



# OMKAR SPECIALITY CHEMICALS LIMITED

Regd. & Corporate Office : Unit - III, B-34, M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India

Tel. : +91 (0251) 2697340, 2690651, Fax : +91 (0251) 2697347, 2691572

Email : info@omkarchemicals.com Web. : www.omkarchemicals.com

CIN : L24110MH2005PLC151589

Ref: OSCL/SE/2020-21/12

Date: June 30, 2020

To,

Corporate Services Department <b>The Bombay Stock Exchange (BSE Limited)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001. BSE CODE : 533317	Corporate Services Department <b>National Stock Exchange of India Ltd.</b> "Exchange Plaza", Plot no. C-1, Block - G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. NSE CODE : OMKARCHEM
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Dear Sirs,

**Re: Outcome of Board Meeting held today i.e. June 30, 2020.**

In furtherance of our letter bearing Ref. No.: OSCL/SE/2020-21/10 dated June 22, 2020 and pursuant to Regulation 30 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) 2015, read with Schedule III to the Listing Regulations, we would like to inform you that the Board of Directors of Omkar Speciality Chemicals Limited at its meeting held today, i.e., on Tuesday, June 30, 2020 at 04.30 p.m. and concluded at 8.50 p.m. inter alia, has approved / noted the following:-

- Upon recommendation of the Audit Committee, the Board of Directors has approved the Audited Financial Results as per Indian Accounting Standards (IND AS) for the Quarter ended and year ended March 31, 2020 (enclosed herewith);
- The Board of Directors took note of the Auditors Report of the Statutory Auditors on the Audited Financial Results for the Quarter and year ended March 31, 2020 (enclosed herewith);
- Due to busy in other assignments Mrs. Neha Agarwal, (Independent Director) was not able to allot time for the Company, therefore, she has resigned from the company w.e.f. June 30, 2020.

Please take the above on your record and acknowledge the receipt of the same.

Thanking you,

Yours Truly,

For **OMKAR SPECIALITY CHEMICALS LIMITED**

Sd/-

**SUNNY PAGARE**

**COMPANY SECRETARY AND COMPLIANCE OFFICER**

(M.No. F8896)



**OMKAR**  
Always the leaders

# OMKAR SPECIALITY CHEMICALS LIMITED

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Email : info@omkarchemicals.com Web. : www.omkarchemicals.com

CIN : L24110MH2005PLC151589

**Statement of Audited Financial Result for the Quarter and Year Ended March 31st, 2020**  
Prepared in Compliance with Indian Accounting Standard ( Ind- As)

(Rs. In Lacs except per equity share data)

Sr. No.	Particulars	Quarter Ended			Year Ended on	
		31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
(I)	Revenue from Operations	1,278.86	1,442.54	1,214.42	5,687.73	4,265.21
(II)	Other income	8.49	0.93	0.57	44.79	246.08
(III)	<b>Total Income (I+II)</b>	<b>1,287.35</b>	<b>1,443.47</b>	<b>1,214.99</b>	<b>5,732.52</b>	<b>4,511.29</b>
(IV)	Expenses					
	Cost of materials consumed	1,131.15	1,002.07	748.99	4,429.50	2,608.01
	Purchases of Stock-in-Trade	-	-	-	-	211.75
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	(33.83)	87.51	(56.57)	13.53	19.93
	Employee benefits expense	82.96	91.63	111.02	365.50	438.33
	Finance costs	107.81	146.64	184.05	493.45	1,461.90
	Depreciation and amortization expense	125.40	197.89	192.98	658.64	798.87
	Other expenses	303.15	229.03	315.29	903.26	1,117.60
	<b>Total expenses (IV)</b>	<b>1,716.64</b>	<b>1,754.77</b>	<b>1,495.76</b>	<b>6,863.88</b>	<b>6,656.40</b>
(V)	Profit/(Loss) before exceptional items and tax (III-IV)	(429.28)	(311.30)	(280.77)	(1,131.35)	(2,145.11)
(VI)	Exceptional items	-	-	-	-	(993.01)
(VII)	<b>Profit / (Loss) before tax (V) - (VI)</b>	<b>(429.28)</b>	<b>(311.30)</b>	<b>(280.77)</b>	<b>(1,131.35)</b>	<b>(1,152.10)</b>
(VIII)	Tax expenses					
	(1) Current tax	-	-	-	-	-
	(2) Deferred tax	112.49	97.54	211.23	332.27	535.37
	(3) Prior period tax Adjustment	-	-	-	-	-
(IX)	<b>Profit for the period VI= (VII-VIII)</b>	<b>(541.77)</b>	<b>(408.84)</b>	<b>(492.00)</b>	<b>(1,463.62)</b>	<b>(1,687.47)</b>
(X)	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit or loss	16.43	2.19	4.59	22.99	14.15
	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (XI+X)</b>	<b>(525.34)</b>	<b>(406.65)</b>	<b>(487.41)</b>	<b>(1,440.63)</b>	<b>(1,673.32)</b>
(XII)	Paid-up Equity Share Capital	2,057.80	2,057.80	2,057.80	2,057.80	2,057.80
	Face Value (of Rs. 10/- each)	10.00	10.00	10.00	10.00	10.00
(XIII)	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	-	-	-	(15,492.10)	(19,680.87)
(XIV)	Earnings per equity share					
	(1) Basic	(2.63)	(1.99)	(2.39)	(7.11)	(8.20)
	(2) Diluted	(2.63)	(1.99)	(2.39)	(7.11)	(8.20)

Notes :

- The above Standalone Financial Results which are published in accordance with the regulation 33 of SEBI (LODR) Regulations, 2015 have been reviewed and recommended by Audit Committee and has been approved by the Board of Directors at its meeting held on Tuesdays June 30, 2020.
- The Company is operating in a single segment i.e. "Manufacturing and sale of Chemicals". All other activities of the Company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Accounting Standard-18 as notified by the Companies (Accounting Standards) Rules, 2006.
- After being classified as non-performing asset, the Company is in discussion with its Bankers for suitable settlement of its current debt inclusive of outstanding interest. Bank of Baroda and Axis Bank have not debited any interest pending the said proposal. Hence, the Company has not provided for interest quarter ended 31st March 2020 and nine months ended 31st March 2020 Rs.525.35 lacs and Rs.2101.51 Lacs respectively on various credit facilities/loans from the said Banks. 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.
- The fire incident had occurred in our manufacturing unit located at Unit No. 2, Plot No. F-24, MIDC, Badlapur East, Dist: Thane, Maharashtra 421503. All the Fixed Assets and current Assets are adequately insured, As a result, book value of factory building, plant and machinery and other fixed assets other than leasehold land have been reduced from net block of property plant and equipment's amounting to Rs. 839.33 Lacs. Also the value of inventory destroyed due to fire in the said location amounting to Rs.354.89 Lacs have been reduced from closing stock of inventory with the company. The company is in the process of lodging insurance claim with the insurance company and till such time the book value of fixed assets and inventory destroyed is shown as claim receivable under loans and advances. Further, amount paid till 31st March 2020 of Rs.157.50 lacs towards public liability is also shown under loans and advances as part of claim receivable.
- The results for the Quarter and year ended 31st March, 2020, periods presented have been audited by the Statutory Auditors of the Company. The statutory auditors have expressed an qualified audit opinion.

*(Signature)*

6 The figure of the last quarter of the current year and the previous year are the balancing figures between the audited figures for the full financial year and published year to date figures upto the third quarter of the respective financial years.

7 Impact of the Global Pandemic due to COVID -19:

The management of the Company has reviewed the situation due to the pandemic and has assessed the impact of the pandemic and the recent lockdown period on various parameters relating to the operations of the Company. While considering the possible impact of the pandemic, we have relied upon the internal and external sources of information including related credit reports, economic forecast and sentiments from the market sources domestically as well as worldwide. The Company has also performed sensitivity analysis on the basis of assumptions gathered from such relevant information. Based on the outcome of this analysis, the Company is comfortable of recovering out of the damage caused and is confident of gearing up its operations to the normalcy level.

8 The figures for the corresponding previous periods have been restated/ regrouped wherever necessary to make them comparable.

Place : Badlapur  
Date : 30th June 2020

For **OMKAR SPECIALITY CHEMICALS LIMITED**

  
**PRAVIN HERLEKAR**  
**CHAIRMAN & MANAGING DIRECTOR**  
DIN : 00525610

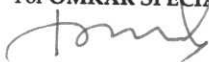


AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT 31ST MARCH 2020

(Rs. in Lakhs)

Sr. No.	Particulars	As at	As at
		March 31, 2020	March 31, 2019
		(Audited)	(Audited)
I	<b>ASSETS</b>		
	(a) Property, Plant and Equipment	5,306.90	6,831.16
	(d) Intangible Assets	6.93	12.04
	(e) Financial Assets		
	(i) Investments	38.03	34.87
	(ii) Loans	23.68	23.53
	(f) Deferred Tax Asset (Net)	725.73	1,058.00
	(g) Other Non-Current Assets	616.32	639.70
	<b>Total Non current Assets</b>	<b>6,717.59</b>	<b>8,599.30</b>
	(2) Current assets		
	(a) Inventories	383.26	289.82
	(i) Investments		
	(ii) Trade receivables	466.46	869.01
	(iii) Cash and cash equivalent	31.00	8.24
	(iv) Bank balance other than (iii) above	8.91	8.39
	(v) Loans	1.80	1.19
	(vi) Other Financial Assets	1,352.66	0.93
	(c) Other current assets	765.88	942.34
	<b>Total Current Assets</b>	<b>3,009.97</b>	<b>2,119.92</b>
<b>TOTAL ASSETS</b>	<b>9,727.56</b>	<b>10,719.22</b>	
II	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	(a) Equity share capital	2,057.80	2,057.80
	(b) Other equity	(18,306.80)	(16,866.16)
	<b>Total equity</b>	<b>(16,249.00)</b>	<b>(14,808.36)</b>
	Liabilities		
	(1) Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	7,383.28	7,432.28
	(ii) Other Financial Liabilities	32.24	36.41
	(b) Provisions	48.06	53.69
	<b>Total Non current liabilities</b>	<b>7,463.58</b>	<b>7,522.38</b>
	(2) Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	14,948.20	14,518.08
	(ii) Trade payable	1,798.11	2,015.43
	(iii) Other financial liabilities	1,178.14	1,120.10
	(b) Other current liabilities	295.41	58.98
	(c) Provisions	293.11	292.61
<b>Total current liabilities</b>	<b>18,512.97</b>	<b>18,005.20</b>	
<b>Total Liabilities</b>	<b>25,976.55</b>	<b>25,527.58</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>9,727.56</b>	<b>10,719.22</b>	

For **OMKAR SPECIALITY CHEMICALS LIMITED**



**PRAVIN HERLEKAR**  
**CHAIRMAN & MANAGING DIRECTOR**  
 DIN : 00525610  
 Place : Badlapur

Date : 30th June 2020

**OMKAR SPECIALITY CHEMICALS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st March 2020**

Particulars	(Amount in INR Lakhs)	
	As at 31st March 2020	As at 31st March 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before tax	(1,131.37)	(1,152.09)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	658.64	798.87
Finance costs	493.45	1,461.91
Interest income	(0.54)	(2.18)
Impairment of property, plant and equipments & Demerger Effect & others	-	(993.01)
Profit on sale of investments	-	(102.85)
Fair value loss/(gain) on investment	3.52	59.60
Dividend Income	(0.44)	-
Sundry Debit/Credit Balances Written Off/Back (Net)	8.57	(121.77)
Provision written back	-	-
Profit on sale of property, plant and equipment	(5.71)	(0.52)
Unrealised foreign currency (gain)/loss	(2.72)	(24.04)
Other adjustments	285.03	80.47
<b>Change in operating assets and liabilities:</b>		
Trade payables	(217.33)	218.18
Other financial liabilities	53.86	(185.64)
Provisions	3.72	(11.99)
Other liabilities	254.47	(156.87)
Trade receivables	402.55	161.13
Inventories	(93.44)	142.74
Other bank balance	(0.52)	1.48
Other financial assets	(486.55)	0.74
Other assets	176.45	(36.33)
<b>Cash generated from operations</b>	<b>401.65</b>	<b>137.83</b>
Less: Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>401.65</b>	<b>137.83</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchase of property, plant and equipment	(2.84)	(23.28)
Proceed from sale of property, plant and equipment	153.01	10.85
Proceed from sale of investment property	-	1,100.00
Payments for purchase of intangible assets	(0.44)	-
Proceed from sale of investment	0.44	-
Interest received	0.54	2.18
<b>Net cash outflow from investing activities</b>	<b>150.71</b>	<b>1,089.74</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	26.50	354.67
Repayment of borrowings	(63.59)	(1,453.12)
Finance costs	(492.52)	(256.80)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(529.61)</b>	<b>(1,355.25)</b>
Net increase (decrease) in cash and cash equivalents	22.75	(127.68)
Cash and Cash Equivalents at the beginning of the financial year	8.24	135.92
<b>Cash and Cash Equivalents at end of the year</b>	<b>31.00</b>	<b>8.24</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Balances with banks on current accounts	2.92	3.77
Cash on hand	28.08	4.47
<b>Balances per statement of cash flows</b>	<b>31.00</b>	<b>8.24</b>

**Notes:**

- 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'.
- Previous years figures have been regrouped /rearranged /recast wherever necessary to confirm to this year's classification.

For **OMKAR SPECIALITY CHEMICALS LIMITED**

  
**PRAVIN HERLEKAR**  
 CHAIRMAN & MANAGING DIRECTOR  
 DIN : 00525610  
 Place : Badlapur



Date : 30th June 2020

To  
The Board of Directors  
Omkar Specialty Chemicals Limited

**Auditor’s report on Standalone Financial Results of Omkar Specialty Chemicals Limited pursuant to regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Opinion**

We have audited the accompanying statement of Standalone Financial Results of Omkar Specialty Chemicals Limited (the “Company”) for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

Based on our audit conducted as above, *except for the effects of the matters described in the Basis for Qualified opinion paragraphs (i) to (vi) given below, impact of paragraphs (i), (iv) and (v) cannot be ascertained*, in our opinion and to the best of our information and according to the explanations given to us, the annual audited standalone financial results for the year ended 31<sup>st</sup> March 2020 as set out in the Statement:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information for the quarter and year ended March 31, 2020.

**Basis for Qualified Opinion**

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the

*Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Results under the provisions of the Companies Act, 2013 and the rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion. Following is the basis for providing a qualified opinion as per the *Opinion* paragraph above.

- (i) The Company has negative net worth of Rs. 16,249 lacs as on 31<sup>st</sup> March 2020. The financial statements have been prepared assuming that the Company will continue as a going concern. Also, the financial results do not include any adjustments that might result from the outcome of the qualifications as per the succeeding paragraphs.
- (ii) The Company has shown the following particulars pertaining to the loss due to fire, as insurance claim receivable under loans and advances of the Company, as per note no.4 (Four) to the financial results -

Sr.no.	Particulars of loss	Amount of loss as per the books of accounts of the Company (Rs. in lacs.)
1	Loss of Fixed Assets	839.33
2	Loss of inventories	354.89
3	Loss arising due to public liabilities	157.50
	Total	1351.72

As per Para 68 of IND AS 16-Property, Plant and Equipment, the gain or loss arising from the de-recognition of property, plant and equipment shall be included in the profit or loss when the item is derecognized. The Company has not made the requisite de-recognition in profit and loss in line with the abovementioned para for the fixed assets derecognized as per note 4 to the financial results and above table. Further, an amount of Rs.1351.72 lacs has been recorded by the Company as a current asset towards insurance claim receivable under loans and advances. As amount of the insurance claim receivable is contingent upon the submission of insurance claim by the Company and the confirmation of the same by the insurer, the

treatment is contrary with the provisions of IND AS 37-Provisions, Contingent Liabilities and Contingent Assets. Due to the non-provision of the above loss due to fire and recognition of insurance claim receivable, the loss for the year ended 31<sup>st</sup> March 2020 is understated by Rs.1351.72 lacs and the current assets of the Company are overstated by Rs.1351.72 lacs. Correspondingly, the net worth of the Company as on 31<sup>st</sup> March 2020 has been overstated by Rs.1351.72 lacs. Correspondingly, the net loss after tax (before Other Comprehensive Income) would have been Rs. 2815.35 lacs for the year ended on 31<sup>st</sup> March 2020 and the negative net worth of the Company as on 31<sup>st</sup> March 2020 would have been Rs.17600.72 lacs, had the interest expenses (as per paragraph 1 above) and the loss due to fire to the fixed assets, inventories and public liabilities been provided.

- (iii) We draw attention to note 3 (Three) of the accompanying Statement, with regard to non-recognition of interest expense on borrowings and reversal of accrued and due interest expenses of the Company. On 30<sup>th</sup> March 2018, one of the bankers providing long term and working capital finance namely Bank of Baroda, has classified all the facilities being extended to the Company as 'Non-Performing Assets'. During the year ended 31<sup>st</sup> March 2020, the Company has not provided interest expenses amounting to Rs. 525.35 lacs and Rs. 2101.51 lacs for the quarter ended and year ended on 31<sup>st</sup> March 2020 respectively, on various credit facilities/loans 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 quarter ended 31<sup>st</sup> March 2020 and year ended on 31<sup>st</sup> March 2020 has been understated by Rs. 525.35 lacs and Rs.2101.51 lacs respectively. The net worth of the Company as on 31<sup>st</sup> March 2020 has been overstated by Rs.2101.51 lacs. Correspondingly, the net loss after tax (Before other comprehensive income) would have been Rs. 3565.14 lacs for the year ended on 31<sup>st</sup> March 2020 and Rs. 1067.13 lacs for the quarter ended on 31<sup>st</sup> March 2020 and the negative net worth of the Company as on 31<sup>st</sup> March 2020 would have been Rs.18350.51 lacs.
- (iv) In case the Company had given the combined treatment of the effects discussed in point (ii) and (iii) above, the net loss after tax (Before other comprehensive income) would have been Rs.4916.86 for the year ended on 31<sup>st</sup> March 2020 and the negative net worth of the Company as on 31<sup>st</sup> March 2020 would have been Rs.19702.23.
- (v) Bank of Baroda has recovered an amount of Rs.40.50 lacs from the Company in the year ended 31<sup>st</sup> March 2020. The Company has charged this amount to the statement of profit and loss and has classified this amount under Finance expenses during the year ended 31<sup>st</sup> March 2020. The Company has not provided us any documentary evidence to enable us to ascertain the nature of this amount. As the



nature of this amount cannot be ascertained, we are unable to quantify its impact on the statement of profit and loss of the Company for the year ended 31<sup>st</sup> March 2020.

- (vi) 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.

### **Board of Director's Responsibilities for the Standalone Financial Results**

These Standalone Financial Results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors is responsible for the preparation and presentation of these standalone financial results that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act read with the relevant rules thereunder and in compliance with Regulation 33 of the Listing Regulations. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Standalone financial results by the Directors of the Company, as aforesaid.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the financial results 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 results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone financial results 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.

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results 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.

### **Other Matters**


As indicated in Note 6 (six) of the standalone annual financial results, the figures for the quarter ended March 31, 2020 the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year.

The standalone financial results dealt with by this report can be filed with the National Stock Exchange of India Limited and BSE Limited.

This report has been addressed to the Board of Directors of the Company and has been prepared only for the purpose set out above. This report should not to be used by any other party for any other purpose.

For **Desai Saksena & Associates**  
Chartered Accountants  
Firm's Registration No:102358W

SHASHANK  
NARENDRA  
DESAI

 Digitally signed by SHASHANK  
NARENDRA DESAI  
Date: 2020.06.30 20:38:07 +05'30'

Place: Mumbai  
Date: 30<sup>th</sup> June 2020  
UDIN: **20032546AAAAAX6994**

**Dr. Shashank N. Desai**  
Partner  
M.N. 032546

## ANNEXURE I

### OMKAR SPECIALITY CHEMICALS LIMITED

CIN: L24110MH2005PLC151589

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
along-with Annual Audited Financial Results

<b>Statement on Impact of Audit Qualifications for the Financial Results for the financial year ended March 31, 2020 (See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016)</b>				
	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) ( In Lakhs)	Audited Figures (as reported after adjusting for qualifications) (In Lakhs)
<b>I</b>	1	Turnover/Total Income	5732.53	5732.53
	2	Total Expenditure (including Tax expenses Rs. 332.27 lakhs)	7196.16	7196.16
	3	Net Profit/(Loss)	(1463.63)	(1463.63)
	4	Earnings Per Share (in Rs)	(7.11)	(7.11)
	5	Total Assets	9727.55	9727.55
	6	Total Liabilities	25976.55	25976.55
	7	Net Worth (including revaluation reserve)	(16249.00)	(16249.00)
	8	Any other financials items(s) (as felt appropriate by the management)	-	-
<b>II</b>	<b>Audit Qualification (each audit qualification separately):</b>			
1	<b>a) Details of Audit Qualification:</b>			
	The Company has negative net worth of Rs. 16,249 lacs as on 31st March 2020. The financial statements have been prepared assuming that the Company will continue as a going concern. Also, the financial results do not include any adjustments that might result from the outcome of the qualifications as per the succeeding paragraphs.			
	<b>b) Type of Audit Qualification: Qualified Opinion</b>			
	<b>c) Frequency of Qualification: Fourth Time</b>			
	<b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA</b>			
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>			
	<b>(i) Management's estimation on the impact of audit qualification:</b>			
	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 has got sufficient orders on ongoing basis. The business in the recent past has been affected on account of Working Capital requirements and implications of COVID-19. However, the company has firmed up plans for improving the cash flows by infusion of Equity and also unlocking of business impacted by COVID-19.			
	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.			

	(ii) <b>If management is unable to estimate the impact, reason for the same:</b> Not Applicable															
	(iii) <b>Auditors Comments on (i) or (ii) above:</b> Included in details of audit qualification.															
2	<p><b>a) Details of Audit Qualification:</b></p> <p>The Company has shown the following particulars pertaining to the loss due to fire, as insurance claim receivable under loans and advances of the Company, as per note no.4 (Four) to the financial results -</p> <table border="1" data-bbox="370 422 1395 779"> <thead> <tr> <th>Sr.no.</th> <th>Particulars of loss</th> <th>Amount of loss as per the books of accounts of the Company (Rs. in lacs.)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Loss of Fixed Assets</td> <td>839.33</td> </tr> <tr> <td>2</td> <td>Loss of inventories</td> <td>354.89</td> </tr> <tr> <td>3</td> <td>Loss arising due to public liabilities</td> <td>157.50</td> </tr> <tr> <td></td> <td>Total</td> <td>1351.72</td> </tr> </tbody> </table> <p>As per Para 68 of IND AS 16-Property, Plant and Equipment, the gain or loss arising from the de-recognition of property, plant and equipment shall be included in the profit or loss when the item is derecognized. The Company has not made the requisite de-recognition in profit and loss in line with the abovementioned para for the fixed assets derecognized as per note 4 to the financial results and above table. Further, an amount of Rs.1351.72 lacs has been recorded by the Company as a current asset towards insurance claim receivable under loans and advances. As amount of the insurance claim receivable is contingent upon the submission of insurance claim by the Company and the confirmation of the same by the insurer, the treatment is contrary with the provisions of IND AS 37-Provisions, Contingent Liabilities and Contingent Assets. Due to the non-provision of the above loss due to fire and recognition of insurance claim receivable, the loss for the year ended 31st March 2020 is understated by Rs.1351.72 lacs and the current assets of the Company are overstated by Rs.1351.72 lacs. Therefore, the net worth of the Company as on 31st March 2020 has been overstated by Rs.1351.72 lacs. Therefore, the net loss after tax (before Other Comprehensive Income) would have been Rs. 2815.35 lacs for the year ended on 31st March 2020 and the negative net worth of the Company as on 31st March 2020 would have been Rs.17600.72 lacs, had the interest expenses (as per paragraph 1 above) and the loss due to fire to the fixed assets, inventories and public liabilities been provided.</p>	Sr.no.	Particulars of loss	Amount of loss as per the books of accounts of the Company (Rs. in lacs.)	1	Loss of Fixed Assets	839.33	2	Loss of inventories	354.89	3	Loss arising due to public liabilities	157.50		Total	1351.72
Sr.no.	Particulars of loss	Amount of loss as per the books of accounts of the Company (Rs. in lacs.)														
1	Loss of Fixed Assets	839.33														
2	Loss of inventories	354.89														
3	Loss arising due to public liabilities	157.50														
	Total	1351.72														
	<b>b) Type of Audit Qualification: Qualified Opinion</b>															
	<b>c) Frequency of Qualification: First Time</b>															
	<p><b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>There has been a major fire break out on Nov 26, 2019 at factory located at Flot No. F-24, M.I.D.C., Badlaur ,Dist: Thane, Maharashtra -421503 of the Company resulting in substantial damage of plant &amp; machineries, factory building and Inventories. Intimation of fire has been given to insurer. The insurance claim of loss for damage of Plant and Machinery, Factory building &amp; Inventories due to fire is yet to be assessed by the Insurer and claim settlement is under process. The policy is on reinstatement basis. As a result, book value of factory building, plant and machinery and other fixed assets other than leasehold land have been</p>															

	<p>reduced from net block of property plant and equipment's amounting to Rs. 839.33 Lacs. Also the value of inventory destroyed due to fire in the said location amounting to Rs.354.89 Lacs have been reduced from closing stock of inventory with the company. The estimated insurance claim receivable for the book value of fixed assets and inventory destroyed is shown as claim receivable under loans and advances. Further, amount paid till 31st March 2020 of Rs.157.50 lacs towards public liability is also shown under loans and advances as part of claim receivable. Fixed assets except the said damaged assets have been verified &amp; valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy. The process of submission of claim has been delayed on account of the ongoing lockdown due to COVID-19 situation.</p>
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b> Not Quantified
	<b>(ii) If management is unable to estimate the impact, reason for the same:</b> NA
	<b>(iii) Auditors Comments on (i) or (ii) above:</b> Included in audit qualification.
3	<p><b>a) Details of Audit Qualification:</b></p> <p>We draw attention to note 3 (Three) of the accompanying Statement, with regard to non-recognition of interest expense on borrowings and reversal of accrued and due interest expenses of the Company. On 30th March 2018, one of the bankers providing long term and working capital finance namely Bank of Baroda, has classified all the facilities being extended to the Company as 'Non-Performing Assets'. During the year ended 31st March 2020, the Company has not provided interest expenses amounting to Rs. 525.35 lacs and Rs. 2101.51 lacs for the quarter ended and year ended on 31st March 2020 respectively, on various credit facilities/loans 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 quarter ended 31st March 2020 and year ended on 31st March 2020 has been understated by Rs. 525.35 lacs and Rs.2101.51 lacs respectively. The net worth of the Company as on 31st March 2020 has been overstated by Rs.2101.51 lacs. Therefore, the net loss after tax (Before other comprehensive income) would have been Rs. 3565.14 lacs for the year ended on 31st March 2020 and Rs. 1067.13 lacs for the quarter ended on 31st March 2020 and the negative net worth of the Company as on 31st March 2020 would have been Rs.18350.51 lacs.</p>
	<b>b) Type of Audit Qualification:</b> Qualified Opinion
	<b>c) Frequency of Qualification:</b> Seventh Time
	<b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>
	<p>Our account has been classified as non-performing asset by our lenders, the Company is in discussion with its Bankers for settlement of the dues(inclusive of interest and other charges, if any) by way of suitable structures. 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.2101.51 lakhs and Rs.525.35 lakhs during the year March 31, 2020 and current quarter on various credit facilities/loans from the said Banks. 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</p>
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b> Not Quantified
	<b>(ii) If management is unable to estimate the impact, reason for the same:</b> NA
	<b>(iii) Auditors Comments on (i) or (ii) above:</b> Included in audit qualification.

4	<p><b>a) Details of Audit Qualification:</b></p> <p>In case the Company would have given the combined treatment of the effects discussed in point 2(a) and 3(a) above, the net loss after tax (Before other comprehensive income) would have been Rs.4916.86 for the year ended on 31st March 2020 and the negative net worth of the Company as on 31st March 2020 would have been Rs.19702.23.</p>
	<b>b) Type of Audit Qualification: Qualified Opinion</b>
	<b>c) Frequency of Qualification: First Time</b>
	<p><b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b></p> <p>Please refer explanation given in point 2 (d) and 3(d)</p>
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor: NA</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b>
	<b>(ii) If management is unable to estimate the impact, reason for the same:</b> Not Applicable
	<b>(iii) Auditors Comments on (i) or (ii) above: Included in details of audit qualification.</b>
5	<p><b>a) Details of Audit Qualification:</b></p> <p>Bank of Baroda has recovered an amount of Rs.40.50 lacs from the Company in the year ended 31st March 2020. The Company has charged this amount to the statement of profit and loss and has classified this amount under Finance expenses during the year ended 31st March 2020. The Company has not provided us any documentary evidence to enable us to ascertain the nature of this amount. As the nature of this amount cannot be ascertained, we are unable to quantify its impact on the statement of profit and loss of the Company for the year ended 31st March 2020</p>
	<b>b) Type of Audit Qualification: Qualified Opinion</b>
	<b>c) Frequency of Qualification: First Time</b>
	<b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA</b>
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor: NA</b>
	<b>(i) Management's estimation on the impact of audit qualification:</b>
	<p><b>(ii) If management is unable to estimate the impact, reason for the same:</b></p> <p>The Bank of Baroda has recovered amount of Rs. 40.50 lacs from direct credit received in the accounts. The company pursuing the lender to get the documentary evidence to ascertain whether the same is related to recovery of principal amount of the loan or towards interest on loan and also the period to which the principal/interest recovery pertains to. In the interim, we have reported this recovered amount as finance cost pertaining to financial year 2019-20.</p>
	<b>(iii) Auditors Comments on (i) or (ii) above: Included in details of audit qualification.</b>

6	<p><b>a) Details of Audit Qualification:</b></p> <p>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.</p>
	<b>b) Type of Audit Qualification: Qualified Opinion</b>
	<b>c) Frequency of Qualification: Fourth Time</b>
	<b>d) For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views</b>
	<b>e) For Audit Qualification(s) where the impact is not quantified by the auditor:</b>
	<b>(i) Management's estimation on the impact of audit qualification: Not Quantified</b>
	<p><b>(ii) If management is unable to estimate the impact, reason for the same:</b></p> <p>The management has taken due note of the observations relating to IFCR and has taken necessary steps to strengthen the system. The necessary SOPs in this regard are being formulated. The CFO of the Company with his team members are evaluating the gaps and are addressing the issue for ensuring a proper system in place. The company expects to bring the system to a respectably satisfactory level within one quarter</p>
	<b>(iii) Auditors Comments on (i) or (ii) above: Included in audit qualification.</b>

### III Signatories:

For **Omkar Speciality Chemicals Limited**

**PRAVIN  
SHIVDAS  
HERLEKAR**

Digitally signed by PRAVIN SHIVDAS  
HERLEKAR  
DN: c=IN, ou=Personal, postalCode=421503,  
st=MAHARASHTRA,  
serialNumber=14951bdbbae91f038661b2  
0d86aee7aa47dfc07875e22dffa40dca3a0c  
0554d1, cn=PRAVIN SHIVDAS HERLEKAR  
Date: 2020.06.30 19:52:10 +05'30'

**Pravin Herlekar**  
**Chairman and Managing Director**  
Place: Badlapur  
Date: 30-06-2020

For **Omkar Speciality Chemicals Limited**

Sd/-

**Sanjivini Patare**  
**Audit Committee Chairman**

**Refer our Audit Report dated June 30, 2020 on financial results of the company.**

For **Desai Saksena & Associates**

Chartered Accountants

Firm's registration number: 102358W

**SHASHANK  
NARENDRA DESAI**

Digitally signed by SHASHANK  
NARENDRA DESAI  
Date: 2020.06.30 20:39:11  
+05'30'

**Dr S.N. Desai**  
**Partner**

Membership number: 32546  
Place: Mumbai

UDIN: **20032546AAAAAY8530**

Date: 30-06 2020



**NEHA AGARWAL**

11, Dhanraj Apartment, Nashik road, Behind Bajaj Show Room, Amrut Nagar, Nashik road, Nashik,  
Maharashtra, 422101

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To,  
The Board of Directors  
**Omkar Speciality Chemicals Ltd.**  
B-34, M.I.D.C., Badlapur (East),  
Thane, Maharashtra, India – 421 503.

Date: June 30, 2020

Dear Sir/Madam

**Sub: Resignation from the office of Director**

As I am busy with other assignments of my job. I am unable to give justice to my position as a director. So I have decided to step down from my responsibility as a Director.

I thank the Board of Directors for having given me the opportunity and assistance to discharge my duties during my tenure as Director of the Company.

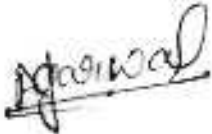
Confirmation as required under Para 7B (ii) of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Para 7B (ii) of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that there is no other material reason except as stated above for my resignation

I request that the necessary forms be filed with office of the Registrar of Companies and necessary intimation/disclosure be given to the Stock Exchanges.

Thanking You,

Yours faithfully



**NEHA AGARWAL**  
DIN: 08616614