered Office, R & D Center and Manufacturing Unit – III :** B-34, M.I.D.C., Badlapur (East), Thane- 421503, Maharashtra
- **Warehouse Unit – IV :** F-9, F-10/1, M.I.D.C., Badlapur (East), Thane- 421503, Maharashtra
- **Manufacturing Unit – V:** W-83(C), M.I.D.C., Badlapur (East), Thane-421 503, Maharashtra.
- **Open Plot – D-27/4,** M.I.D.C., Lote Parshuram Industrial Area, Chiplun, Dist. Ratnagiri, Maharashtra

p. Address for Correspondence:

Investors and shareholders can correspond with the Company at the following address:

Omkar Speciality Chemicals Limited
 B-34, M.I.D.C., Badlapur (East),
 Thane - 421503
 Tel No. +91 (0251) 2697340/2690651,
 Fax: +91(0251) 2697347/2691572
 E-mail address: investor@omkarchemicals.com
 Website: www.omkarchemicals.com

10. OTHER DISCLOSURES

a. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large. Related party transactions have been disclosed in Note 34 to the Standalone Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Omnibus approval was obtained for transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year

Related party transactions in the ordinary course of business are reported to the Audit Committee. None of them were (i) not in the normal course of business, or (ii) not on arm's length basis, or (iii) in conflict with the interests of the Company at large, including the related party transactions that are disclosed under Note No.26 of the Financial Statements. There are

no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly. The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and / or their relatives have personal interest.

The Board has approved a policy on dealing with related party transactions, and the same has been uploaded on the Company's website on following web link: <http://www.omkarchemicals.com/policies.html>

b. DETAILS OF NON-COMPLIANCE ON MATTERS RELATED TO CAPITAL MARKETS:

There has not been any non-compliance by the Company and no penalties or strictures were imposed on the Company by the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last 3 (three) Years except during disclosure of quarterly results for the period ended September 30, 2017 which was on account of change in the statutory auditors and finalization of financial results as per Ind- AS.

c. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF THE LISTING REGULATIONS:

During the Financial Year (F.Y.) 2018-19, the Company has not raised funds through any kind of Issue (public issue, rights issue, preferential issue, etc.).

d. 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 SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) / MINISTRY OF CORPORATE AFFAIRS (MCA) OR ANY SUCH STATUTORY AUTHORITY:

Pursuant to the provisions of Regulation 34(3) read with Schedule V of the Listing Regulations the Company has obtained a Certificate from Mr. Nilesh A. Pradhan, a Company Secretary in Practice certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or by the Ministry of Corporate Affairs (MCA) or by any such statutory authority. The said Certificate is annexed to this Corporate Governance Report.

e. DISCLOSURE ABOUT INSTANCES WHERE THE BOARD HAD NOT ACCEPTED ANY RECOMMENDATION OF ANY COMMITTEE OF THE BOARD WHICH IS MANDATORILY REQUIRED, DURING THE FINANCIAL YEAR 2018-19:

During the Financial Year (F.Y.) 2018-19, there were no instances reported / recorded, where the Board of Directors of the Company did not accept recommendation(s) of any of its Committees.

f. DISCLOSURE REGARDING SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION , PROHIBITION AND REDERESSAL)ACT,2013.

During the Financial Year (F.Y.) 2018-19, there were no complaints reported / recorded.

g. TOTAL FEES FOR ALL SERVICES PAID BY THE COMPANY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART:

The Company has made the payment of Rs. 4,50,000/- to M/s.Desai and Saksena associates, Chartered Accountants, the Statutory Auditors of the Company during the Financial Year 2018-19

h. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:

There have been no instances of any penalties or strictures imposed on the Company on any matter relating to the capital market, either by Stock Exchanges, Securities and Exchange Board of India or any statutory authority during the last three (3) years.



i. **ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

The Company has complied with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the “2013 Act”) and the relevant provisions of the 1956 Act/2013 Act, as applicable in the preparation of the financial statements of the Company.

j. **WHISTLE BLOWER POLICY**

The Board has adopted Whistle Blower Policy to maintain highest standards of professionalism, honesty, integrity, ethical behaviour and to provide a vigil mechanism for stakeholders including Directors, shareholders, employees, to voice concern in a responsible and effective manner about all protected disclosures concerning unethical matters involving serious malpractice, abuse or wrongdoing within the organisation. It also provides for adequate safeguards against victimization of one who avail of the mechanism. The Company affirms that no personnel has been denied access to the Audit Committee.

The Whistle Blower Policy is available on the website of the Company on following web link: <http://www.omkarchemicals.com/policies.html>

k. **CEO/CFO CERTIFICATION**

The Managing Director and Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(8) of the SEBI Listing Regulation, 2015 certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company’s affairs.

l. **RISK MANAGEMENT PROCEDURE**

The Company has adequate risk assessment and minimization system in place. The risk management procedure is reviewed periodically.

m. **MANDATORY REQUIREMENTS**

The Company has complied with all the mandatory requirements of SEBI Listing Regulation, 2015, relating to Corporate Governance.

n. **DISCRETIONARY REQUIREMENTS**

Status of implementation of Discretionary Requirements of Reg. 27(1) of SEBI Listing Regulation, 2015 read with Schedule II - Part E is as follows:

Sr. No.	Requirement	Status of Implementation
1	A Non- Executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.	Not applicable as the company has an Executive Chairman.
2	A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.	As the quarterly and half yearly financial performance are published in the newspapers and are also uploaded on the Company's website, the same are not being sent to the shareholders.
3	Company may move towards a regime of financial statements with unmodified audit opinion.	The Management took note of the Auditors observation and will further ensure compliance with applicable laws.
4	Company may appoint separate persons to the post of Chairman and Managing Director or Chief Executive Officer.	The company does not have separate post of Chairman and Managing Director or Chief Executive Officer.
5	The Internal Auditor may report directly to the Audit Committee.	The Internal Auditor directly reports to the Audit Committee.

o. **SUBSIDIARY COMPANIES**

The Company does not have any subsidiary Company (ies)

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 SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) / MINISTRY OF CORPORATE AFFAIRS (MCA) OR ANY SUCH STATUTORY AUTHORITY

To

The Members,

OMKAR SPECIALITY CHEMICALS LIMITED

Based on the disclosures/declarations received from Directors appointed on the Board of OMKAR SPECIALITY CHEMICALS LIMITED ("Company") as on March 31, 2019 we hereby certify that as on March 31, 2019, none of the Directors on the Board of Company have been debarred or disqualified from being appointed or continuing as director of the company by Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

For **NILESH A.PRADHAN & CO,**
Practicing Company Secretaries

Sd/-

NILESH A.PRADHAN

Proprietor

FCS: 5445

COP: 3659

Place: Mumbai

Date: May 30, 2019

DECLARATION BY THE MANAGING DIRECTOR UNDER REGULATION 34 (3) READ WITH PARA (D) OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:

As required under Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Pravin Herlekar, Chairman & Managing Director of Omkar Speciality Chemicals Limited, declare that all the Members of the Board of Directors and Senior management personnel have affirmed the Compliance with the Code of Conduct for the period from April 1, 2018 to March 31, 2019.

**For and On behalf of the Board of Directors
Omkar Speciality Chemicals Limited**

Sd/-

Pravin Herlekar

Chairman & Managing Director

(DIN: 00525610)

Date: May 30, 2019

Place: Badlapur



CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Omkar Speciality Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by **OMKAR SPECIALITY CHEMICALS LIMITED** ("Company") for the year ended on March 31, 2019, as stipulated in Regulations 17 to 27. clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), pursuant to the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Nilesh A.Pradhan & Co,
Practicing Company Secretaries**

Place: Mumbai

Date: May 30, 2019

Sd/-
Nilesh A.Pradhan
Proprietor
FCS: 5445
COP: 3659

INDEPENDENT AUDITORS' REPORT

**To the Members of,
Omkar Speciality Chemicals Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

We have audited the standalone financial statements of Omkar Speciality Chemicals Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (herein referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of the Qualified Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 Company as at March 31, 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- i. The Company has negative net worth as at March 31, 2018. In our opinion, negative net worth along with other matters indicate the existence of material uncertainty that may cast doubt about the Company's ability to continue as going concern. The financial results have been prepared assuming that the company will continue as a going concern. Also the financial statements do not include any adjustments that might result from the outcome of qualifications as per the succeeding paragraphs.
- ii. During the year ended 31st March 2019, the company has not provided interest expenses amounting to Rs. 1109.33 lacs and Rs.525.56 lacs for the year ended and quarter ended on 31st March 2019 respectively, on various credit facilities/loans and reversed accrued and due interest of Rs. 993.01 lacs for the year ended on 31st March 2019 which was provided till 30th September 2018 which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind As 109: 'Financial Instruments'. Due to this, loss for the year ended 31st March 2019 and quarter ended on 31st March 2019 has been understated by Rs. 2102.34 lacs and Rs.525.56 lacs respectively. Therefore, the net loss after tax (Before other comprehensive expenses) would have been Rs.3790.81 lacs for the year ended on 31st March 2019 and Rs. 1017.57 lacs for the quarter ended on 31st March 2019. The accumulated interest not provided for and reversed till 31st March 2019 is Rs. 1109.33 lacs and Rs. 993.01 lacs respectively.
- iii. The Internal Financial Control over Financial Reporting (IFCR) in the Company is required to strengthen significantly. Adequate IFCR policies and procedures should be laid down, made operational and overall internal controls and operating effectiveness needs to be strengthened.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matters

The Key Audit Matter	How the matter was addressed in our audit
<p>Inventory Valuation</p> <p>As at 31 March 2019, the company held Rs. 289.82 lakhs of inventory. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note 2(j), inventories are held at lower of cost or net realizable value using the FIFO method. At the year end, the valuation of inventory is reviewed by the Management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realized for a value below cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ol style="list-style-type: none"> (i) Use Inventory ageing reports together with historical trends to estimate likely future saleability of slow moving and older inventory lines; (ii) Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realizable value and a specific write down is recognised if required. 	<p>We have performed the following procedures over the valuation of inventory:</p> <ol style="list-style-type: none"> (i) For a sample of inventory items, re-performed the First in First Out (FIFO) calculation and compared the FIFO cost to the last purchase invoices. (ii) We tested the ageing report used by management correctly aged inventory items by agreeing a sample of aged inventory items to the last recorded invoice. (iii) On a sample basis we tested the net realizable value of inventory lines to recent selling prices. (iv) We re-performed the calculation of inventory write-down. <p>We also made enquiries of management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required.</p> <p>For the procedures performed we have no matters to report.</p>



Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' 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 in the 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 are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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, management and Board of Directors are 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 is also responsible for overseeing the Company's financial reporting process.

Report on other Legal and Regulatory Requirements

As required by 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 Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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:

- (i) 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.
- (ii) 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 Company'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 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 Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

(A) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.
 - c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of written representations received from the directors as on 31 March 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (B) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 33A iv, v, 33B i to iii and 33Bb to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivatives 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.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

**For Desai Saksena & Associates
Chartered Accountants
Firm's Registration no. 102358W**

**Sd/-
Dr. S. N. Desai
Partner
Membership no.032546**

Mumbai, May 30, 2019



Annexure 'A' to the Independent Auditors' Report:

(Referred to in our report of even date)

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:

i) In respect of the Company's property, plant and equipment:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. The Company has a regular programme of physical verification of its property plant and equipment by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property plant and equipment were verified 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, other than those mentioned below.

(Rs. in lakhs)

Sr. no	Particulars	Original Cost	Written down value
1	Land	118.98	115.21
2	Building	184.90	138.06

- ii) The management has conducted physical verification of inventory at reasonable intervals during the year. As explained to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under sec 189 of the Companies act, 2013.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured or provided any guarantees or security to parties covered under section 185 of the Act. The Company has not granted loans, no investments has been made, no guarantees or security are given to parties covered under section 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- v) The Company has not accepted any deposits from the public. Hence the provisions of Sections 73 to 76 of the Act and rules framed there under are not applicable to the company.
- vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- vii) a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable, other than Reverse Charge Mechanism (RCM) and Tax Deducted at source as under:

Sr. no.	Nature of statutory liability	Year to which it pertains	Rs. (in lakhs)
1	Reverse Charge Mechanism	2018-19	0.33
2	Tax Deducted at Source	2010-2019	2.21

*The Company has not made provision of the said amount in the books of accounts.

- b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of Income Tax, Excise Duty and Value Added Tax :

Sr. no.	Name of the statute	Nature of the dues	Financial year to which it pertains	Forum where dispute is pending	Amount (Rs. in lakhs) including interest and penalty
1	Income Tax Act 1961	Income Tax	2008-09	Commissioner of Income Tax (A)	1.82
2	Income Tax Act 1961	Income Tax	2009-10	Commissioner of Income Tax (A)	13.82
3	Income Tax Act 1961	Income Tax	2010-11	Commissioner of Income Tax (A)	779.76
4	Income Tax Act 1961	Income Tax	2011-12	Commissioner of Income Tax (A)	75.57
5	Income Tax Act 1961	Income Tax	2012-13	Commissioner of Income Tax (A)	37.34
6	Income Tax Act 1961	Income Tax	2014-15	Commissioner of Income Tax (A)	12.22
7	Value Added Tax, 2002	VAT	2010-11	Deputy Commissioner (A)	84.53
8	Value Added Tax, 2002	VAT	2011-12	Sales Tax Tribunal	222.48
9	Value Added Tax, 2002 and Central Sales Tax Act 1956	VAT & CST	2013-14	Sales Tax Tribunal	CST Rs.98.18 VAT Rs.84.40
10	Value Added Tax, 2002	VAT	2012-13	Joint Commissioner Thane	210.33
11	Central Excise Duty 1944	Excise Duty	2012-13	CESTAT	37.16

viii) In our opinion and according to the information and explanations given to us, details of defaults in repayment of dues to Banks is as under:

Sn.	Name of Bank	Nature of Facility	Nature of overdue	Overdue Amount (Rs. in lakhs)	Default in number of days
1	Bank of Baroda	Term Loan	Interest	4,303	384 to 424
2	Bank of Baroda	Cash Credit	Principal and Interest	12,207	396 to 439
3	NKGSB	Cash Credit	Principal and Interest	2,328	1 to 121
4	Axis Bank	Cash Credit	Principal and Interest	1,145	376 to 440

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions.

In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from government and has not issued any debentures.

- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for 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. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (IND AS) 24, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
- 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.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Desai Saksena & Associates
Chartered Accountants
Firm's Registration no. 102358W

Sd/-
Dr. S. N. Desai
Partner
Membership no.032546

Mumbai, May 30, 2019



Annexure 'B' to the Independent Auditors Report

We have audited the internal financial controls over financial reporting of Omkar Speciality Chemicals Limited (the 'Company') as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 components of internal control stated in the Guidance Note on audit of Internal Financial Controls over financial reporting (the 'Guidance Note') 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 fraud and errors, the accuracy and completeness of accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed u/s 143(10) of the Act, to the extent applicable, to an audit of internal financial control, both applicable to an audit of internal financial control and both issued by the ICAI. Those standards and 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 control over financial reporting included obtaining an understanding of internal financial control 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 risks. The procedures selected depend on the auditor's judgement, 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 control over financial reporting.

Meaning of Internal Financial Control 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 the generally accepted accounting principles, and the receipts and expenditure of the Company, and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have been material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

Because of the inherent limitations of internal financial control 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 control 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.

Qualified Opinion

In our opinion, except for the material weakness described below in the Basis for Qualified Opinion paragraph, the Company has 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 components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2019, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2019:

The Company does not have in place adequate standard operating procedures in place for its day to day operations and thus we are unable to comment on the design and operating effectiveness of the internal controls in the Company pertaining to its operations. This in turn has an impact on the internal financial controls over financial reporting. The Internal Financial Controls over Financial Reporting (IFCR) in the Company requires to be strengthened significantly. Adequate IFCR policies, procedures should be laid down and overall internal controls and its operating effectiveness needs to be incorporated.

In our opinion, the above mentioned qualifications, could result in a potential material misstatement to the carrying value of Inventory, trade receivables and trade payables, and consequently, could also impact the loss (financial performance including comprehensive income) after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements or interim financial statements will not be prevented or detected on a timely basis.

**For Desai Saksena & Associates
Chartered Accountants
Firm's Registration no. 102358W**

Mumbai, May 30, 2019

**Sd/-
Dr. S. N. Desai
Partner
Membership no.032546**



BALANCE SHEET AS AT 31st MARCH 2019

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	3	6,817.02	7,598.36
(c) Investment Property	5	14.14	14.91
(d) Other Intangible Assets	4	12.04	15.83
(e) Financial Assets			
(i) Other investments	6	34.87	94.48
(ii) Loans	6	23.53	25.38
(f) Deferred Tax Asset (Net)	12	1,058.00	1,593.38
(g) Other Non-Current Assets	11	639.70	756.82
		8,599.30	10,099.16
Current assets			
(a) Inventories	7	289.82	432.56
(b) Financial Assets			
(i) Investments	6	-	997.14
(ii) Trade Receivables	8	869.01	1,030.14
(iii) Cash and Cash Equivalents	9	8.24	135.92
(iv) Bank Balances Other than (iii) above	10	8.39	9.87
(v) Loans	6	1.19	1.01
(vi) Other Financial Assets	6	0.93	-
(c) Other Current Assets	11	942.34	906.01
		2,119.92	3,512.65
TOTAL		10,719.22	13,611.81
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	2,057.80	2,057.80
(b) Other Equity	14	(16,866.15)	(14,566.35)
		(14,808.35)	(12,508.55)
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	7,432.28	7,640.18
(ii) Other Financial Liabilities	16	36.41	30.72
(b) Provisions	19	53.68	55.18
		7,522.37	7,726.08
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	14,518.08	14,631.53
(ii) Trade Payables	17		
Others		2,015.43	1,821.29
(iii) Other Financial Liabilities	16	1,120.10	1,311.44
(b) Other Current Liabilities	18	58.98	337.62
(c) Provisions	19	292.61	292.39
		18,005.20	18,394.27
TOTAL		10,719.22	13,611.81
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.	1 to 42		

As per our report of even date attached
For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 102358W

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Sd/-
Pravin Herlekar
Chairman and Managing Director
(DIN : 00525610)

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2019

Sd/-
Rishikesh Herlekar
Whole Time Director
(DIN : 0524009)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2019

(Amount in INR Lakhs)

Particulars	Notes	31-Mar-19	31-Mar-18
REVENUE			
Revenue from Operations	20	4,265.21	19,763.93
Other income	21	246.08	368.50
Total Revenue (I)		4,511.29	20,132.43
EXPENSES			
Cost of materials consumed	22	2,608.01	15,578.13
Purchases of stock-in-trade	23	211.75	4,354.88
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	19.93	1,108.59
Employee benefits expense	25	438.33	392.38
Finance costs	26	1,461.90	2,612.78
Depreciation and amortization expense	27	798.87	815.74
Other expenses	28	1,117.60	2,666.21
Total Expenses (II)		6,656.39	27,528.71
Profit/(loss) before exceptional items (I-II)		(2,145.10)	(7,396.28)
Exceptional Items	29	(993.01)	5,258.55
Profit before tax		(1,152.09)	(12,654.83)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	55.91
Deferred tax		535.37	(2,313.93)
Profit/(loss) for the period		(1,687.46)	(10,396.81)
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		14.15	24.86
Other Comprehensive income for the year, net of tax		14.15	24.86
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(1,673.31)	(10,371.95)
Earnings per share for profit attributable to equity shareholders	31		
Basic and Diluted EPS		(8.20)	(50.52)
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements	1 to 42		

As per our report of even date attached
For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 102358W

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Sd/-
Pravin Herlekar
Chairman and Managing Director
(DIN : 00525610)

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2019

Sd/-
Rishikesh Herlekar
Whole Time Director
(DIN : 0524009)



STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2019

(Amount in INR Lakhs)

Particulars	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before tax	(1,152.09)	(12,654.83)
Adjustments for:		
Depreciation and amortisation expense	798.87	815.74
Finance costs	1,461.90	2,612.78
Interest income	(2.18)	(35.54)
Impairment of property, plant and equipments & Demerger Effect & others	(993.01)	5,258.55
Profit on sale of investments	(102.85)	
Fair value loss/(gain) on investment	59.60	
Sundry Debit/Credit Balances Written Off/Back (Net)	(121.77)	25.49
Profit on sale of property , plant and equipment	(0.52)	-
Profit on sale of investment property	-	(20.36)
Unrealised foreign currency (gain)/loss	(24.04)	(81.51)
Other adjustments	80.47	476.19
Change in operating assets and liabilities:		
Trade payables	218.18	(10,022.48)
Other financial liabilities	(185.64)	(1,164.74)
Provisions	(11.99)	(251.07)
Other liabilities	(156.87)	310.86
Trade receivables	161.13	6,789.22
Inventories	142.74	6,668.49
Other bank balance	1.48	599.32
Other financial assets	0.74	3,197.77
Other assets	(36.33)	127.55
Cash generated from operations	137.83	2,651.43
Less: Income taxes paid	-	(55.91)
Net cash inflow from operating activities	137.83	2,595.52
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment	(23.28)	(5,431.71)
Proceed from sale of property, plant and equipment	10.85	-
Proceed from sale of investment property	-	47.45
Payments for purchase of intangible assets	-	(13.04)
Proceed from sale of intangible assets	-	6.71
Proceed from sale of investment	1,100.00	
Purchase of Investments	-	(1,077.72)
Interest received	2.18	35.54
Net cash outflow from investing activities	1,089.74	(6,432.77)

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2019

(Amount in INR Lakhs)

Particulars	2018-19	2017-18
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	354.67	7,253.28
Repayment of borrowings	(1,453.12)	(2,143.38)
Finance costs	(256.80)	(1,586.06)
Net cash inflow (outflow) from financing activities	(1,355.25)	3,523.84
Net increase (decrease) in cash and cash equivalents	(127.68)	(313.42)
Cash and Cash Equivalents at the beginning of the financial year	135.92	448.55
Cash and Cash Equivalents at end of the year	8.24	135.13
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Balances with banks on current accounts	3.77	135.02
Cash on hand	4.47	0.90
Balances per statement of cash flows	8.24	135.95
Notes:		
1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.		
2. Previous years figures have been regrouped /rearranged /recast wherever necessary to confirm to this year's classification.		
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements	1 to 42	

As per our report of even date attached
For **DESAI SAKSENA & ASSOCIATES**
Chartered Accountants
Firm Registration No. 102358W

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Sd/-
Pravin Herlekar
Chairman and Managing Director
(DIN : 00525610)

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2019

Sd/-
Rishikesh Herlekar
Whole Time Director
(DIN : 0524009)



STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2019

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2018			
Numbers	20,578,004	-	20,578,004
Amount	2,057.80	-	2,057.80
March 31, 2019			
Numbers	20,578,004	-	20,578,004
Amount	2,057.80	-	2,057.80

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	
As at March 31, 2018	4.39	830.40	-	(15,401.14)	(14,566.35)
Profit for the period	-	-	-	(1,687.46)	(1,687.46)
Other Comprehensive Income	-	-	-	14.15	14.15
Total Comprehensive Income for the year	-	-	-	(1,673.31)	(1,673.31)
Fair Valuation of unsecured loans & Others	-	-	-	(626.49)	(626.49)
As at March 31, 2019	4.39	830.40	-	(17,700.94)	(16,866.14)
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements		1 to 42			

As per our report of even date attached
For **DESAI SAKSENA & ASSOCIATES**

Chartered Accountants
Firm Registration No. 102358W

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Sd/-
Pravin Herlekar
Chairman and Managing Director
(DIN : 00525610)

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2019

Sd/-
Rishikesh Herlekar
Whole Time Director
(DIN : 0524009)

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2019

1 Corporate Information

Omkar Specialty Chemicals Limited (CIN : L24110MH2005PLC151589) is a public limited company domiciled in India and is incorporated under provisions of the Companies Act applicable in India. Omkar Speciality Chemicals Limited is one of the leading global speciality chemicals company with a strong focus on process innovation to develop high quality customized products. The Company manufactures a range of Organic, Inorganic and Organo Inorganic Intermediaries and pioneer in manufacturer of many niche products in India. The Company has its wide network of customers in local as well foreign markets. The Company's shares trade on the Bombay Stock Exchange and the National Stock exchange in India. The registered office of the company is located at B-34, M.I.D.C., Badlapur (E) Dist: Thane, Maharashtra

The financial statements were approved by the Board of Directors and authorised for issue on May 30, 2018.

2 Significant Accounting Policies

1 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

or all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS. Refer to Note 43 for information on how the company has adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification (refer accounting policy regarding financial instruments),

Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations,

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2 Summary of significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.



Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line method using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leashold land is amortised on a straight line basis over the balance period of lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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. The residual values are not more than 5% of the original cost of the asset.

(b) Investment properties

Property that is held for non-current rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs where applicable. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised. Investment properties are depreciated using the straight-line method over their estimated useful lives. Investment properties generally have a useful life of 20-40 years. The useful life has been determined based on technical evaluation performed by management's expert.

(c) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Amortisation methods and periods

Intangible assets comprising of computer software and Products Process Patents are amortized on a straight line basis over the useful life of three years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(d) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The amount capitalised comprises of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use. Fixed assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

Expenditure on Regulatory Approval

Expenditure incurred for obtaining regulatory approvals and registration of products process patents is charged to the Statement of Profit and Loss.

(e) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss.



(g) Financial Instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

the entity’s business model for managing the financial assets and

the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(h) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.



Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.

(i) Taxes

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income (OCI) or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probability that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have probable certainty that it will pay normal tax during the specified period.

(j) Inventories:

Raw material, packing material and stores:

Raw material, packing material and stores stock are valued at cost or net realisable value, whichever is lower. The cost includes purchase price including duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities), freight inwards and other expenditure directly attributable to the acquisition. Trade discounts, rebates, duty drawbacks, finance cost and other similar items are deducted in determining value of inventories. In determining the cost the First In First Out (FIFO) method is used.

Finished Goods and Work in process

Finished Goods and Work in process are valued at cost or net realizable value, whichever is lower. The cost is determined by reducing from the sales value of inventory the appropriate percentage of gross margin depending on the stage of completion.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of third parties.

The Company collects taxes such as GST, sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/income.

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Revenue from sale of goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

(ii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iii) Dividend income

Dividends are recognised when right to receive is established.

(iv) Export Benefits

Export benefits available under prevalent schemes are accrued in the year in which the goods are exported and are accounted to the extent considered receivable.

(l) Employee Benefit Obligations:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The earned leave obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

- (a) defined benefit plans viz gratuity,
- (b) defined contribution plans viz state governed provident fund scheme and employee pension scheme.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The plan assets are administered by the approved gratuity fund trust.



The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(m) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(n) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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 profit or 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.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(p) Borrowing Costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(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

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
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



(t) Current/non current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

(i) Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

(ii) Estimation of net realizable value for inventories

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

(iii) Impairment of non - financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

(iv) Recoverability of trade receivables

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(v) Useful lives of property, plant and equipment/intangible assets

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(vi) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

(vii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



3. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Gross Block				Accumulated Depreciation					Net Block		
	As at April 1, 2018	Additions	Deductions/ Impairment	Disposal under the scheme of demerger*	As at March 2019	As at April 1, 2018	During the period	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 2019	As at March 2019	As at March 31, 2018
Leasehold Land	2,564.96	-	-	-	2,564.96	81.14	40.57	-	-	121.71	2,443.24	2,483.82
Factory Building	3,566.40	-	-	-	3,566.40	349.57	174.90	-	-	524.48	3,041.92	3,216.83
Plant & Machinery (R&D)	323.10	-	-	-	323.10	181.41	44.73	-	-	226.14	96.97	141.69
Plant & Machinery	2,686.02	9.96	(36.22)	-	2,659.76	1,117.28	472.36	(28.78)	-	1,560.87	1,098.89	1,568.74
Electrical Installation	227.65	-	-	-	227.65	106.20	42.96	-	-	149.15	78.50	121.45
Furniture and Fixtures	58.24	-	-	-	58.24	22.64	11.39	-	-	34.03	24.21	35.60
Office Equipments	22.32	-	-	-	22.32	12.65	2.46	-	-	15.12	7.20	9.67
Computer	14.19	0.42	-	-	14.61	11.32	1.40	-	-	12.72	1.89	2.87
Motor Car and Cycle	27.17	12.79	(4.51)	-	35.45	9.47	3.42	(1.63)	-	11.25	24.20	17.69
Assets less than Rs 5,000/-	-	0.12	-	-	0.12	-	0.12	-	-	0.12	-	-
	9,490.04	23.28	(40.73)	-	9,472.60	1,891.69	794.30	(30.40)	-	2,655.58	6,817.02	7,598.36
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
Total	9,490.04	23.28	(40.73)	-	9,472.60	1,891.69	794.30	(30.40)	-	2,655.58	6,817.02	7,598.36

Particulars	Gross Block				Accumulated Depreciation					Net Block		
	As at April 1, 2017 (Deemed Cost)	Additions	Deductions/ Impairment	Disposal under the scheme of demerger*	As at March 31, 2018	As at April 1, 2017	During the period	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Leasehold Land	2,564.96	-	-	-	2,564.96	40.57	40.57	-	-	81.14	2,483.82	2,524.39
Factory Building	3,563.41	2.99	-	-	3,566.40	174.72	174.85	-	-	349.57	3,216.83	3,388.69
Plant & Machinery (R&D)	322.37	0.73	-	-	323.10	108.97	72.44	-	-	181.41	141.69	213.40
Plant & Machinery	2,518.27	167.75	-	-	2,686.02	666.92	450.36	-	-	1,117.28	1,568.74	1,851.35
Electrical Installation	227.65	-	-	-	227.65	54.34	51.86	-	-	106.20	121.45	173.31
Furniture and Fixtures	56.98	1.25	-	-	58.23	11.26	11.38	-	-	22.64	35.60	45.72
Office Equipments	22.32	-	-	-	22.32	9.03	3.62	-	-	12.65	9.66	13.28
Computer	13.85	0.34	-	-	14.19	7.42	3.90	-	-	11.32	2.87	6.43
Motor Car and Cycle	27.17	-	-	-	27.17	6.61	2.86	-	-	9.47	17.70	20.56
Assets less than Rs 5,000/-	-	0.15	-	-	0.15	-	0.15	-	-	0.15	-	-
	9,316.98	173.21	-	-	9,490.19	1,079.85	811.99	-	-	1,891.43	7,598.36	8,237.13
Capital Work in Progress	-	5,258.55	(5,258.55)	-	-	-	-	-	-	-	-	-
Total	9,316.98	5,431.61	(5,258.55)	-	9,490.04	1,079.85	811.99	-	-	1,891.43	7,598.36	8,237.13

Notes:

i. Leased Assets

Property, Plant and Equipment includes the following amounts where the company is a lessee under finance lease :

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018	April 1, 2016
Land			
Cost	2,564.96	2,564.96	2,564.96
Accumulated Depreciation	121.71	40.57	-
Net carrying amount	2,443.24	2,524.39	2,564.96

The company has entered into long-term leasing arrangements for land with government authorities which are in the nature of finance lease. These arrangements do not involve any material recurring payments, hence other disclosures are not given.

The lease term in respect of land acquired under finance lease are for ninety five years.

ii. Property, Plant and Equipment pledged as security against borrowings by the company

Refer to Note no. 15(A) on Borrowings

iii. Impairment Loss

During the year ended March 2019, the impairment loss of INR NIL Lakhs (March 31, 2018 : INR 5,258.55 Lakhs) represented the write down value of certain property, plant and equipment to the recoverable amount as estimated by the management. This was recognised in the statement of profit and loss as exceptional item. The recoverable amount of the impaired property, plant and equipment is based on the net realisable value.

iii. Assets under Construction

iv. Contractual Obligations

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

4. INTANGIBLE ASSETS

(Amount in INR Lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 2019	As at April 1, 2018	During the period	Deductions/ Adjustments	As at March 2019	As at March 2019	As at March 31, 2018
Patent	6.55	-	-	6.55	-	0.29	-	0.29	6.26	6.55
Computer Software	26.13	-	-	26.13	16.85	3.50	-	20.35	5.78	9.28
Total	32.68	-	-	32.68	16.85	3.79	-	20.64	12.04	15.83

(Amount in INR Lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 1, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at April 1, 2017
Patent	4.92	-	1.63	6.55	0.74	0.39	(1.13)	-	6.55	4.18
Computer Software	13.09	13.04	-	26.13	4.80	2.58	9.47	16.85	9.28	8.29
Total	18.01	13.04	1.63	32.68	5.54	2.97	8.34	16.85	15.83	12.46

5. INVESTMENT PROPERTY

(Amount in INR Lakhs)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at March 2019	As at April 1, 2018	During the period	Deductions/ Adjustments	As at March 2019	As at March 2019	As at March 31, 2018
Residential Premises	16.52	-	-	16.52	1.61	0.78	-	2.39	14.14	14.91

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Residential Premises	43.61	-	(27.09)	16.52	0.83	0.78	-	1.61	14.91	42.78

Notes :

i. Amount recognised in the statement of profit and loss for investment properties

Particulars	March 31, 2019	March 31, 2018
Rental Income	-	-
Direct Operating expenses from property that generated rental income	-	-
Direct Operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	0.78	0.78
Profit from investment properties	(0.78)	(0.78)



6. FINANCIAL ASSETS

Particulars	March 31, 2019	March 31, 2018
(A) INVESTMENTS		
(2) Investments carried at fair value through Profit and Loss		
Investments in Equity Instruments - Others		
Quoted		
100 Equity Shares of INR 2 each in UPL Limited (March 31, 2018 :100)	0.82	0.73
25 Equity Shares of 1132 INR each in EnamI (March 31, 2018 :25)	0.10	-
86,445 Equity shares of INR 10 each in Lasa Supergenerics Limited (March 31, 2018 Share 86,445)	19.84	78.36
	20.75	79.09
Unquoted		
10 Equity Shares of INR 100 each in Janta Sahakari Bank Limited (Schedule Bank) (March 31, 2018 : 10)	0.01	0.01
50,500 Equity Shares of INR 10 each in NKGSBL (Schedule Bank) (March 31, 2018 :50500)	5.05	5.05
	5.06	5.06
Investments in Mutual Funds		
Quoted		
1,00,000 Units of INR 10 each in Baroda Pioneer Mutual fund (March 31, 2018 : 1,00,000 units)	9.06	10.33
Total	34.87	94.48
Aggregate amount of quoted investments	29.81	89.42
Market value of quoted investments	29.81	89.42
Aggregate carrying value of unquoted investments	5.06	5.06
Investments carried at fair value through profit and loss	34.87	94.48
Investments carried at cost	-	-
Current		
Investments carried at fair value through Profit and Loss		
Quoted		
Investments in Equity Instruments		
Nil Equity shares of INR 10 each in Lasa Supergenerics Limited (March 31, 2018 11,00,000)	-	997.14
Total	-	997.14
Aggregate amount of quoted investments	-	997.14
Market value of quoted investments	-	997.14
Aggregate amount of impairment in the value of investments	-	-
Investments carried at fair value through profit and loss	-	997.14
(B) LOANS		
Non Current		
Unsecured, considered good unless otherwise stated		
Deposits with Body Corporates and Others *	23.53	25.38
Total	23.53	25.38
* Having maturity after 12 months from the reporting date and earmarked for specific purpose.		
Current		
Unsecured, considered good unless otherwise stated		
Loans to employees	1.19	1.01
Total	1.19	1.01
(C) OTHER FINANCIAL ASSETS		
Current		
Financial assets carried at amortised cost		
Others*	0.93	-
Total	0.93	-

The Amount Receivable from IGST Export refund receivable*

7. INVENTORIES

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
(Valued at lower of Cost and Net Realisable value)		
Raw materials & Packing materials	87.77	210.58
Work-in-process	187.02	160.93
Finished goods	15.03	61.05
Total	289.82	432.56

8. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Receivables from customers	869.01	1,030.14
	869.01	1,030.14
Breakup of Security details		
Unsecured, considered good	869.01	1,030.14
Doubtful	2,519.13	2,519.13
	3,388.14	3,549.27
Allowance for bad and doubtful debts		
Doubtful	2,519.13	2,519.13
	2,519.13	2,519.13
	869.01	1,030.14

9. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Balances with banks on current accounts	3.77	135.02
Cash on hand	4.47	0.90
	8.24	135.92

10. OTHER BANK BALANCES

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Deposits with banks to the extent held as margin money	8.39	9.87
	8.39	9.87

11. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Advances to Suppliers	46.04	197.20
Prepaid expenses	27.25	13.70
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	562.95	536.03
Other non current assets*	3.46	9.89
Total	639.70	756.82

*Other Current assets Includes GST Paid for RCM & Refund receivable from LIC Paid for Gruduity Trust.



(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Current		
Duty Drawback Receivable	40.25	11.36
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	902.09	894.65
Total	942.34	906.01

12. INCOME TAX**Deferred Tax**

(Amount in INR Lakhs)

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to Asset:		
Temporary difference in the carrying amount of property, plant and equipment	1,326.53	1,842.65
Revaluation of Land and buildings to fair value	(268.53)	(268.52)
Provision for employee benefits	-	19.25
	1,058.00	1,593.38

Movement in deferred tax liabilities/assets

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	1,593.37	1,401.70
Tax income/(expense) during the period recognised in profit or loss	(535.37)	2,313.93
Tax income/(expense) recognised in equity	-	(2,122.25)
Closing balance as at March 31	1,058.00	1,593.38

Particulars	March 31, 2019	March 31, 2018
Unrecognised deferred tax assets		
Unrecognised tax losses	-	5,296.74
Unrecognised tax credits	256.09	256.09

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses and tax credits carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

Income tax recognised in profit or loss

(Amount in INR Lakhs)

	March 31, 2019	March 31, 2018
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	55.91
Deferred tax		
Relating to origination and reversal of temporary differences	535.37	(2,313.93)
Income tax expense recognised in profit or loss	535.37	(2,258.02)

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019	March 31, 2018
Accounting profit before income tax	(1,152.09)	(12,654.83)
Enacted tax rate in India	26.00%	30.90%
Income tax on accounting profits	(299.54)	(3,910.34)
Tax Effect of		
Depreciation	-	(293.37)
Expenses not allowable or considered separately under Income Tax	-	7.43
Expenses allowable and others	-	(22.20)
Other adjustments	-	28.90
Recognition of deferred tax relating to origination and reversal of temporary differences	535.37	(2,313.93)
Tax expense relating to earlier years	-	55.91
Losses carried forward to future years	-	4,189.57
Tax at effective income tax rate	235.82	(2,258.02)

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured using the effective rate that will apply in India for the future periods (26.00%).

13. SHARE CAPITAL**i. Authorised Share Capital**

Particulars	Equity Share of INR 10 each		Preference Share of INR 10 each	
	Number	Amount	Number	Amount
At March 31, 2017	41,950,000	4,195.00	2,750,000	275.00
Increase/(decrease) during the year *	2,750,000	275.00	(2,750,000)	(275.00)
At March 31, 2018	44,700,000	4,470.00	-	-
Increase/(decrease) during the year #	20,300,000	2,030.00	-	-
At March 31, 2019	65,000,000	6,500.00	-	-

*Authorised Share Capital of the Company of Rs.44,70,00,000 divided into 4,19,50,000 Equity shares of Rs.10/- each and 27,50,000 10% Non-Cumulative Redeemable Preference Shares of Rs.10/- each is been reclassified into Rs.44,70,00,000 divided into 4,47,00,000 Equity shares of Rs.10/- each.

#Increase in Authorised Share Capital and consequent alteration in the Memorandum of Association of the Company through Postal Ballot notice dated May 18, 2018.

Terms/rights attached to equity shares

The Company has one class of equity shares having par value of INR 10 per share. All equity shares are ranking pari passu in all respects including dividend. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the realised value of the assets of the Company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders.



ii. Issued Subscribed and Fully paid-up Capital

	(Amount in INR Lakhs)	
	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2017	20,578,004	2,057.80
Issued during the period	-	-
At March 31, 2018	20,578,004	2,057.80
Issued during the period	-	-
At March 31, 2019	20,578,004	2,057.80

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Omkar Pravin Herlekar*	5,956	0.03%	1,568,456	7.62%
Pravin Herlekar	4,785,821	23.26%	3,535,823	17.18%

* Mr Omkar Herlekar holds 15,68,456 Equity Shares out of which 3,12,500 shares are encumbered as on 31st March 2018.

- iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL
- v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

14. OTHER EQUITY

Reserves and Surplus

	(Amount in INR Lakhs)	
Particulars	March 31, 2019	March 31, 2018
Capital Reserve	-	-
Securities Premium Reserve	4.39	4.39
Treasury Shares	-	-
General Reserve	830.40	830.40
Share Based Payment Reserve	-	-
Retained Earnings	(17,700.94)	(15,401.14)
Property, plant and equipment Reserve	-	-
	(16,866.15)	(14,566.35)

(a) Securities Premium Reserve

	March 31, 2019	March 31, 2018
Opening balance	4.39	4.39
Add/(Less):		
Goodwill /Capital Reserve due to demerger	-	-
Closing balance	4.39	4.39

The amount received in excess of face value of the equity shares is recognised in Share premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) General Reserve

	March 31, 2019	March 31, 2018
Opening balance	830.40	830.40
Add/(Less):	-	-
Closing balance	830.40	830.40

(c) Retained Earnings

	March 31, 2019	March 31, 2018
Opening balance	(15,401.14)	(3,174.12)
Net Profit/(Loss) for the period	(1,687.46)	(10,396.81)
Add/(Less):		
Fair Valuation of unsecured loans & Others	(626.49)	(1,855.08)
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of gains (losses) on defined benefit plans	14.15	24.86
Income tax effect	-	-
Closing balance	(17,700.94)	(15,401.14)

15. BORROWINGS

Particulars	(Amount in INR Lakhs)	
	March 31, 2019	March 31, 2018
Non Current Borrowings		
Secured		
Term Loans from Banks	3,780.60	3,767.16
Unsecured		
Term Loans from Others		
From Related parties	4,651.68	4,824.28
From Others	-	48.74
	(A) 8,432.28	8,640.18
Current Maturity of Non Current Borrowings		
Term Loans from Banks	1,000.00	1,000.00
	(B) 1,000.00	1,000.00
Total	7,432.28	7,640.18
Current Borrowings		
Secured		
Working capital loan		
From banks	13,185.46	13,307.11
Unsecured		
Working capital loan		
From others	1,037.75	1,027.45
Unsecured		
Other Loans		
From related parties	-	-
Financial institutions and others	294.87	296.97
Total	14,518.08	14,631.53

Non Current Borrowings**Details of Securities :****A) Bank of Baroda (Current and non - current)**

- i) All the credit facilities of Bank of Baroda are secured by way of mortgage over all immovable fixed assets and hypothecation over all movable fixed assets (both present and future) of the company and hypothecation over all current assets (both present and future) of the company. The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Shivdas Herlekar, Mr. Rishikesh Pravin Herlekar and Mr. Omkar Pravin Herlekar (Ex-director). The Company has requested to remove the personal guarantee of Mr. Omkar Herlekar and same is under process.
- ii) Rate of interest applicable to the credit facilities in FY 2017-18 and 2018-19 is 13.65%p.a. and 13.65%p.a respectively.
- iii) Number of installment pending -15 numbers (P.Y. 19 Installments).
- iv) Installment amount INR 2.5 crores.



- v) Last installment due on 31.10.2021 (P.Y. 31.10.2021)
- vi) Maturity Profile of Term Loan outstanding from Bank of Baroda is as under:
- vii) account is classified as non-performing asset as on March 30, 2018.

B) Financial institutions and others (Current Borrowings)

- i) The loans availed from NBFC and other for short term requirement of the company. The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Shivdas Herlekar, Mr. Rishikesh Pravin Herlekar.
- ii) Rate of interest applicable to the credit facilities in FY 2017-18 and 2018-19 is 9.62%p.a.

Description	2018-19	2017-18
1st year	1,000.00	1,000.00
2nd year	1,030.60	1,040.96
3rd year	1,000.00	1,000.00
After 3rd year	750.00	750.00
Total	3,780.60	3,790.96

C) NKGSB Bank (Current)

- i) Mortgage over non-agricultural land bearing survey No.9, Hissa No. 2, located at Kharwai , Badlapur, Dist : Thane, Maharashtra-421503, owned by chairman and managing director of the company Mr. Pravin Herlekar.
- ii) Hypothecation over stock and book debts (both present and future) of the company subject to consent for seeding of pari- passu charge from the Bank of Baroda for the same. Company has not received this consent letter as on date.
- iii) Pledge of Fixed deposit of INR 300.00 lakhs held by the promoter directors.
- iv) The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Herlekar, Mrs. Anjali Herlekar and Mr. Rishikesh Herlekar.
- v) Rate of interest applicable to the credit facilities in FY 2018-19 is 13% p.a.
- vi) account is classified as non-performing asset as on June 30, 2018.

D) Axis Bank (Current)

- i) Pledge of INR 12.80 lakhs shares of Omkar Speciality Chemicals Ltd. held by promoters. The Company has to maintain at any point of time at or above 150.00% of INR 10.00 crores at 52 weeks low price.
- ii) The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Herlekar and Mr. Omkar Herlekar.
- iii) Rate of interest applicable to the credit facilities in FY 2017-18 and 2018-19 is 11.65% p.a.
- iv) account is classified as non-performing asset as on October 05, 2018.

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

Particulars	(Amount in INR Lakhs)	
	March 31, 2019	March 31, 2018
Current Borrowings	14,518.08	14,631.53
Non-current Borrowings	7,432.28	7,640.18
Net Debt	21,950.36	22,271.71

(Amount in INR Lakhs)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at March 31, 2017	5,790.34	11,161.64	16,951.98
Cash Inflows	-	7,253.28	7,253.28
Cash Outflows	(1,050.18)	(1,093.20)	(2,143.38)
	4,740.16	17,321.72	22,061.88
Interest Expense	499.75	1,086.00	1,585.75
Interest Paid	(499.75)	(1,086.31)	(1,586.06)
Other non cash adjustments	2,900.00	(2,689.86)	210.14
Net Debt as at March 31, 2018	7,640.16	14,631.55	22,271.71
Cash Inflows	354.67	-	354.67
Cash Outflows	(1,153.50)	(299.62)	(1,453.12)
	6,841.34	14,331.93	21,173.26
Interest Expense	13.45	442.95	456.41
Interest Paid	-	(256.80)	(256.80)
Other non cash adjustments	577.49	-	577.49
Net Debt as at March 31, 2019	7,432.28	14,518.08	21,950.36

16. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Non Current		
Financial Liabilities at amortised cost		
Other payable (Footnote No.i)	36.41	30.72
Total	36.41	30.72
Current		
Financial Liabilities at amortised cost		
Current maturities of long term debts	1,000.00	1,000.00
Creditors for capital goods	10.23	99.85
Other payable (Footnote No.ii)	109.87	211.59
Total	1,120.10	1,311.44

Footnote:

i) Other Payable (Non Current):	March 31, 2019	March 31, 2018
Bonus	30.36	24.20
Leave Encashment	6.05	6.52
	36.41	30.72
ii) Other Payable (Current):	March 31, 2019	March 31, 2018
Directors Remuneration	53.60	63.98
Electricity charges	7.40	7.72
Employee TZSB Loan	0.42	0.30
Unpaid interest on term loan	0.94	90.90
Rates & Taxes	11.20	6.35
Salary & Wages	35.32	40.84
Water Charges	0.99	1.50
Total	109.87	211.59



17. TRADE PAYABLES

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Payables to Micro, Small and Medium Enterprises (Refer Footnote)	90.87	-
Trade Payables to Others	1,924.57	1,821.29
Total	2,015.43	1,821.29

Footnote :- According to information available with the Management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), the Company has amounts due to Micro, Small and Medium Enterprises.

Particular	March 31, 2019	March 31, 2018
1 (a) Principal amount remaining unpaid to any supplier	90.87	-
(b) Interest on 1(a) above	6.16	-
2 (a) The amount of Principal paid beyond the appointed date	-	-
(b) The Amount of of interest paid beyond the appointed date	-	-
3 Amount of Interest due and payable on delays payments	6.16	-
4 Amount of interest accrued and remaining unpaid as at year end	6.16	-

18. OTHER LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Current		
Advance received from Customers	41.36	322.58
Unclaimed dividend	1.81	1.98
Statutory Liabilities	15.81	13.06
Total	58.98	337.62

19. PROVISIONS

Particulars	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits - Gratuity	53.68	55.18
Total	53.68	55.18
Current		
Provision for CSR	139.59	139.59
Provision for Taxation (Net)	153.02	152.80
Total	292.61	292.39

20. REVENUE FROM OPERATIONS

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Sales and Services (including excise duty)		
Domestic Sales	3,125.70	17,527.94
Exports Sales	965.01	2,139.57
Job Work Charges	174.50	96.42
Total	4,265.21	19,763.93

21. OTHER INCOME

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Interest income	2.18	35.54
Other Non Operating Income		
Fair value gain on financial instruments at fair value through profit and loss	(57.57)	-
Duty drawback	48.61	98.40
Miscellaneous Income (Refer Footnote No.i)	125.40	15.42
Profit on sales of investment Property/Equipment	0.52	20.36
Net Gain/Loss on sale of Investments	102.90	117.27
Foreign Exchange Fluctuation Gain (Net)	24.04	81.51
	246.08	368.50

Footnote : i

Miscellaneous Income Includes profit on sales of investment, Rent Received ,Sundry Creditors Written back (not payable), dividend on share and profit on sales of share

22. COST OF MATERIALS CONSUMED

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Opening Stock ((Raw Materials & Packing Materials)	210.59	5,941.91
Add : Purchases of Raw materials & Packing materials	2,485.19	9,846.81
Less : Closing Stock (Raw Materials & Packing Materials)	87.77	210.59
	2,608.01	15,578.13

23. PURCHASES OF STOCK-IN-TRADE

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Purchases of Stock-In-Trade	211.75	4,354.88
	211.75	4,354.88

24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Inventories as at the beginning of the year		
Finished goods	61.05	168.23
Work - in - progress	160.93	988.93
Reversal of Provision	-	173.41
Total	221.98	1,330.57
Less : Inventories as at the end of the year		
Finished goods	15.03	61.05
Work - in - progress	187.02	160.93
Total	202.05	221.98
Net decrease / (increase) in inventories	19.93	1,108.59



25. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	31-Mar-19	31-Mar-18
Salaries, wages and bonus (Note refer below)	402.06	348.24
Contribution to provident and other funds	18.61	19.33
Staff welfare expenses	17.66	24.81
	438.33	392.38

Note :

(Amount in INR Lakhs)

Particulars	31-Mar-19	31-Mar-18
Salaries and Wages	283.03	371.03
Leave Excess Provision Written Back	-	(30.69)
Directors Remuneration	89.63	89.56
Bonus, Gratuity and other incentives	29.40	23.22
Gratuity Excess Provision Written Back	-	(109.21)
Employers Contribution to ESIC and Other Funds	-	4.33
	402.06	348.24

26. FINANCE COST

(Amount in INR Lakhs)

Particulars	31-Mar-19	31-Mar-18
Interest Expenses (Note refer below)	1,452.81	2,406.56
Other Borrowing Costs	9.09	206.22
Net Total	1,461.90	2,612.78

Note :

Particulars	31-Mar-19	31-Mar-18
Interest Expenses includes :		
On loans for fixed periods from banks	270.03	974.26
On cash credit and other facilities from banks	1,182.78	1,432.30
Total	1,452.81	2,406.56

27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Lakhs)

Particulars	31-Mar-19	31-Mar-18
Depreciation on tangible assets	795.08	812.77
Amortisation on intangible assets	3.79	2.97
	798.87	815.74

28. OTHER EXPENSES

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Other Manufacturing Expenses		
Factory Electricity charge	88.91	101.54
Water Charges	13.92	13.59
Packing and Testing Charges	1.62	2.64
Laboratory Expenses	8.36	224.84
Contract Labour Charges	275.44	319.71
Consumable Stores	103.97	128.80
Excise duty	-	605.21
Processing Charges	72.89	133.95
Repairs and maintenance		
Plant and Machinery	29.88	25.33
Buildings	11.71	118.37
Freight Inward	11.94	33.45
Sundry Factory Expenses	4.11	5.64
	622.76	1,713.08
Administrative, Selling and Distribution Expenses		
Sales promotion expenses	17.83	22.46
Commission on Sales	166.86	49.44
Conveyance & travelling expenses	6.30	5.24
Freight & Transportation - Sales	52.65	88.32
Postage, Telephone/Telegram/Internet Charges	14.95	22.19
Repairs and maintenance-others	7.13	15.72
Insurance	13.27	19.53
Printing and Stationery	6.91	8.25
Professional Charges	175.79	173.92
Rates & Taxes	10.14	18.43
Payments to auditors (<i>Refer note below</i>)	9.00	15.37
Miscellaneous expenses	14.01	514.25
	494.84	953.13
Total	1,117.60	2,666.21

(a) Details of Payments to Auditors

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
As auditor		
Audit Fee	9.00	13.64
Tax audit fee	-	1.00
Other services* (Payment Make to Previous auditors	-	0.73
	9.00	15.37

*These are paid to previous Statutory Auditor.

(b) Corporate social responsibility expenditure

Particulars	(Amount in INR Lakhs)	
	31-Mar-19	31-Mar-18
Contribution to charity foundation	-	-
Contribution to slum rehabilitation program	-	-
Total	-	-



29. EXCEPTIONAL ITEMS

Particulars	31-Mar-19	31-Mar-18
Impairment of Property, plant and equipment	-	5,258.55
	-	5,258.55

30. RESEARCH AND DEVELOPMENT COSTS

The Company during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2019 INR 25.47 Lakhs (March 31, 2018: INR 31.67 Lakhs) details of which are as follows :

(Amount in INR Lakhs)		
Particulars	31-Mar-19	31-Mar-18
i. On Capital Items	-	0.83
ii. On items which have been expensed during the year*	25.47	31.64
Total	25.47	32.47
Total Research and Development Expenditure (i + ii)	25.47	32.47

* Includes amount of INR NIL paid to external agency in current year (Previous Year INR NIL).

31. EARNINGS PER SHARE

(Amount in INR Lakhs)		
Particulars	31-Mar-19	31-Mar-18
(a) Basic earnings per share (INR)	(8.20)	(50.52)
(b) Diluted earnings per share (INR)	(8.20)	(50.52)
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,687.46)	(10,396.81)
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,687.46)	(10,396.81)
Adjustments for calculation of Diluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(1,687.46)	(10,396.81)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,578,004	20,578,004
Adjustments for calculation of Diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share	20,578,004	20,578,004
There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.		

32. EMPLOYEE BENEFIT OBLIGATIONS

	March 31, 2019			March 31, 2018	
	Current	Non Current	Total	Current	Non Current
Leave Encashment	0.82	5.23	6.05	1.38	5.14
Gratuity		53.68	53.68		55.17
Total Employee Benefit Obligation	0.82	58.91	59.73	1.38	60.31

(i) Leave Encashment

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR 0.82 Lakhs (March 31, 2018: INR 1.38 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations**a) Defined benefit plans - Gratuity**

The company provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a **unfunded plan** and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows :

Particulars	(Amount in INR Lakhs)	
	Present value of obligation	
As at March 31, 2017	55.74	
Current service cost	7.08	
Past Service Cost -(vested benefits)	10.00	
Interest expense/(income)	3.31	
Adjustment to Opening Fair Value of Plan Asset		
Total amount recognised in profit or loss	20.39	
<i>Remeasurements</i>		
(Gain)/Loss from change in financial assumptions	(1.11)	
Experience (gains)/losses	(4.34)	
Total amount recognised in other comprehensive income	(5.45)	
Benefit paid	(15.51)	
As at March 31, 2018	55.17	
Current service cost	6.01	
Past Service Cost -(vested benefits)	-	
Interest expense/(income)	4.16	
Adjustment to Opening Fair Value of Plan Asset	-	
Total amount recognised in profit or loss	10.17	
<i>Remeasurements</i>		
(Gain)/Loss from change in financial assumptions	0.32	
Experience (gains)/losses	(11.98)	
Total amount recognised in other comprehensive income	(11.66)	
Employer contributions		
Benefit paid	-	
As at March 31, 2019	53.68	

The significant actuarial assumptions were as follows:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest/ Discount Rate	7.32%	7.54%	6.89%
Rate of Increase in Compensation	3.00%	3.00%	3.00%
Expected average remaining service	6.67%	6.96%	7.13%
Employee Attrition Rate	PS: 0 to 42 : 10%	PS: 0 to 42 : 10%	PS: 0 to 42 : 10%



A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is shown below:

(Amount in INR Lakhs)

Assumptions	Discount rate		Salary escalation rate	
	1% increase	1% decrease	1% increase	1% decrease
Sensitivity Level				
March 31, 2018				
Impact on defined benefit obligation	(1.58)	1.74	1.69	(1.55)
% Impact	-2.86%	3.15%	3.06%	-2.82%
March 31, 2019				
Impact on defined benefit obligation	(1.40)	1.54	1.49	(1.37)
% Impact	-2.60%	2.86%	2.77%	-2.55%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following are the expected payments to the defined benefit plan in future years:

(Amount in INR Lakhs)

	March 31, 2019	March 31, 2018
Expected outflow First	24.94	6.11
Expected outflow Second	5.38	9.64
Expected outflow Third	6.02	7.09
Expected outflow Fourth	6.82	9.92
Expected outflow Fifth	3.71	3.82
Expected outflow Six to Ten years	9.85	21.85
Total expected payments	56.72	58.44

The average duration of the defined benefit plan obligation at the end of the reporting period is **7.49 years (March 31, 2018: 6.62 years)**.

b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 15.04 Lakhs (March 31, 2018: INR 19.93 Lakhs)

33. COMMITMENTS AND CONTINGENCIES

A. Commitments

	March 31, 2019	March 31, 2018
Letter of Credits	-	-
Bank Guarantee	8.39	7.63
Estimated Amount of Contracts remaining to be executed on capital account	-	-
Pending Export obligation Interest thereon	-	272.85
Pending litigation against MIQ logistics and interest thereon	-	35.66

B. Contingent Liabilities

Particulars	March 31, 2019	March 31, 2018
Claim against the company not acknowledged as debt		
Income tax matter	1,022.20	653.59
Contingent Liability in respect of sale tax demands against which company has filed appeal / granted stay order	626.90	532.28
Excise Duty	37.16	37.16

Note :

Amounts are net of payments made.

A vendor M/s Ela Enterprises has filled a case in NCLT for a sum of Rs.107.63 lakhs. The Company has accounted for the said liability. However due to delay in payments due to cash flow issue, payment is delayed.

C. Financial Guarantees

Particulars	March 31, 2019	March 31, 2018
The company has given guarantee on behalf of Lasa Supergenerics Limited (Erst while Urdhwa Chemical Co Private Limited and Erst while Lasa Laboratory Private Limited) to their lenders.	5,100.00	5,100.00

34. RELATED PARTY TRANSACTIONS**(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures****Nature of Relationship****List of related parties :**

Pravin S. Herlekar Rishikesh P. Herlekar Prakash Rao Sunny D Pagare	} Key Management Personnel (KMP)
Omkar Herlekar Anjali P. Herlekar	} Relative of Promoter / Director / KMP

Laxmikant R. Kabra, Non-Executive, Non-Independent Director
 Sitendu Sharma, Independent Director
 Vikas N. Telvekar, Independent Director
 Bhavana Shewakramani, Independent Director
 Sanjivani S. Patare, Independent Director
 Lasa Supergenerics Ltd

Enterprises over which Key management personnel are able to exercise significant influence

Svaks Biotech India Private Limited

(ii) Transactions with related parties

The following transactions occurred with related parties

(Amount in INR Lakhs)

Name	Nature of Transaction	March 31, 2019	March 31, 2018
Pravin.S. Herlekar	Remuneration paid	60.00	60.00
	Loan taken	322.67	1,449.01
	Loan repaid	1,207.87	2,085.00
Omkar Herlekar	Remuneration paid	-	1.39
Rishikesh P. Herlekar	Remuneration paid	18.00	15.40
	Loan taken	32.00	199.27
	Loan repaid	3.84	-
Prakash Rao	Remuneration paid	12.95	12.42
Anjali P. Herlekar	Loan taken	-	-

**(iii) Loans from related parties****(Amount in INR Lakhs)**

Name	Particulars	March 31, 2018	March 31, 2017
Loans from related parties			
Pravin Herlekar	Beginning of the year	5,101.10	5,737.09
	Loans taken	322.67	1,449.01
	Loan repaid	1,207.87	2,085.00
	End of the year	4,215.89	5,101.10
Rishikesh Herlekar	Beginning of the year	216.13	16.86
	Loans taken	32.00	199.27
	Loan repaid	3.84	-
	End of the year	244.29	216.13
Anjali Herlekar	Beginning of the year	260.00	260.00
	Loans taken	-	-
	Loan repaid	-	-
	End of the year	260.00	260.00

(iv) Other balances with related parties**(Amount in INR Lakhs)**

Name	Particulars	March 31, 2019	March 31, 2018
Lasa Supergenerics Ltd	Opening balance Receivable	4.96	-
	Opening balance Payable	-	-
	Purchase of Goods	59.59	126.53
	Sales of Goods	8.05	16.31
	Closing balance Payable	44.25	-
	Closing balance Receivable	5.34	4.96

Note:

The loans transactions with related parties and outstanding balances as at reporting date are excluding the impacts of fair valuation as required by Ind AS.

(v) Key management personnel compensation**(Amount in INR Lakhs)**

	March 31, 2019	March 31, 2018
Short term employee benefits	90.95	89.21
Post-employment benefits*	-	-
Long term employee benefits*	-	-
	90.95	89.21

*The amount of post employment benefits and long term employee benefits cannot be separately identified from the composite figure advised by the actuary/valuer.

(vi) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has issued guarantees to the lenders of a subsidiary company amounted to NIL (March 31, 2018 : INR NIL lakhs). For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2018: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

35. SEGMENT REPORTING

The company primarily operates in one business segment only i.e. Chemical Products, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Information about geographical areas

Revenue from external customers

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

Particulars	(Amount in INR Lakhs)	
	March 31, 2019	March 31, 2018
India	3,300.20	17,624.36
Outside India	965.01	2,139.57
	4,265.21	19,763.93

Revenue arising from sale of products to one customers amounted to INR 1741.10 Lakhs (Two Customers March 31, 2018: INR 4657.89 and INR 2032.32), exceeds 10% of revenue from operations of the Company.

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	(Amount in INR Lakhs)			
	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	869.01	1,030.14	869.01	1,030.14
Loans	24.72	26.39	24.72	26.39
Cash and Cash Equivalents	8.24	135.92	8.24	135.92
Other Bank Balances	8.39	9.87	8.39	9.87
Other Financial Assets	0.93	-	0.93	-
FVTPL				
Investments in Equity Instruments	25.81	1,081.29	25.81	1,081.29
Investments in Mutual Funds	9.06	10.33	9.06	10.33
Total	946.17	2,293.94	946.17	2,293.94
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	22,950.36	23,271.71	22,950.36	23,271.71
Trade Payables	2,015.43	1,821.29	2,015.43	1,821.29
Other financial liabilities	156.51	342.16	156.51	342.16
Total	25,122.30	25,435.16	25,122.30	25,435.16

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits 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 counterparty 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.



ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement:

(Amount in INR Lakhs)

Particulars	March 31, 2019			Total	March 31, 2018		Total
	Fair value measurement using				Fair value measurement using		
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Unobservable Inputs (Level 3)	
Financial Assets							
Financial Investments at FVTPL							
Quoted Mutual Funds	9.06	-	-	9.06	10.33	-	10.33
Quoted Equity Instruments	20.75	-	-	20.75	1,076.23	-	1,076.23
Unquoted Equity Instruments	-	-	5.06	5.06	-	5.06	5.06
Total Financial Assets	29.81	-	5.06	34.87	1,086.56	5.06	1,091.62

iii. Fair value measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity shares.

There have been no transfers among Level 1, Level 2 and Level 3 during the period

iv. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

v. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting periods.

vi. Reconciliation of fair value measurement of financial assets classified as FVTPL(Level 3):

Particulars	(Amount in INR Lakhs)	
	Unquoted equity shares	
As at March 31, 2018	5.06	
Remeasurement recognised in profit and loss	-	
Purchases	-	
Sales	-	
As at March 31, 2019	5.06	

37. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee and finance team oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's activity exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the company manages the risk.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

To manage the credit risk, Company periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to Customer. Company monitors the payment track record of the customers, restrict credit limited in accounting software, credit rating etc. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which company has also availed borrowings.

ii. Provision for expected credit losses - Trade Receivables

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Exposure - Trade Receivables

Particulars	(Amount in INR Lakhs)		
	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31, 2019	563.05	305.96	869.01
As at March 31, 2018	466.02	564.13	1,030.15



iii. Reconciliation of loss allowance provision - Trade receivables

(Amount in INR Lakhs)

Particulars	
Loss allowance on March 31, 2018	2,519.13
Changes in loss allowance	-
Loss allowance on March 31, 2019	2,519.13

iv. Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 42.28 Lakhs (March 31, 2018: INR 172.17 Lakhs). The company does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The Company monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(Amount in INR Lakhs)

Particulars	Carrying Amount	Total	On demand	0-12 months	More than 12 months
March 31, 2019					
Borrowings	22,950.36	22,950.36	14,518.08	1,000.00	7,432.28
Trade payables	2,015.43	2,015.43	2,015.43	-	-
Other financial liabilities	156.51	156.51	-	128.11	28.40
Total financial liabilities	25,122.30	25,122.30	16,533.51	1,128.11	7,460.68
March 31, 2018					
Borrowings	23,271.71	23,271.71	14,631.53	1,000.00	7,640.18
Trade payables	1,821.29	1,821.29	1,821.29	-	-
Other financial liabilities	342.16	342.16	-	311.44	30.72
Total financial liabilities	25,435.16	25,435.16	16,452.82	1,311.44	7,670.90

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

(i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR). The Company has natural hedge of exports against import and any excess in import if any, is cover by forward contract.

(a) Foreign currency risk exposure**(Amount in INR Lakhs)**

	USD	EURO	Total
March 31, 2019			
Trade Receivables	5.44	-	5.44
Bank balance in EEFC accounts	-	-	-
Trade Payables	(10.20)	-	(10.20)
Net exposure to foreign currency risk	(4.76)	-	(4.76)
March 31, 2018			
Trade Receivables	5.53	1.96	7.50
Bank balance in EEFC accounts	0.92	-	0.92
Trade Payables	(9.13)	-	(9.13)
Net exposure to foreign currency risk	(2.68)	1.96	(0.71)

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(Amount in INR Lakhs)

	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(0.05)	0.05	(0.03)	0.03
EURO	-	-	0.02	(0.02)
Net Increase/(decrease) in profit or loss	(0.05)	0.05	(0.01)	0.01

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The management is responsible for the monitoring of the Company' interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable and competitive cost of funding.

However, during the periods presented in the financial statements, the Company has primarily borrowed funds under interest rate arrangements which are linked to base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on profit and loss -

(Amount in INR Lakhs)

Rate sensitivity	Increase / Decrease In basis rate	Effect on Profit before tax	
For year ended March 31,2019	(0.25)	+ / (-)	(14.00)
For year ended March 31,2018	0.30	+ / (-)	16.80

38. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.



Particulars	March 31, 2019	March 31, 2018
Borrowings	22,950.36	23,271.71
Trade payables	2,015.43	1,821.29
Other payables	156.51	342.16
Less: Cash and cash equivalents	(8.24)	(135.92)
Less: Other bank balance	(8.39)	(9.87)
Net Debt	25,105.67	25,289.37
Equity share capital	2,057.80	2,057.80
Other equity*	(16,866.16)	(14,566.35)
Total Equity	(14,808.36)	(12,508.55)
Total Equity and Net Debt	10,297.31	12,780.82
Gearing ratio (%)	243.81	197.87

*Includes revaluation of property, plant and equipments (PPE)

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

The Company has received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures as required under Schedule III of the Companies Act, 2013 relating to amounts unpaid as at the year end together with interest paid/ payable, etc., have been made Note No. 17 on Footnote

40. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

- Details of Investment made are given under Note 6.
- Details of loans given are disclosed in Note 6
- Details of guarantees/security given are disclosed in Note 33

**As per our report of even date attached
For DESAI SAKSENA & ASSOCIATES**

Chartered Accountants
Firm Registration No. 102358W

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Sd/-
Pravin Herlekar
Chairman and Managing Director
(DIN : 00525610)

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2019

Sd/-
Rishikesh Herlekar
Whole Time Director
(DIN : 0524009)



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

OMKAR SPECIALITY CHEMICALS LIMITED

CIN: L24110MH2005PLC151589

Reg. Off.: B-34, M.I.D.C., Badlapur (E) Dist: Thane, Maharashtra.
Tel No. +91(0251) 2690651, 2697340, Fax: +91(0251) 2691572, 2697347
E-mail: info@omkarchemicals.com, Website: www.omkarchemicals.com

14th Annual General Meeting - September 21, 2019

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ Client Id: DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint:

- Name: Address:
E-mail Id: Signature: or failing him;
- Name: Address:
E-mail Id: Signature: or failing him;
- Name: Address:
E-mail Id: Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the Company, to be held on Saturday, September 21, 2019 at 11.00 a.m. at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane- 421503, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the Financial year ended March 31, 2019.		
2	Re-appointment of Mr. Prakash Rao (DIN: 07239167) who retires by rotation and being eligible, seeks re-appointment.		
3	Re-appointment of CA. Laxmikant R. Kabra (DIN: 00061346) who retires by rotation and being eligible, seeks re-appointment.		
Special Business			
4	Approval of Cost Auditors Remuneration.		

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

AFFIX
Re. 1/-
REVENUE
STAMP

Notes:

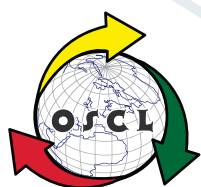
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- A person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate.



OSCL team working in flood affected areas at Badlapur



OSCL team working in flood affected areas at Badlapur



OMKAR

Always the leaders

OMKAR SPECIALITY CHEMICALS LIMITED

CIN : L24110MH2005PLC151589

B-34, MIDC, BADLAPUR (EAST), THANE - 421503

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