





OMKAR

Always the leaders

# OMKAR SPECIALITY CHEMICALS LIMITED

ANNUAL  
REPORT

2019-20

## CORPORATE INFORMATION

<p><b>BOARD OF DIRECTORS</b>            Mr. Pravin Herlekar - (Chairman &amp; Managing Director)            Mr. Subhash Ambatkar - (Executive Director)            Adv. Sanjivani Patare - (Independent Director)            Ms. Archana Dakhale - (Independent Director)</p> <p><b>CHIEF EXECUTIVE OFFICER</b>            Rishikesh Herlekar</p> <p><b>CHIEF FINANCIAL OFFICER</b>            Mr. Vaman Acharya</p> <p><b>COMPANY SECRETARY &amp; COMPLIANCE OFFICER</b>            Mr. Sunny Pagare</p> <p><b>STATUTORY AUDITORS</b>            M/s PSV Jain &amp; Associates            105-126, Shree Yashwant Shopping Centre,            Kasturba Road No. 7, Borivali (E), Mumbai – 400066.</p> <p><b>COST AUDITORS</b>            M/s. N. Ritesh &amp; Associates            602, 6<sup>th</sup> floor, Silver Matru Prabha,            Cama Lane, Kirol Road,            Ghatkopar(W), Mumbai 400086</p> <p><b>SECRETARIAL AUDITORS</b>            M/s. Nilesh Pradhan &amp; Co.            B-201, Pratik Industrial Estate,            Near Fortis Hospital,            Mulund Goregaon Link Road,            Nahur(W) Mumbai 400078</p> <p><b>BANKERS</b>            Bank of Baroda            NKGSB Co-op Bank Ltd.            Axis Bank Ltd.</p>	<p><b>REGISTERED OFFICE</b>            CIN: L24110MH2005PLC151589            Mahalasa Narayani, Ganesh Chowk,            Manjarli, Badlapur (E),            Thane- 421503, Maharashtra            E-mail: <a href="mailto:info@omkarchemicals.com">info@omkarchemicals.com</a>            Website: <a href="http://www.omkarchemicals.com">www.omkarchemicals.com</a></p> <p><b>CORPORATE OFFICE</b>            B-34, MIDC, Badlapur (East), Thane 421503            Tel No. +91-251-2697340/2690651,            Fax: +91-251-2697347/2691572</p> <p><b>REGISTRAR AND SHARE TRANSFER AGENT</b>            M/s. Bigshare Services Private Ltd.            1<sup>st</sup> floor, Bharat Tin Works Building,            Opp. Vasant Oasis, Makwana Road Marol,            Andheri (East) Mumbai 400 059</p> <p><b>CONTENTS</b></p> <table style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td>Corporate Information .....</td> <td style="text-align: right;">01</td> </tr> <tr> <td>Notice of AGM .....</td> <td style="text-align: right;">04</td> </tr> <tr> <td>Boards Report.....</td> <td style="text-align: right;">19</td> </tr> <tr> <td>Annexures to the Board Report.....</td> <td style="text-align: right;">29</td> </tr> <tr> <td>Management and discussion analysis .....</td> <td style="text-align: right;">46</td> </tr> <tr> <td>Report on Corporate Governance .....</td> <td style="text-align: right;">52</td> </tr> <tr> <td>Auditors certificate on Corporate Governance.....</td> <td style="text-align: right;">80</td> </tr> <tr> <td>Independent Auditors Report.....</td> <td style="text-align: right;">81</td> </tr> <tr> <td>Balance Sheet.....</td> <td style="text-align: right;">88</td> </tr> <tr> <td>Statement of Profit &amp; Loss.....</td> <td style="text-align: right;">89</td> </tr> <tr> <td>Statement on Cash Flows .....</td> <td style="text-align: right;">90</td> </tr> <tr> <td>Notes to the financial statements .....</td> <td style="text-align: right;">93</td> </tr> </tbody> </table>	Corporate Information .....	01	Notice of AGM .....	04	Boards Report.....	19	Annexures to the Board Report.....	29	Management and discussion analysis .....	46	Report on Corporate Governance .....	52	Auditors certificate on Corporate Governance.....	80	Independent Auditors Report.....	81	Balance Sheet.....	88	Statement of Profit & Loss.....	89	Statement on Cash Flows .....	90	Notes to the financial statements .....	93
Corporate Information .....	01																								
Notice of AGM .....	04																								
Boards Report.....	19																								
Annexures to the Board Report.....	29																								
Management and discussion analysis .....	46																								
Report on Corporate Governance .....	52																								
Auditors certificate on Corporate Governance.....	80																								
Independent Auditors Report.....	81																								
Balance Sheet.....	88																								
Statement of Profit & Loss.....	89																								
Statement on Cash Flows .....	90																								
Notes to the financial statements .....	93																								



## FROM THE CHAIRMAN'S DESK



**Dear Shareholders,**

I welcome you all to our AGM today.

Your Company has come a long way in the business of Speciality Chemicals in which it operates. Barring the turbulent period for the last couple of years, your Company has a glorious track record of growth over a period of more than 3 decades. The Company has consolidated its business in various segments and sectors it operates.

The year 2019-20 was particularly a challenging year on account of the financial constraints for Working Capital. It was a tough task to maneuver the operations. Moreover, the Company also suffered a major setback on account of the incidence of fire at its Unit No.2 which led to damage of capacity. In spite of all these odds, the Company could perform fairly better than the previous year 2018-19 and posted 25% growth. The management is putting in all the efforts to resolve the financial crises by way of continued discussion with its secured and unsecured lenders and is quite hopeful of resolving the matter in the current FY.

Since the Company has also consolidated its business in various sectors, the Management is quite confident of reviving the operations post the financial resolutions and take the Company on the track of next level growth.

I would like to place on record the continued support shown by all over stake holders, secured and unsecured lenders as well as our valued customers in the difficult time and would like to express my deep sense of gratitude for them.

I would also like to thank my colleagues on Board for their positive contributions in framing up the strategies for the benefit of the Company.

Thanking you once again.

Sd/-

**Pravin Herlekar**

**Chairman & Managing Director**

## FROM THE DESK OF WHOLE-TIME DIRECTOR



**Dear Shareholders,**

It is my pleasure to share my views about the performance and the outlook for the Company. We have been experiencing a tough weather, on account of financial stress and we have been feeling handicapped to grab the various business opportunities available to the Company.

As you are aware, we have been driven by a strong R&D and as a matter of strategy, we have been continuously developing new molecules for the upcoming markets with the state-of-the-art technology. I feel proud to share with you that the Company is already in the possession of 8 number of process patents and 5 number of process patents are in the pipeline.

We have been strengthening our position in the existing market segments of pharmaceuticals, Nutraceuticals, flavours & fragrances. We have ample scope to grow in these existing “Segments” in domestic as well as international markets. In line with the Prime Minister’s dream “Atma Nirbhar Bharat”, we have been targeting more products in as import substitutes and for exports to global market. Our production operations are well supported by quality control, quality assurance and environmental protection which makes me more confident to say that, we are well equipped to overcome the challenges and emerge as a major player in Speciality Chemicals.

Thanking you.

Sd/-

**Rishikesh Herlekar**



## NOTICE OF FIFTEENTH ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Fifteenth Annual General Meeting of the members of Omkar Speciality Chemicals Limited will be held on Friday, the 20<sup>th</sup> Day of November, 2020 at 11:00 a.m. (IST) THROUGH Conference (VC) facility/Other Audio Visual Means (OAVM), to transact the following business:

### ORDINARY BUSINESS:

- To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **ORDINARY RESOLUTIONS**:

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

- To appoint Auditors, and in this regard to consider and if thought fit, to pass, the following resolution with or without modification as **ORDINARY RESOLUTION**:

#### Appointment of Statutory Auditors

- To fill the casual vacancy:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (8) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, if any, (including any statutory modification(s), clarifications, exemptions or re-enactments thereof for the time being in force) and upon recommendation of the Audit Committee & Board of Directors, M/s. PSV Jain & Associates, Chartered Accountants, Thane, having FRN.: 131505W, be and are hereby appointed as Statutory Auditors of the Company, to fill the casual vacancy caused by the resignation of M/s Desai Saksena & Associates, Chartered Accountants, Mumbai, having FRN.: 102358W.

**RESOLVED FURTHER THAT** M/s. PSV Jain & Associates, Chartered Accountants, Thane, having FRN.: 131505W, be and are hereby appointed as Statutory Auditors of the Company to hold the office from August 21, 2020, until the conclusion of the ensuing 15th Annual General Meeting of the Company, at such remuneration plus applicable taxes, and out of pocket expenses, as may be mutually agreed with the Board of Directors.”

- For a period of five years:

**“RESOLVED THAT** pursuant to the provisions of Section 139(8) and other applicable provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and upon recommendation of the Audit Committee and Board of Directors, consent of the members of the Company be and is hereby accorded to appoint M/s. PSV Jain & Associates, Chartered Accountants, Thane, having FRN.: 131505W, as the Statutory Auditors of the Company to conduct the statutory audit for a period of five years commencing from the conclusion of this 15th Annual General Meeting till the conclusion of 20th Annual General Meeting of the Company at such remuneration and out-of-pocket expenses, as may be mutually agreed with the Board of Directors.”

### SPECIAL BUSINESS:

- To Consider and if thought fit, to pass, with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

**“RESOLVED THAT** in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Pravin Herlekar (DIN: 00525610) as the Managing Director of the Company, for a period of 5 (Five) years with effect from April 1, 2020 on the terms and conditions including remuneration as set out in the statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions of the said reappointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Pravin Herlekar, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

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

4. To consider if thought fit to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** in accordance with the provisions of Section 149, 152 read with other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Subhash Ambatkar (DIN: 08721741), who was appointed as an additional director in the category of Executive Director of the Company with the effect from February 14, 2020 in accordance with the provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this meeting and in respect of whom, the appointment has been recommended by the Nomination and Remuneration Committee of the company and the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Executive Director & Key Managerial Personnel be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**RESOLVED FURTHER THAT** pursuant to the provisions of sections 196, 197, 198 and all other applicable provisions, if any of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment) thereof, for the time being in force) and Schedule V of the Companies Act, 2013 approval of the Company, for a period of 3 (three) years effective from February 14, 2020 to February 13, 2023 upon the terms and conditions including remuneration payable to him as set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the board to alter and vary the terms and conditions of the said appointment including remuneration in such manner as may be agreed between the Board and Mr. Subhash Amabatkar.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Subhash Ambatkar, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** Mr. Subhash Ambatkar, Executive Director be entrusted with such powers to perform such duties as may time to time be delegate/ entrusted to him subject to the supervision and control of the Board.”

**RESOLVED FURTHER THAT** the Executive Director & Key Managerial Personnel of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient to give effect to the aforesaid resolution.”

5. To consider if thought fit to pass with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 149, 152 and other applicable provisions of Companies Act, 2013 (“ACT”) and the rules made thereunder read with Schedule IV of the Act and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modifications of re-enactment thereof and rules made thereunder, for the time being in force), and in accordance with the recommendation of Nomination and Remuneration Committee, Adv. Sanjivani Patare (DIN: 07239170), who shall be completing her first term in May 17, 2020 as an Independent Director of the Company, be and is hereby re-appointed as such to hold for a period of (5) five years with effect from May 17, 2020 .

**RESOLVED FURTHER THAT** the Executive Director & Key Managerial Personnel be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

6. To consider if thought fit to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to Section 161 and such other relevant provisions of the Companies Act, 2013, and Articles of Association of the Company, Mrs. /Ms. Archana Dakhale be and is hereby appointed as an Additional Director of the Company with immediate effect and to hold office up to conclusion of the next Annual General Meeting of the Company;

**RESOLVED FURTHER THAT** pursuant to Section 149 (6), and such other relevant provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. /Ms. Archana Dakhale (DIN: 06637416) be and is hereby appointed as an Independent Director of the Company for the period of five years commencing from September 29, 2020 till September 28, 2025, subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company;





**RESOLVED FURTHER THAT** the Directors of the Company/ Company Secretary be and are hereby severally authorized to intimate the same to the Registrar of Companies, Mumbai and all other regulatory authorities, wherever applicable and to do all such acts, deeds and things as may be necessary to give effect to the said resolution.”

7. To ratify remuneration of Cost Auditors for the financial year ending March 31, 2021 and in this regard 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, 2020.

**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:**

Mahalasa Narayani, Ganesh Chowk,  
Manjarli, Badlapur (E),  
Thane- 421503, Maharashtra.  
Tel.: +91 (0251) 2697340, 2690651,  
Email: [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com);  
Web: [www.omkarchemicals.com](http://www.omkarchemicals.com);  
CIN: L24110MH2005PLC151589

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

Sd/-  
**Sunny Pagare**  
**Company Secretary & Compliance Officer**

**Date:** September 29, 2020

**Place:** Badlapur

**NOTES:**

1. Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted convening the Annual General Meeting (“AGM” / “Meeting”) through Video Conferencing (“VC”) or Other Audio Visual Means (“OAVM”), without the physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 (‘the Act’) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company
2. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of Item No. 2 to 6 be transacted at the 15<sup>th</sup> Annual General Meeting is annexed hereto and forms a part of the Notice.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. The Members can join the AGM in the VC/OA VM mode 30 minutes before and 15 minutes after the Scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depositories Limited’s (“NSDL”) e-voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC/OA VM will be made available to at least 1000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the Meeting through VC/OA VM form part of the Notes to this Notice.



6. Institutional Investors, who are Members of the Company are encouraged to attend the 15th AGM through VC/OA VM and vote electronically, Corporate Members intending to appoint their authorized representatives pursuant to Section 112 and 113 of the Act, as the case may be, to attend the AGM through VC/OA VM or to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at info@napco.in with a copy marked to evoting@nsdl.co.in.
7. The attendance of the Members attending the AGM through VC/OA VM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. In line with the MCA circular dated May, 5 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Annual Report 2019-2020 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories. The Notice convening the 15<sup>th</sup> AGM has been uploaded on the website of the Company at www.omkarchemicals.com and may also be accessed from the relevant section of the website of the Stock Exchange i.e. Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The Notice is also on the Website of NSDL at www.evoting.nsdl.com.
9. SEBI vide notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018, has amended Regulation 40 of Listing Regulation, 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 request 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 risk associated with physical shares and for ease of portfolio management.
10. Members are requested to send all communications relating to share 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 of registrar and Share Transfer Agents, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite charges 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 Depositories Participants (“DPs”).
14. 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, 2020, 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
2012- 13	August 13, 2013	1.50	September 10, 2020
2013- 14	August 09, 2014	1.50	October 06, 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 2012-13 declared on August 13, 2013 is due to be transferred to the IEPF by September 2019. The same can, however, be claimed by the Members by August 2020. Members who have not encashed the dividend warrant(s) from the financial year ended March 31, 2013 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, 2012 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 2019-20.

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](http://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.

15. 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 amount 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 "Investor Section" on the Company's website ([www.omkarchemicals.com](http://www.omkarchemicals.com)). The information is available on the website of Investor Education and Protection Fund ([www.iepf.gov.in](http://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](mailto: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. 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, all documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com)

Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before November 17<sup>th</sup>, 2020 through email on [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com). The same will be replied by the Company suitably.

18. 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, 4, 5 & 6 annexed herewith in Annexure I.

## 19. REMOTE E-VOTING BEFORE/DURING THE AGM:

- i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM, for this purpose, the Company has entered into an agreement with NSDL for facilities voting electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
  - ii. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of November 13<sup>th</sup>, 2020 may cast their vote by remote e-voting. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only be entitled to avail the facility of remote e-voting before the AGM as well as remote e-voting during the AGM any person who acquires shares of the Company and becomes a Member of the Company after the dispatch of the Notice and holding shares as on the cut-off date i.e. November 13<sup>th</sup>, 2020 may obtain the user ID and password by sending a request at [Voting@nsdl.co.in](mailto:Voting@nsdl.co.in).
  - iii. The remote e-Voting period commence on Tuesday, November 17<sup>th</sup>, 2020 at 9.00 AM (IST) and ends on Thursday, November 19<sup>th</sup>, 2020 at 5.00 PM (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The Voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the Cut-Off date i.e. Friday, November 13<sup>th</sup>, 2020.
  - iv. Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-Voting will be eligible to exercise to participate at the AGM through VCOA VM but shall be entitled to cast their vote on such resolution(s) again.
  - v. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.
20. The Scrutinizer will submit his report to the Chairperson or to any other person authorized by the Chairperson after completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchange on which the Company's shares are listed, and will also be displayed on the Company's website at [www.omkarchemicals.com](http://www.omkarchemicals.com).
21. Instructions for attending the AGM through VC/OA VM and remote e-Voting (before and during the AGM) are given below:

### A. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OA VM:

- i. The Members will be provided with a facility to attend the AGM through VC/OA VM through the NSDL e-Voting system and they may access the same at <http://www.evoting.nsdl.com> under the Shareholders/ members login by using the remote e-Voting credentials, where the EVEN of the Company will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the Members who do not have the User ID and password e-Voting instructions mentioned below to avoid last minutes rush. Further, Members may also use the OTP-based logging into the e-Voting system of NSDL.
- ii. Members may join the Meeting through Laptops, Smartphones, Tablets and ipad for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of chrome, safari, Internet explorer 11, MS Edge or Firebox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
- iii. Members are encouraged to submit their questions in advance with regard to the financial statements or any other matter to be placed at the 15<sup>th</sup> AGM, from their registered e-mail address, mentioning their name, DP ID and Cleint ID number/ folio number and mobile number, to reach the Company's e-mail address at [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com) between Monday, November 2<sup>nd</sup>, 2020 (9.00 AM IST) and Tuesday, November 17<sup>th</sup>, 2020 (5.00 PM IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their view/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of the time for the AGM.



- iv. Members who need technical assistance before or during the AGM to access and participate in the Meeting may contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / +91 22 2499 4360 / +91 9920264780.

#### **B. INSTRUCTION FOR REMOTE E-VOTING BEFORE/DURING THE AGM:**

In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):

- a) Open the e-mail and also open PDF file with your Client ID of 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: <http://www.evoting.nsdl.com>.
- b) Click on shareholder – Login.
- c) If you are already registered with NSDL for e-voting then you can use your existing user ID and Password.
- d) If you are log 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.
- e) 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.
- f) Please take utmost care to keep your password confidential.
- g) Once the e-voting home page opens, click on e-voting>Active Voting Cycles.
- h) Select “EVEN” (E-Voting Event Number) of Omkar Speciality Chemicals Limited.
- i) Now you are ready for e-Votting as cast Vote page opens.
- j) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- k) Upon confirmation, the message “Vote cast successfully” will be displayed.
- l) Once the vote on the resolution is cast, the member shall not be allowed to change it subsequently.
- m) 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](mailto:investor@omkarchemicals.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- n) 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](http://www.evoting.nsdl.com) or call on toll free No. : 1800-222-990.

#### **The instructions for e-Voting during the AGM are as under:**

- i. The procedure for remote e-voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OA VM.
- ii. Only those Members/Shareholders, who will be present in the AGM through VC/OA VM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE ORDINARY BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 2:**

The members of the Company at the 12th Annual General Meeting held on September 27, 2017 has approved the appointment of M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, having FRN.: 102358W as the Statutory Auditors of the Company for a term of five years till the conclusion of 17th Annual General Meeting.

M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, has tender their resignation as the Statutory Auditors of the Company, expressing their inability due to proposed audit fees is not commensurate with the time and effort involved in carrying out the audit, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. August 21, 2020, as per section 139(8) of the Companies, Act, 2013.

In accordance with aforesaid provisions of the Act, the casual vacancy caused by the resignation of the Statutory Auditors shall be filed by the Board within a period of thirty days and such appointment shall also be approved by the members of the Company within three months of the recommendation of the Board.

Accordingly, based on the recommendation of the Audit Committee and conformation received from M/s. PSV Jain & Associates, Chartered Accountants, Thane, having FRN.: 131505W on their eligibility, the Board recommends to the members for the appointment of M/s. PSV Jain & Associates, Chartered Accountants, Thane, as the Statutory Auditors of the Company:

- a) To fill the casual vacancy caused by the resignation of M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting; and
- b) For a period of five years, from the conclusion of the 15th Annual General Meeting till the conclusion of 20th Annual General Meeting of the Company.

In regards to appointment of Statutory Auditors referred to in item no. 2 of the Notice, the brief profile of the Auditors is as under:

M/s. PSV Jain & Associates, Chartered Accountants, Thane, are a fast growing CA firm offering wide range of services with the mission of growth of our clients as well as our own team.

Provides services in the areas of Audit and Assurance, Taxation, Accounting, Corporate Finance, Direct and Indirect Taxation, Internal Audits, Corporate and Allied Laws

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the Notice. The Directors recommend the resolution for approval by the members.

**Item No. 3:**

Mr. Pravin S. Herlekar (DIN: 00525610) attended the age of 70 years. He is the Founder and one of the Promoter of the Company and is acting as a Chairman and Managing Director of the Company since 1<sup>st</sup> April, 2010. The Board of Directors of the Company also recommended to pass this resolutions as a special resolution for continuing even after attaining the age of 70 years. He has been actively involved in the business of the Company since its inception. He has been instrumental in playing a key role in the Company's growth with his inputs in Strategic Planning and Business Development.

Mr. Pravin S. Herlekar have been re-appointed from time to time. His term as such expired on March 31 June, 2020. Based on the recommendation of the Nomination and Remuneration Committee duly approved by the resolution passed at its meeting, the Board of Directors of the Company at its meeting held on June 30, 2020 have re-appointed Mr. Pravin S. Herlekar as the Chairman and managing Director of the Company with effect from June 30, 2020, for a upon the terms and conditions set out in the draft agreement to be entered into by the Company with him. The said draft agreement, inter alia contains the following material, terms and conditions:

The term and conditions of his re-appointment are as follows:

- 1) Salary per annum Rs. 60,00,000
- 2) Commission: payable at such intervals as may be decided by the Board of Directors
- 3) Medical reimbursement: Reimbursement of actual expenses for self and family and/or allowance will be paid as decided by the Board of Directors from time to time.
- 4) Leave Travel Allowance: For self and family once in year, as decided by the Board from time to time
- 5) Other Benefits as per the rule of the Company:
  - A. Personal Accident Insurance
  - B. Earned/Privileged Leave





- C. Gratuity
  - D. Leave Encashment
  - E. Company car and telephone (including mobile)
- 6) Period of Appointment: Five years beginning from June 30, 2020 ending on June 29, 2025;
  - 7) The appointment may be terminated by either party by giving three months' notice in writing of such termination or as may be mutually agreed between the parties;
  - 8) Mr. Pravin S. Herlekar shall perform such duties as shall from time to time be entrusted to him by the Board of Directors, subject to superintendence, guidance and control of the Board of Directors;
  - 9) Overall Remuneration:

The aggregated of salary, bonus, other allowance/perquisite and commission in any financial year shall not exceed 5% of the net profits of the Company and if there are more than one such director, 10% for all of them together or such limit prescribed from time to time under provisions of Section 196, 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as may for the time being in force.

- 10) Minimum Remuneration:

Notwithstanding anything herein above stated, where in any financial year closing, during the tenure of Mr. Pravin S. Herlekar (DIN: 00525610) as Chairman & Managing Director of the Company, the Company incurs any loss or its profits are inadequate in any financial year, the Company shall pay to Mr. Pravin S. Herlekar the above remuneration by way of Basic Salary, perquisites and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

The Resolution seeks the approval of the Members in terms of Section 196, 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder for the re-appointment of Mr. Pravin S. Herlekar as Chairman and Managing Director for the further period of five years commencing from June 30, 2020 till June 29, 2025 and the remuneration payable to him during such tenure.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution is annexed hereto as Annexure II.

Mr. Pravin S. Herlekar may be deemed to be concerned or interested, financially or otherwise, to the extent of his shareholding in respect of his appointment as a chairman and Managing Director.

Mr. Rishikesh P. Herlekar, CEO of the Company, being the relative of Mr. Pravin S, Herlekar, are concerned or interested in this resolution, Except Mr. Rishikesh Herlekar, none of the Directors, Key Managerial Personnel of the Company or their relatives is in anyway concerned or interested, financially or otherwise, in the said resolution.

The Board recommends the resolution set forth in item No. 3 for the approval of the members.

#### **Item No. 4**

The Board in its meeting held on February 14, 2020 on the recommendation of the Nomination and Remuneration Committee had appointed Mr. Subhash Ambatkar as an additional Director and also an Executive Director, designated as Executive Director of the Company effective from February 14, 2020, and in terms of Section 161(1) of Companies Act, 2013.

Mr. Subhash Ambatkar has diploma in Mechanical Engineering and Production Management from Mumbai. He has experience of 40 years in the field of Civil & Mechanical Projects, Maintenance, Production, QC & Development activities.

The Company has received a Notice from a member in writing under Section 160 of the Act, proposing his candidature for the office of a Director.

The Nomination and Remuneration Committee and the Board has considered and approved the appointment of Mr. Subhash Ambatkar and recommends his appointment as Executive Director of the Company for a term of 3(three) years effective from February 14, 2020.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution is annexed hereto as Annexure II.

Mr. Subhash Ambatkar shall be entitled for a remuneration of Rs. 12, 08,316 per annum as salary. The office of Mr. Subhash Ambatkar shall be liable to retire by rotation.

Your Directors recommend the said Resolution for your approval as an Ordinary Resolution.

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

**Item No. 5:**

Adv. Sanjivani Satish Patare is an Independent Director (DIN: 07239170) of the Company. She is Commerce & Law graduate from University of Pune. She is Practicing Advocate and Legal advisor for last 20 years. She has been associated/ working as Advocate for certain Commercial Banks, Other Co-Op Banks and Financial Institutions.

The Company has received from Adv. Sanjivani Satish Patare, declaration to the effect that she meet the criteria of Independence as Provided in Section 149 (6) of the said Act. Further, in terms of Sections 149 and 152 read with schedule IV of the Companies Act, 2013, the Board of Directors have reviewed the declaration made by her in respect of meeting the criteria of independence as provided in Section 149 (6) of the said Act and the Board is of Independent of the Management. Pursuant to Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure) Regulations, 2015 and any SEBI Order, she have not been debarred from holding office of Director.

The Board has taken into consideration the result of the performance evaluation of the Directors before recommending their re-appointment to the Members of the Company for approval at the forthcoming Annual General Meeting. The Board considers that continued association of Avd. Sanjivani Satish Patare would be of desirable to continue to avail services of Adv. Sanjivani Satish Patare.

Copy of the draft letter for appointment and Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members.

None of the other Directors and Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the said resolutions.

**Item No. 6:**

The Board of Directors, passed resolution of circulation on September, appointed Ms. Archana Dakhale (DIN :06637416) as an Additional Director in the capacity of Independent Director of the Company, pursuant to Section 161 of the Companies Act, 2013, read with Article 130 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Archana Dakhale will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member, proposing the candidature of Ms. Archana Dakhale for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board has considered and approved the appointment of Ms. Archana Dakhale and recommends his appointment as Additional Director of the Company for a term of 5(Five) years effective from September 28, 2020.

The Company has received from Ms. Archana Dakhale (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in Sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Ms. Archana Dakhale as an Independent Director of the Company for a period up to September 28, 2025, pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. She will not be liable to retire by rotation.





In the opinion of the Board, Ms. Archana Dakhale, the Independent Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and she is Independent of the Management. A copy of the draft letter for the appointment of Ms. Archana Dakhale as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of the AGM.

No Director, Key Managerial Personnel or their relatives, except Ms. Archana Dakhale, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the members.

**Item No. 7:**

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 GST 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. 6 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 is, in anyway concerned or interested, financially or otherwise, in the said resolution.

## ANNEXURE I

## 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. PRAVIN HERLEKAR	Mr. SUBHASH AMBATKAR	ADV. SANJIVANI PATARE	Ms. ARCHANA DAKHALE
DIN	00525610	08721741	07239170	06637416
Date of Birth	02-10-1949	08-03-1962	28-02-1962	02-04-1986
Date of appointment on Board	February 24, 2015	February 14, 2019	July 17, 2015	September 28, 2020
Nationality	India	Indian	Indian	Indian
Qualifications	He is a Bachelor of Technology in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and is a Post Graduate in Management Studies from Mumbai University.	Diploma in Mechanical Engineering and Production Management from Mumbai.	She is Commerce & Law graduate from University of Pune.	She is Graduate in B.com and having six years' experience in Management and Administration
Expertise in specific functional areas	He has an overall experience of over 4 decades in the field of product Development, Marketing and Administration.	Experience in the field of Civil & Mechanical Projects, Maintenance, Production, QC & Development activities.	She has been associated/ working as Advocate for certain Commercial Banks, Other Co-Op Banks and Financial Institutions.	
List of Directorships held in Other Companies*	N.A	N.A	N.A	4
Memberships/ Chairmanships in Committees across Public Companies*	Member of Audit and Stakeholders Relationship Committee in Omkar Speciality Chemicals Limited.	Member of Stakeholders Relationship committee, Omkar Speciality Chemicals limited.	Member of Audit and Stakeholders Relationship Committee in Omkar Speciality Chemical Limited	Member of Audit and Stakeholder relationship Committee in Omkar Speciality Chemical Limited
Number of shares held (As on March 31, 2020)	4785821	Nil	Nil	
Relationships between the Directors inter-se	None	None	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.



## ANNEXURE II

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:**
**I. General Information:**

1. Nature of Industry: Manufacturers of Chemicals
2. Date or expected date of commencement of commercial production: February 24, 2005
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial performance based on given indicators:

(Amount in Lakh)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Income from Operations and other Income	5732.52	4511.29
Operating Profit (before interest, depreciation and tax)	(2282.63)	(4256.56)
Profit/(Loss) before Tax*	(1131.36)	(2145.10)
Profit/(Loss) after Tax	(1463.62)	(1687.46)

\* excludes exceptional items.

(Figures have been regrouped/recast wherever necessary)

5. Foreign investments or collaborators, if any: Omkar Speciality Chemicals Limited (OSCL) has no foreign collaborators and hence there is no equity participation by foreign collaborators in the Company.

**II. Information about**

1. Background details:

**Mr. Pravin Shivdas Herlekar** is the Chairman and Managing Director (DIN: 00525610) since February 24, 2005 and one of the Promoters of the Company. He has been responsible for the strategic decision of restructuring the Company. He is a Bachelor of Technology in Chemical Engineering from Indian Institute of Technology (IIT), Bombay and is a Post Graduate in Management Studies from Mumbai University. He has an overall experience of over 4 decades in the field of Product Development, Marketing and Administration. He is the Founder of the Company and has been actively involved in the business of the Company since its inception. He has been instrumental in playing a key role in the Company's growth with his inputs in Strategic Planning and Business Development. Over the years, he has played a vital role in expanding the operations and directing the Company's growth in a defined manner.

**Mr. Subhash Ambatkar** is an Executive Director (DIN: 08721741) of the Company. He has Diploma in Mechanical Engineering and Production Management from Mumbai.

2. Past remuneration:

(Amount in Lakhs)

Financial Year	Mr. Pravin Herlekar	Mr. Subhash Ambatkar
2017 - 18	60.00	12.62
2018 - 19	60.00	12.01
2019 - 20	60.00	12.08

Notes: The above remuneration is excluding of Provident Fund and Superannuation. Past remuneration paid in compliance with the Companies Act, 2013.

3. Recognition or Awards:

**Mr. Pravin S. Herlekar**, Promoter and Chairman & Managing Director of OSCL has been honored for his dedicated services to the Chemical Industry and developing various molecules through research and development activity in this field, by Free Press Journal group, at the hands of Mr. Devendra Fadnavis, Chief Minister of State of Maharashtra, in the presence of Hon'ble Shri Ram Naik, Governor of State of Uttar Pradesh, on April 30, 2015.

**Mr. Subhash Ambatkar**, has experience of 40 years in the different companies in the field of engineering. OSCL has also time to time rewarded him for his excellence service to the company.

4. Job Profile and his suitability:

**Mr. Pravin Herlekar** as Chairman and Managing Director has been looking after the overall affairs and operations of the Company guiding the supervision and control of the Board of Directors. He is involved in policy planning, vision and strategy and long term development activities of the Company. He has been instrumental in taking the Company from strength to strength to its present position. The Company has made enormous progress under the stewardship of Mr. Pravin and his vision is to take the OSCL from being amongst the most respected Indian Company.

**Mr. Subhash Ambatkar** looking after mechanical projects, maintenance, production, QC & development activities.

5. Remuneration proposed:

As stated in the Explanatory Statement at Item No. 3 & 4 of this Notice.

6. Comparative remuneration policy with respect to industry, size of the company, profile of the position and person:

The remuneration as proposed of Mr. Pravin Herlekar & Mr. Subhash Ambatkar are comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses.

7. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:

**Mr. Pravin Herlekar:** Besides the remuneration proposed, he does not have any pecuniary relationship with the Company. Mr. Pravin is the Father of Mr. Rishikesh Herlekar, CEO of the Company. Mr. Pravin belongs to the Promoter Group. Mr. Pravin, Chairman and Managing Director holds 4,785,821 equity shares in the share capital of the Company.

**Mr. Subhash Ambatkar:** Besides the remuneration proposed, he does not have any pecuniary relationship with the Company. He is Executive Director of the Company. He has nil holding of equity shares in the share capital of the Company.

### III. Other information:

1. Reasons of loss or inadequacy of profits:

In order to manage the business with existing Working Capital cycle, the Company had to go slow on the business even though there were plenty of opportunities to scale up the operations were available. As a consequence of the same, some of the inventories (Approx Value of 50.00 Crores) held by the Company deteriorated in quality which further worsened the situation. Ultimately, the management decided to liquidate all the inferior quality inventories at the best possible market price / realizable value and has also initiated the process to recover the losses from the concerned suppliers and parties involved in the trade.

Apart from this trade receivable to the extent of Rs. 23 crores is become doubt full debtors and we have made provision as per our regular accounting practice. This decision was taken in order to minimize the damage.

As a part of business strategy, company has been spending sizeable amounts on the Research and Development Activities on regular basis. This has benefitted the company in securing several process patents as well as developing many new products ready to launch in future. Various R&D costs incurred in the form of both Capital as well as product developments cost directly associated with patents granted and products developed were capitalized and the cost associated with the development of new products and patents yet to be commercialized was carried forwards as capital work in progress, as a matter of practice. This R&D expenditure was incurred from existing working capital, internal accruals and funds infused by the promoter in the business. We have incurred intangible capital expenditure to the extent of Rs. 140 crores.



The Company has recently passed through the process of merger-demerger between parent companies. However, with this demerger, OSCL's plans to raise funds through equity to address its Working Capital and debt related issues got hampered. This has resulted into delays in launch of new products (including the patented products) which has adversely affected the operations.

In order to address the financial issue, the promoters have infused substantial funds into the Company at the cost of liquidating part of their holding in the recent past. Needless to say that, the promoters are fully committed to grow the business of the Company and take it to a different height

Currently company is making all purchases and operational expenses on cash basis and working on hand to mouth

2. Steps taken or proposed to be taken for improvement:

The Company has embarked on a series of strategic and operational measures that is expected to result in the improvement in the present position. The inherent strengths of the Company, especially its reputation as a premium producer. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.

3. Expected increase in productivity and profits in measurable terms:

The Company has taken various initiatives to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

#### IV. Disclosures:

1. **Remuneration package of the managerial person:** Fully described in the explanatory statement as stated above.
2. **Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2019-2020:** The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of FY 2019-20 of the Company.

#### Registered Office:

Mahalasa Narayani, Ganesh Chowk,  
Manjarli, Badlapur (E),  
Thane- 421503, Maharashtra.  
Tel.: +91 (0251) 2697340, 2690651,  
Email: [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com);  
Web: [www.omkarchemicals.com](http://www.omkarchemicals.com);  
CIN: L24110MH2005PLC151589

**Date:** September 29, 2020

**Place:** Badlapur

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

Sd/-  
**Sunny Pagare**  
Company Secretary & Compliance Officer

## BOARD'S REPORT

### TO THE MEMBERS OF

### OMKAR SPECIALITY CHEMICALS LIMITED

Your Directors are pleased to present their Fifteenth Annual Report on business and operations of your Company together with Audited Financial Statements for the Financial Year ended on March 31, 2020.

#### ➤ FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)		
Particulars	2019-20	2018-19
Total Revenue	5732.53	4,511.29
Total Expenditure	6864.31	6,656.39
Profit Before Tax & Exceptional Items	(1131.78)	(2,145.10)
Profit Before Tax	(1131.78)	(1,152.09)
Tax Expenses	332.27	535.37
Profit After Tax	(1464.05)	(1,687.46)
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. 5732.53 Lakhs as compared to Rs. 4511.29 Lakhs in the previous year.

##### o Profit / Loss Before Tax

Your Company's Profit before Tax for the current year was Rs. (1131.78) Lakhs as against Rs. (1152.09) Lakhs in the previous year.

##### o Profit / Loss After Tax

Your Company's Profit after Tax for the current year was Rs. (1464.05) Lakhs as against Rs. (1687.46) Lakhs in the previous year.

A detailed discussion of operations for the year ended March 31, 2020 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

#### ➤ SHARE CAPITAL:

The movement of Equity Capital is as under:

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2019	2,05,78,004
Increase/ Decrease during the year	NIL
Equity Capital as on March 31, 2020	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.



➤ **DIVIDEND:**

In view of losses incurred by your Company, no dividend has been proposed to be declared in the Financial Year 2019-20.

➤ **FINANCIAL LIQUIDITY:**

As at March 31 2020, your Company had liquid assets of Rs. 1394.37 lakhs as against Rs. 18.75 lakhs at the previous year end on consolidated basis. Your company maintains sufficient cash reserves to meet its operations and strategic objectives.

➤ **IMPACT OF GLOBAL HEALTH PANDEMIC COVID – 19**

The COVID-19 pandemic is a worldwide crisis and has meant that the economies will have to operate alongside the disease, now as the attention has started shifting from lockdown to safe reopening.

The Company strictly followed the guidelines issued by the local, state and central governments and beyond to protect the health and well-being of its workforce and ensured minimum disruption to its customers.

The World Health Organization declared a global pandemic of the Novel Coronavirus disease (COVID – 19) on February 11, 2020. The Ministry of Home Affairs, Government of India on March 24, 2020 notified the first ever nationwide lockdown in India to contain the outbreak of Covid-19. Towards the end of the quarter ended March 2020, the operations were disrupted at certain manufacturing facilities of the Company. Our teams reacted with speed and efficiency, and quickly leveraged to shift the non-production workforce to an entirely new “work-from-home” model.

The Company has taken various initiatives towards financial, medical and community support in the fight against Covid-19 pandemic in association with Badlapur Industries Welfare Association (BIWA). The Company’s team has also extended its helping hand to the tribal localities around Badlapur.

As we are trying to restore the operations, it is going to be a challenge to bring the same to normalcy. There will be hurdles in streamlining the supply chain management, production activities, logistics, etc. however, the Company has taken necessary measures to streamline the activities at the earliest and these measures are yielding results to our satisfaction.

➤ **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 commitments affecting the financial position of the Company between and the End of Financial Year to which this financial statement relates on the date of this Report. There has been no change in the nature of business of the Company.

➤ **INTERNAL FINANCIAL CONTROLS:**

Internal Financial Controls are an integral part of the Group Risk Management framework and processes that address financial and financial reporting risks. The key internal financial controls have been documented, automated wherever possible and embedded in the respective business processes. 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.



## ➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on March 31, 2020, the Board comprised of 4 (Four) Directors out of which 2 (Two) were Non-Executive Independent Directors.

### **Appointment:**

Mr. Subhash Ambatkar (DIN: 08721741) confirmed his eligibility and willingness to accept the office of Executive Director considering his integrity, expertise and experience effective February 14, 2020 for the period of three years subject to the approval of shareholders at the ensuing AGM. The notice convening the meeting sets out the details of his appointment.

### **Re-appointment:**

Mr. Pravin Herlekar (DIN: 00525610) Chairman & Managing Director, on completion of his tenure, effective March 31, 2020, being eligible and have offered himself for re-appointment. Mr. Pravin Herlekar confirmed his willingness to accept the office of the Chairman and Managing Director of your Company, if confirmed by the members at the ensuing Annual General Meeting. Item seeking your approval on the above re-appointment are included in the Notice Convening Annual General Meeting.

In accordance with the Provision of Section 149 and 152 of the Companies Act, 2013 and as per the provisions Articles of Association and pursuant to the provision of SEBI (Listing obligation and Disclosure Requirement) Regulation, 2015 and in accordance with the Nomination made by Nomination and Remuneration Committee, Adv. Sanjivani Patare (DIN: 07239170), on completion of her first 5 (five) year tenure an Independent director, effective in May 7, 2020 being eligible to re-appointment to the Board as an Independent director for a period of next consecutive 5 (five) years subject to the approval of shareholders at the ensuing AGM. The notice convening the meeting sets out the details of his re-appointment.

In the opinion of your directors, Mr. Subhash Ambatkar and Adv. Sanjivani Patare have requisite qualification and experience and therefore, your Director recommended that the proposed resolution relating to their re-appointment be passed.

### **Resignation:**

- Mr. Prakash Rao, Executive Director of the Company resigned with effect from February 14, 2020.
- Mr. Laxmikant Kabra, Non - Executive and Non – Independent Director of the Company resigned from February 14, 2020.
- Mr. Sitendu Sharma, Non - Executive and Non – Independent Director of the Company resigned from November 19, 2019.
- Dr. Vikas Telvekar, Non - Executive and Non – Independent Director of the Company resigned from August 14, 2019.
- Ms. Bhavana Shewakramani, Non - Executive and Non – Independent Director the Company resigned from August 14, 2019.

The Board places on record its appreciation for contribution and guidance provided by all dignified directors during their respective tenure as an Executive Director and Non-Executive and Non- Independent Directors of the Company.

## ➤ **CHANGES IN KEY MANAGERIAL PERSONNEL:**

The following persons were designated as Key Managerial Personnel pursuant to the provisions of Section 203 of the Act:

Mr. Rishikesh Herlekar, Chief Executive officer of the Company with the effect from November 13, 2019.

Mr. Vaman Acharya, Chief Financial Officer of the Company with the effect from November 13, 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.



➤ **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 Companies ,2013 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, 2020, 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

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](http://www.omkarchemicals.com):

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

➤ **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 behavior, 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 programs 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 Web Link: <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.

➤ **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, 2020.

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 (POSH) 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.

➤ **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, 2020 the Company had 59 permanent employees at its manufacturing plants and its administrative office. Two (2) employees were employed throughout the year. There was no employee who was employed for the part of financial year 2019-20 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 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 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, 2020.

➤ **REGULATORY APPROVALS:**

The relevant regulations and policies as prescribed by the Government of India and other regulatory bodies have been duly complied 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:**

In accordance with the provisions of Section 139 of the Companies, Act, 2013 and the Rules made there under, M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, having FRN.: 102358W, was appointed as the Statutory Auditors of the Company at the 12th Annual General Meeting held on September 27, 2017 for a term of five years till the conclusion of 17th Annual General Meeting. However, M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai has tender their resignation as the Statutory Auditors of the Company, expressing their inability due to proposed audit fees is not commensurate with the time and effort involved in carrying out the audit, resulting in a casual vacancy in the office of the Auditors of the Company w.e.f. August 21, 2020 as per section 139(8) of the Companies, Act, 2013.

In accordance with aforesaid provisions of the Act, the Board has recommended to the members for the appointment of M/s. PSV Jain & Associates, Chartered Accountants, Thane, having FRN.: 131505W, as the Statutory Auditors of the Company:

- a) To fill the casual vacancy caused by the resignation of M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai and to hold the office of the Statutory Auditors upto the conclusion of this Annual General Meeting; and
- b) For a period of five years from the conclusion of the 15th Annual General Meeting till the conclusion of 20th Annual General Meeting of the Company.

M/s. PSV Jain & Associates, Chartered Accountants, Thane, has confirmed their eligibility to act as the Statutory Auditors of the Company.

M/s. Desai Saksena & Associates, Chartered Accountants, Mumbai, have completed the Statutory Audit for period 2019-20.

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). PSV Jain & Associates have confirmed that they hold a valid certificate issued by 'Peer Review Board' of ICAI.



The Report given by M/s. Desai Saksena & Associates, Statutory Auditors on the financial statement of the Company for the Financial Year ended on March 31, 2020 is part of the Annual Report.

During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

M/s. Desai Saksena & Associates over many years have successfully met the challenge that the size and scale of the Company's operations pose for auditors and have maintained the highest level of governance, ethical standards, rigor and quality in their audit. The Board place on record its appreciation for the services rendered by M/s. Desai Saksena & Associates as the Statutory Auditors of the Company.

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 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.

2. 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 & 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 & 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 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 & 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.
3. 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.
4. Please refer explanation given in points No. 2 & 3.
5. 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 principle / interest. In view of the same we have reported this recovered amount as finance cost during the year 2019-20.
6. 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.



- **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 Reg. No.: 100675) as the Cost Auditor to audit the cost records of the Company for Financial Year 2019-20.

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., LLP, Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020. The Secretarial Audit Report for the Financial Year ended March 31, 2020 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 to 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 those 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**

Sd/-

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

Date: August 21, 2020

Place: Badlapur

## ANNEXURE A

## REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

As on the Financial Year ended on March 31, 2020

[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 2019-20	Current Year 2018-19
<b>1. Electricity</b>		
a) Purchased		
Unit (kwh)	652562	8236450
Total Amount (Rs)	8236450	8613052
Rate / Unit (per kwh)	12.62	11.71
b) Own Generation		
(i) <i>Through diesel generator</i>		
Quantity (ltrs)	9136.62	9769.82
Units Generated		
Total Amount (Rs)	619486.82	692652.50
Units per ltr. of diesel oil		
Cost / Unit	67.80	70.90
(ii) <i>Through steam turbine/generator</i>		
Units	-	-
Total Amount (Rs)	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/unit	-	-
<b>2. Coal</b>		
Quantity (tonnes)	481	319
Total cost	2065842.61	1722811.12
Average rate	4.29	5.41
<b>3. Light Diesel Oil</b>		
Quantity (ltrs.)	49877	46227
Total Amount (Rs)	2310917.25	2163485.56
Average Rate	46.33	46.80
<b>4. Furnace Oil</b>		
Quantity (ltrs.)	88425	104390
Total Amount (Rs)	3400712.50	3994361.72
Average Rate	38.45	38.26
<b>5. Others/internal generation (please give details)</b>		
Quantity	-	-
Total cost	-	-
Rate/unit	-	-

#### STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

- a) Installation of Natural draft cooling towers in two units. This does not require fan which has resulted in saving of electrical energy
- b) PVC fills of FRP cooling towers are cleaned periodically & replaced damaged ones, as and when required, to maintain the efficient working of cooling towers.



- c) Use of energy efficient screw compressor helped in reducing the cost of compressed air.
- d) Regular arresting and monitoring of steam, water, brine, fuel and compressed air leakages.
- e) Regular checking and maintenance of hot and cold insulation to avoid loss of heat energy.
- f) Use of LED lamps on reaction vessels and emergency lighting has helped in reducing the electrical load.
- g) Water harvesting in units has helped in water conservation.
- h) Installation of Turbo ventilators, wherever required, helped in reducing the electrical consumption for ventilation.
- i) 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.
- j) Regular preventive maintenance of DG sets to maintain efficient working.
- k) Regular cleaning of cooling tower ponds.
- l) Periodic cleaning of condensers, chillers, steam heating coils, by external chemicals, to maintain efficient heat transfer.
- m) Use of soot cleaning agent to maintain clean boiler and thermic fluid heater coils.
- n) Annual servicing of power transformer to maintain efficient working.
- o) Periodic cleaning and replacement of filters of AHUs, as and when required.
- p) Installation of energy efficient spin flash drier.
- q) Use of air curtains in GMP area to avoid loss of air conditioning.
- r) Recycling of Steam condensate from equipment's has helped in cutting down the loss of water and heat energy.
- s) Use of VFDs, wherever possible, to optimize power consumption of equipment's.
- t) 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:**

<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Capital Expenditure	0.0	0.83
Recurring Expenditure	3.61	25.47
<b>Total</b>	<b>3.61</b>	<b>25.47</b>

**FOREIGN EXCHANGE EARNINGS AND OUTGO:**

<b>(Rs. in Lakhs)</b>		
<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Foreign Exchange Earned	142.38	965.01
Foreign Exchange Used	0.00	392.48
<b>Total</b>	<b>142.38</b>	<b>1357.49</b>



## ANNEXURE B

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the Financial Year ended on March 31, 2020

[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: <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> 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:

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

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

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

## (i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2019				No. of Shares held at the end of the year :31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	

(A) Shareholding of Promoter and Promoter Group

Indian									
INDIVIDUAL / HUF	5302827	0	5302827	25.77	5302827	0	5302827	25.77	0.00
Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
BODIES CORPORATE	380000	0	380000	1.85	380000	0	380000	1.85	0.00
FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
ANY OTHERS (Specify)									

Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2019				No. of Shares held at the end of the year :31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
GROUP COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
TRUSTS	0	0	0	0.00	0	0	0	0.00	0.00
DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>5682827</b>	<b>0</b>	<b>5682827</b>	<b>27.62</b>	<b>5682827</b>	<b>0</b>	<b>5682827</b>	<b>27.62</b>	<b>0.00</b>

## (A) Shareholding of Promoter and Promoter Group

## Foreign

BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total Public Shareholding</b>	<b>5682827</b>	<b>0</b>	<b>5682827</b>	<b>27.62</b>	<b>5682827</b>	<b>0</b>	<b>5682827</b>	<b>27.62</b>	<b>0.00</b>

## (B) Public shareholding

## Institutions

Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
FINANCIAL INSTITUTIONS / BANKS	1629	0	1629	0.01	1703	0	1703	0.01	0.00
MUTUAL FUNDS / UTI	0	0	0	0.00	0	0	0	0.00	0.00
VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
FIP'S	0	0	0	0.00	0	0	0	0.00	0.00
FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
FOREIGN PORTFOLIO INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
ALTERNATE INVESTMENT FUND	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL :</b>	<b>1629</b>	<b>0</b>	<b>1629</b>	<b>0.01</b>	<b>1703</b>	<b>0</b>	<b>1703</b>	<b>0.01</b>	<b>(0.00)</b>

## (B) Public shareholding

## Non-institutions

BODIES CORPORATE	2503355	0	2503355	12.17	1216528	0	1216528	5.91	6.25
INDIVIDUAL									0
(CAPITAL UPTO Rs. 2 Lakh)	9126254	10	9126254	44.35	8282126	10	8282126	40.25	4.10
(CAPITAL GREATER THAN Rs. 2 Lakh)	2538536	0	3523155	17.12	3656602	0	3656602	17.77	(0.65)
TRUSTS	11	0	11	0.00	11	0	11	0.00	0.00
ANY OTHERS (Specify)									0
HINDU UNDIVIDED FAMILY	0	0	0	0.00	695588	0	695588	3.38	(3.38)
CLEARING MEMBER	191109	0	191109	0.93	305339	0	305339	1.48	(0.56)
NON RESIDENT INDIANS (NRI)	0	0	0	0.00	0	0	0	0.00	0.00
NON RESIDENT INDIANS (REPAT)	415163	0	415163	2.02	632418	0	632418	3.07	(1.06)



Category of Shareholder	No. of Shares held at the beginning of the year: 31/03/2019				No. of Shares held at the end of the year :31/03/2020				% Change
	Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
NON RESIDENT INDIANS (NON REPAT)	112358	0	112358	0.55	100300	0	100300	0.49	0.06
DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
EMPLOYEE	0	0	0	0.00	0	0	0	0.00	0.00
OVERSEAS BODIES CORPORATES	0	0	0	0.00	0	0	0	0.00	0.00
UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
IEPF	262	0	262	0.00	262	0	262	0.00	0.00
QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
NBFCs registered with RBI	6500	0	6500	0.03	4300	0	4300	0.02	0.01
<b>SUB TOTAL :</b>	<b>14893548</b>	<b>10</b>	<b>15878167</b>	<b>77.16</b>	<b>14893474</b>	<b>10</b>	<b>14893474</b>	<b>83.31</b>	<b>(6.15)</b>
<b>Total Public Shareholding</b>	<b>14895177</b>	<b>10</b>	<b>15879796</b>	<b>77.17</b>	<b>14895177</b>	<b>10</b>	<b>14895177</b>	<b>83.32</b>	<b>(6.15)</b>

(C) Shares held by Custodians and against which Depository Receipts have been issued

SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
Public	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL :	0	0	0	0.00	0	0	0	0.00	0.00
Total Public Shareholding	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL</b>	<b>20578004</b>	<b>10</b>	<b>20578004</b>	<b>100.00</b>	<b>20577994</b>	<b>10</b>	<b>20578004</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% 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	4785821	23.26	44.21	4785821	23.26	44.21	0.00
2	Rishikesh Pravin Herlekar	517006	2.51	0.00	517006	2.51	0.00	0.00
3	Svaks Biotech India Private Limited	380000	1.85	0.00	380000	1.85	0.00	0.00

(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 (01.04.2020)		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	4789821	23.27		No Change			4789821	23.27
2	Rishikesh Pravin Herlekar	517006	2.51		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 (01.04.2019)		Increase/ Decrease in Shareholding@	Cumulative Shareholding during the year (31.03.2020)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1.	Celestial Tradechem Private Limited	600000	2.92	100000	700000	3.40
2.	Angel Fincap Private Limited <sup>#</sup>	405147	1.97	(405147)	0	0
3.	Santosh Vishwanath Suryavanshi	226522	1.10	85038	141484	0.69
4.	Globe Capital Market Limited	242017	1.18	167567	74450	0.36
5.	Mahendra Bhanji Pasad	54345	0.26	119480	173825	0.84
6.	Sumpoorna Portfolio Limited <sup>#</sup>	166315	0.81	(166315)	0	0
7.	Nilesh Jalindar Kadam	157653	0.77	157062	591	0
8.	Payal Samit Jhaveri	147648	0.72	8142	155790	0.76
9.	Abhijit Ashok Patharkar	41900	0.20	70074	111974	0.54
10.	Shekar Sivasubramanian	103440	0.50	28908	104440	0.51
11.	Deenar Krishnarao Toraskar	103595	0.50	0	103595	0.50
12.	Kezhuvanathanathu John Rajan*	0	0	101110	101110	0.49
13.	Jitendra B Salecha*	0	0	97800	97800	0.48
14.	Jayshree Mahendra Pasad	0	0	87000	87000	0.42
15.	Tradebulls Securities (P) Limited	132936	0.65	(132936)	0	0

**NOTES:**

# ceased to be in the list of Top 10 shareholders as on March 31, 2020. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2019.

\* Not in the list of Top 10 shareholders as on April 1, 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2020.

## (v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Directors & KMP's Name	Shareholding at the beginning of the year (01.04.2020)		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
<b>Directors</b>							
	Pravin Herlekar	4789821	23.27	No Change		4789821	23.27
	Sanjivani Patare	0	0	No Change		0	0
	Bhavana Shewakramani <sup>*</sup>	0	0	No Change		0	0
	Vikas Telvekar <sup>&amp;</sup>	0	0	No Change		0	0
	Sitendu Sharma <sup>*</sup>	0	0	No Change		0	0
	Laxmikant Kabra <sup>§</sup>	0	0	No Change		0	0
	Prakash Rao <sup>§</sup>	0	0	No Change		0	0
	Subhash Ambatkar <sup>%</sup>	0	0	No Change		0	0
	Neha Agrawal <sup>#</sup>	0	0	No Change		0	0
<b>KMP's</b>							
	Rishikesh Herlekar <sup>^</sup>	517006	2.51	No Change		517006	2.51
	Sunny D. Pagare	0	0	No Change		0	0
	Vaman Acharya	0	0	No Change		0	0

**NOTES:**

& ceased to be a directors w.e.f August 14, 2019

<sup>^</sup> ceased to be a director w.e.f November 13, 2019

<sup>\*</sup> ceased to be a director w.e.f November 19, 2019

<sup>§</sup> ceased to be a directors w.e.f February 14, 2020

<sup>%</sup> appointed as a director w.e.f February 14, 2020

<sup>#</sup> appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.



## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding /accrued but not due for payment as on 31.03.2020

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,66,50,00,000.00	59,46,01,901.19		2,25,96,01,901.19
ii) Interest due but not paid	3,16,01,926.48	38,28,826.62		3,54,30,753.10
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	<b>1,69,66,01,926.48</b>	<b>59,84,30,727.81</b>	<b>-</b>	<b>2,29,50,32,654.29</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	7,37,14,323.77	28,30,699.28		7,65,45,023.05
· Reduction	3,20,60,710.56	55,47,320.00		3,76,08,030.56
<b>Net change</b>	<b>4,16,53,613.21</b>	<b>(27,16,620.72)</b>		<b>3,89,36,992.49</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,65,50,00,000.00	59,14,82,186.91		2,24,64,82,186.91
ii) Interest due but not paid	8,32,55,539.69	42,31,920.18		8,74,87,459.87
iii) Interest accrued but not due	-	-		-
<b>Total (i+ii+iii)</b>	<b>1,73,82,55,539.69</b>	<b>59,57,14,107.09</b>	<b>-</b>	<b>2,33,39,69,646.78</b>

## 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.)				
		Pravin S. Herlekar	Prakash H. Rao	Subhash Ambatkar	Rishikesh Herlekar	Total Amount
1.	Gross salary	60,00,000	12,42,000	12,08,316	17,20,800	<b>89,65,800</b>
	(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	--	--	--	--	--
2.	Stock Option	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--
4.	Commission	--	--	--	--	--
	as % of profit	--	--	--	--	--
	others, specify	--	--	--	--	--
5.	Others, please specify	--	--	--	--	--
	<b>Total (A)</b>	<b>60,00,000</b>	<b>12,42,000</b>	<b>12,08,316</b>	<b>17,20,800</b>	<b>89,65,800</b>
	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.			

#### Notes:

^ ceased to be a director w.e.f November 13, 2019

\$ ceased to be a director w.e.f February 14, 2020

% appointed as a director w.e.f February 14, 2020

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

(In Rs.)

Particulars of Remuneration	Name of Directors					Total Amount
	Sanjivani Patare	Bhavana Shewakramani*	Vikas Telvekar*	Sitendu Sharma*	Neha Agrawal#	
Fees for attending Board and Committee Meetings	1,10,000	35,000	54,000	97,500	--	2,96,500
Commission	-	-	-	-	--	-
Others, please specify	-	-	-	-	--	-
<b>Total (1)</b>	1,10,000	35,000	54,000	97,500	--	2,96,500

**Notes:**

& ceased to be a directors w.e.f August 14, 2019.

\* ceased to be a director w.e.f November 19, 2019.

# appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

**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	1,10,000		1,10,000
Commission	--		--
Others, please specify (Professional Charges)	--		--
<b>Total (2)</b>	1,10,000		1,10,000
<b>Total (B) = (1+2)</b>			<b>4,06,500</b>
<b>Total Managerial Remuneration (A+B)</b>			<b>93,72,300</b>
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.		

**Notes:**

§ ceased to be a director w.e.f February 14, 2020

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Rishikesh Herlekar^	Sunny D. Pagare	Vaman Acharya#	Total
		Chief Executive Officer	Company Secretary	Chief Financial Officer	
1.	Gross salary	17,20,800	8,49,480	7,41,948	33,12,228
	(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		--		--
2.	Stock Option		--		--
3.	Sweat Equity		--		--
4.	Commission		--		--
	- as % of profit		--		--
	- others, specify		--		--
5.	Others, please specify		--		--
	<b>Total</b>	17,20,800	8,49,480	7,41,948	33,12,228

**Notes:**

^ Appointed as a Chief Executive Officer w.e.f November 13, 2019.

# Appointed as a Chief Financial Officer w.e.f February 14, 2020.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

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)
<b>A. COMPANY</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			NIL		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			NIL		
Compounding					

## ANNEXURE C

**REPORT ON THE CSR ACTIVITIES**

As on the Financial Year ended on March 31, 2020

[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](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, 2020:

Name of Members	Category
Mr. Pravin S. Herlekar – Chairman	Chairman & Managing Director
Adv. Sanjivani Patore – Member	Non-Executive and Non-Independent Director
Mr. Subhash Ambatkar – Member	Executive Director

3. **Average Net Profit of the Company for the last three financial years: (5,400.03)Lakhs**  
 4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): (108) 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 2020, 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 above CSR Report due to 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/-

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

**Date:** August 21, 2020

**Place:** Badlapur



## 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 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 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	Designation	Remuneration of Director/ KMP/ Sitting Fees for Financial Year 2019-20 (In Rs.)	% increase in Remuneration in the Financial Year 2019-20	Ratio of Remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. Pravin S. Herlekar	Chairman & Managing Director	60,00,000	0	23.07
2.	Adv. Sanjivani S. Patare	Non-Executive and Independent Director	1,10,000	-	0.42
3.	CS. Bhavana Shewakramani*	Non-Executive and Independent Director	35,000	-	0.13
4.	Dr. Vikas N. Telvekar <sup>κ</sup>	Non-Executive and Independent Director	54,000	-	0.21
5.	Mr. Rishikesh P. Herlekar <sup>^</sup>	Chief Executive Officer	17,20,800	-	6.62
6.	CA Sitendu K. Sharma*	Non-Executive and Independent Director	97,500	-	0.37
7.	CA Laxmikant R. Kabra <sup>§</sup>	Non-Executive and Non-Independent Director	1,10,000	-	0.42
8.	Mr. Prakash H. Rao <sup>§</sup>	Executive Director	12,42,000	0	4.78
9.	CS Sunny D. Pagare	Company Secretary	8,49,480	0	3.27
10.	Mr. Subhash Ambatkar <sup>°</sup>	Executive Director	12,08,316	0	4.65
11.	Mr. Vaman G. Acharya <sup>#</sup>	Chief Financial Officer	7,41,948	0	2.85

**Notes 1:**

& Ceased to be a directors w.e.f August 14, 2019.

<sup>^</sup> Appointed as a Chief Executive Officer w.e.f November 13, 2019.

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a directors w.e.f February 14, 2020.

° Appointed as a director w.e.f February 14, 2020.

# Appointed as a Chief Financial Officer w.e.f February 14, 2020.



**Notes 2:**

1. Remuneration includes commission paid to Executive Director and sitting fees paid to Non-Executive Directors.
2. The remuneration to Directors is within the overall limits approved by the shareholders.
2. **The numbers of permanent employees on the rolls of the Company:** 59 (As on March 31,2020)
3. **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.
4. **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**

Sd/-

**Date:** August 21, 2020

**Place:** Badlapur

**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, 2020 (01-04-2019 to 31-03-2020)**

To,

The Members,

OMKAR SPECIALITY CHEMICALS LIMITED

B-34, M.I.D.C., Badlapur (East), Thane- 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 verification through electronic mode 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 March 31, 2020 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, 2019 to March 31, 2020 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;
  - (e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 (Not Applicable during the financial year under review);
  - (g) 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)
  - (h) 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);
  - (i) 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);
  - (j) 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

- (k) 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 April 1, 2019 to March 31, 2020 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. The Company has not filed form SH-7 towards increase in authorized capital to Rs. 250,00,00,000/- (Rupees Two Hundred Fifty Crores Only).
2. Whereas in terms of the provisions of Regulation 18 (1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chairperson of the audit committee shall be present at Annual general meeting to answer shareholder queries. The Chairperson of Audit Committee was not present at the Annual General Meeting.
3. Whereas in terms of the provisions of Regulation 23(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year; disclosures of related party transactions on a consolidated basis, in the format specified in the relevant accounting standards for annual results to the stock exchanges and publish the same on its website. The related party transactions for the half year ended September 30, 2019 were submitted to the Stock Exchange(s) on January 17, 2020 whereas results were published on November 15, 2019 and thus there was delay in submission.
4. Whereas in terms of the Regulation 9 of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 read with BSE Circular issued No :DCS/COMP/ 14 /2013-14 , The Company needs to intimate trading window closure to the Stock Exchange before the start of the quarter. The Company has not given the intimation for closure of trading window for the quarter commencing on July 1, 2019 and given late disclosure for the quarter commencing on January 1, 2020.

### **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.

**We further report the following events during the Audit Period:**

1. The Company has increased its authorized capital to Rs.250 Crores and altered capital clause of the Memorandum of Association by passing resolution through Postal Ballot.
2. The Company has received patent certificate for "Method For Production of 2,3-DIHYDROXY-1, 2-BENZISOTHAZOL-3-ONE-1,1-DIOXIDE."
3. There was a fire accident at factory premises located at Unit No.2, F-24, MIDC, Badlapur (E)-421503.
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

PR: 791/2020

UDIN: F005445B000604329

Place: Mumbai

Date: August 21, 2020

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.  
COP No: 3659

Place: Mumbai  
Date: August 21, 2020



## 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 speciality 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 Works 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 is 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.

### **INORGANIC INDUSTRIAL CHEMICALS**

Industrial inorganic chemistry includes subdivisions of the chemical industry that manufacture inorganic products on a large scale, such as the heavy inorganics (chlor-alkalis, sulfuric acid, sulfates) and fertilizers (potassium, nitrogen, and phosphorus products), besides segment of fine chemicals that are used to produce high purity inorganics on a much smaller scale.

Among these are reagents and raw materials used in high-tech industries, pharmaceuticals or electronics, as well as in the preparation of inorganic specialties such as catalysts, pigments and propellants.

The global inorganic chemical market is forecasted to grow at a CAGR of 4.5 percent by 2022.

The inorganic Industrial chemical market is forecasted to grow at a higher rate in future due to its rapid growth and rising fertilizer industry in all over the world. Another major factor which drives this global market is due to its rising end users' applications like industrial products and paint & coatings, which are also helpful in boosting this sector.

On the basis of geography, Europe, Asia Pacific, North America, and ROW are the major regions for this global inorganic industrial chemical market. Asia is expected to be the fastest-growing market in inorganic chemical in the future. The major reason behind the success of this region is industrial market in developing countries like India and China. However, North American region holds the largest market share in inorganic chemical market due to rising end-user industry.

### **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.

### CONTRACT RESEARCH AND MANUFACTURING SERVICES

As you are aware, the Company also has an established R&D Center which is equipped with excellent facilities for conducting research on new molecules as suggested and recommended by our valued customers. This R&D Center is also equipped with appropriate testing facilities for standardizing the various products developed in terms of the quality requirements. The Company also has a facility to scale-up the processes developed in R&D which can further lead to commercial production of the products.

The aforesaid R&D facility is an asset for the Company and the Management is now enhancing its efforts to deploy this facility to create additional revenue streams by venturing into independent research activity whereby the Company can develop and transform the technologies into sellable products such as:

- 1) Fees of Services (FS)
- 2) Full-time Equivalent (FTE)
- 3) Custom Synthesis
- 4) Process research services such as:
  - (i) Selection of route of synthesis
  - (ii) Design and development process
  - (iii) Process improvement and optimization
  - (iv) Process scale-up
- 5) Sourcing
- 6) Consultation Services

This activity will result into additional revenues for the Company alongwith the profitability without much expenditure on Capex.

The Company is already having a talented team of personnel dedicated to this activity and the management is quite confident of creating appreciable value for the Company by monetizing the intellectual property.

### 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:

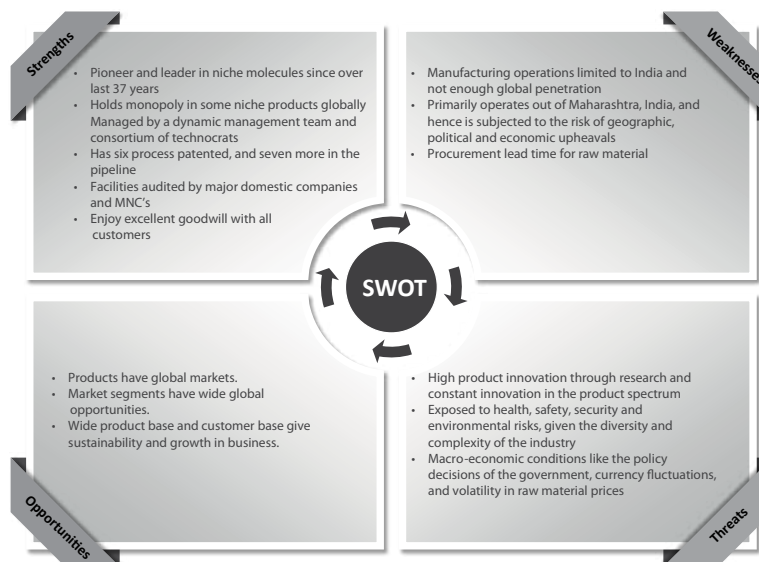
- Processing required for recovery of solvents for reuse;
- Reactor occupancy for recovery of by-products or side streams and purification thereof;
- Down time arising out of cleaning of equipments for changeover of products in line with the SOP.

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:



## **FIRE INCIDENCE AT OUR COMPANY'S UNIT NO.2**

The Company's Unit No.2 located at Plot No.F-24, MIDC, Badlapur (E), Dist:Thane, State: Maharashtra was in operation since 2009 and was engaged in manufacture of Iodine derivatives and other speciality chemicals. On 26th November 2019, we had an incidence of fire at this Unit. Immediately on outbreak of the fire, the fire-fighting process was activated and fire brigade was also summoned. However, since the plant was operational, the fire spread to larger portion of the factory. The fire was brought under control within around 3 hours. However, this has caused severe damage to the machinery as well as civil structure. The necessary compliances in this regard w.r.t. statutory requirements such as Police, Fire Brigade, Factory Inspectorate, etc. were complied with immediately. The Bank and Insurance Company were also parallelly informed about the incidence. The insurance Company had deputed its surveyor who visited the site and carried out the inspection. The necessary documents for the claim arising out of damage to the plant and machinery, building and inventory have been submitted to the surveyor. The claim is under process and is awaited.

## **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.

## **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.



## 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 OR COMPOSITION OF BOARD:

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, 2020 is Four Directors. The Board comprises of Executive and Non-Executive Directors. There are Two Non-Executive Independent Directors. 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.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") mandate the following:

- For a company with a non-executive chairman, who is a promoter, at least half of the board shall consist of independent directors.
- The board of directors of the top 1,000 listed companies effective April 1, 2020 shall have at least one independent woman director.

#### a. Board Tenure and Change in Board composition:

Sr. No.	Name	Description	Tenure / date of appointment / resignation	
			From	To
1	Mr. Pravin Herlekar	Chairman and Managing Director	01-04-2015	31-03-2020
2	Adv. Sanjivani Patare	Non-Executive Independent Director	17-07-2015	16-07-2020
3	Ms. Bhavana Shewakramani <sup>&amp;</sup>	Non-Executive Independent Director	26-07-2017	14-08-2019
4	Dr Vikas Talvekar <sup>&amp;</sup>	Non-Executive Independent Director	09-08-2014	14-08-2019



Sr. No.	Name	Description	Tenure / date of appointment / resignation	
			From	To
5	Mr. Rishikesh Herlekar <sup>^</sup>	Whole-time Director	17-07-2015	13-11-2019
6	CA. Sitendu Sharma <sup>*</sup>	Non-Executive Independent Director	08-05-2015	19-11-2019
7	CA. Laxmikant Kabra <sup>§</sup>	Non-Executive Non Independent Director	26-03-2015	14-02-2020
8	Mr. Prakash Rao <sup>§</sup>	Executive Director	17-07-2015	14-02-2020
9	Mr. Subhash Ambatkar <sup>%</sup>	Executive Director (Additional Director)	14-02-2020	-
10	Ms. Neha Agrawal <sup>#</sup>	Non-Executive Independent Director	20-11-2019	30-06-2020

**Notes:**

& Ceased to be a directors w.e.f August 14, 2019.

<sup>^</sup> Ceased to be a director w.e.f November 13, 2019.

<sup>\*</sup> Ceased to be a director w.e.f November 19, 2019.

<sup>§</sup> Ceased to be a directors w.e.f February 14, 2020.

<sup>%</sup> Appointed as a director w.e.f February 14, 2020.

<sup>#</sup> Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

**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.
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

**Name of the Director:**

Name of the Director	Skill and Experiences
Mr. Pravin Herlekar	He has an overall experience of over 4 decades in the field of product Development, Marketing and Administration.
Mr. Subhash Ambatkar	Experience in the field of Civil & Mechanical Projects, Maintenance, Production, QC & Development activities.
Adv. Sanjivani Patare	She has been associated/ working as Advocate for certain Commercial Banks, Other Co-Op Banks and Financial Institutions.



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

None of the Directors of the Company is:

- a) A Director in more than 10 (ten) public limited companies - As per Section 165 of the Act;
- b) A Director in more than 8 (eight) listed companies – As per Regulation 17A of the Listing Regulations;
- c) 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;
- d) 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, 2020 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	Adv. Sanjivani Patare	0	Chairman - 0, Member - 0	Nil
3	Ms. Bhavana Shewakramani <sup>&amp;</sup>	0	Chairman - 0, Member - 0	Nil
4	Dr Vikas Talvekar <sup>&amp;</sup>	0	Chairman - 0, Member - 0	Nil
5	Mr. Rishikesh Herlekar <sup>^</sup>	0	Chairman - 0, Member - 0	Nil
6	CA. Sitendu Sharma*	1	Chairman - 1, Member - 3	Astec Lifesciences Limited (Independent Director)
7	CA. Laxmikant Kabra <sup>§</sup>	2	Chairman - 0, Member - 3	Amarnath Securities Limited (Non-Executive Non-Independent Director) & Narendra Investments (Delhi) Limited (Chairman)
8	Mr. Prakash Rao <sup>§</sup>	0	Chairman - 0, Member - 0	Nil
9	Mr. Subhash Ambatkar <sup>%</sup>	0	Chairman - 0, Member - 0	Nil
10	Ms. Neha Agrawal <sup>#</sup>	0	Chairman - 0, Member - 0	Nil

**Notes:**

& Ceased to be a directors w.e.f August 14, 2019.

^ Ceased to be a director w.e.f November 13, 2019.

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a directors w.e.f February 14, 2020.

% Appointed as a director w.e.f February 14, 2020.

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

~ 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) have been considered.

d. **Board Membership Criteria:**

The Nomination and remuneration committee shall consider the following criteria while nominating a candidate for directorship.

Criteria	Particulars
Field	The Company inducts eminent individuals from diverse fields as directors on its Board.
Skill	The nomination and remuneration committee refers to the key board qualifications and attributes in consultation with the entire Board to determine the skills and experience required, for the Board as a whole and for individual members.
Qualification & Attributes	Members are expected to possess the required qualifications, integrity, expertise and experience for the position.
Company Specific Requirement	Members should also possess deep expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.
Age Limit	<ul style="list-style-type: none"> <li>• Managing Director / Executive Director – 60 years</li> <li>• Independent / non-executive – 70 years</li> </ul> <p>A director's term may be extended, at the discretion of the Nomination and Remuneration Committee, beyond the age of 60 or 70 years with shareholders' approval by passing a special resolution, based on the explanatory statement annexed to the Notice, indicating the justification for the extension of appointment beyond 60 or 70 years, as the case may be.</p>
Membership Term	<p>The Board constantly evaluates the contribution of members and periodically shares updates with the shareholders about reappointments consistent with applicable statutes.</p> <p>At present, Indian corporate law mandates the following :</p> <ul style="list-style-type: none"> <li>• Two-thirds of the non-independent directors be liable to retire by rotation every year, and one-third of them mandatorily retire by rotation, and qualifies the retiring members for reappointment.</li> <li>• Executive directors are appointed by the shareholders for a maximum period of five years, but are eligible for reappointment upon completion of their term.</li> <li>• An independent director shall hold office for a term of up to five consecutive years on the board of the company and will be eligible for reappointment on the passing of a special resolution by the shareholders.</li> </ul>

e. **Board Meetings:**

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. The Chairman and the Company Secretary draft the agenda for each Board meeting, along with explanatory notes and distribute these in advance to the directors. Every Board member can suggest the inclusion of additional items in the agenda. Additional meetings are held, if deemed necessary, to conduct the business. However, with the Board being represented by independent directors from various parts of the world, it may not be possible for each one of them to be physically present at all meetings. Hence, we provide video / teleconferencing facilities to enable their participation.

The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the AGM. 4(Four) 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 Revalue 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 2019-20, 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, 2020, i.e. on May 30, 2019, August 14, 2019, November 13, 2019 and February 14, 2020. The last Annual General Meeting of the Company was held on September 21, 2019.



The Board of Directors as on March 31, 2020, and their attendance at the Board Meeting and the last Annual General Meeting of the Company :

Sr. No.	Name of the Director	Category of Directorship in the company	No. of Board Meetings Attended	Attendance at the last AGM
1	Mr. Pravin Herlekar**	Chairman (Promoter and Managing Director)	4	Yes
2	Adv. Sanjivani Patare	Non-Executive Independent Director	4	No
3	Ms. Bhavana Shewakramani&	Non-Executive Independent Director	2	NA
4	Dr. Vikas Telvekar&	Non-Executive Independent Director	2	NA
5	Mr. Rishikesh Herlekar ^	Whole-Time Director	3	Yes
6	CA Sitendu Sharma*	Non-Executive Independent Director	3	No
7	CA Laxmikant Kabra\$	Non- Executive Non-independent Director	4	Yes
8	Mr. Prakash Rao\$	Executive Director	4	Yes
9	Mr. Subhash Ambatkar%	Executive Director	0	NA
10	Ms. Neha Agrawal#	Non-Executive Independent Director	--	NA

**Notes:**

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

& Ceased to be a directors w.e.f August 14, 2019

^ Ceased to be a director w.e.f November 13, 2019

\* Ceased to be a director w.e.f November 19, 2019

\$ Ceased to be a directors w.e.f February 14, 2020

% Appointed as a director w.e.f February 14, 2020

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

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.

**f. Reason for Resignation of Directors:**

- i. **Mr. Bhavna Shewakramani:** Relocation to the other state of India.
- ii. **Mr. Vikas Telvekar:** Completion of his first term of Five years and due to some prior commitments.
- iii. **Mr. Sitendu Sharma:** Not able to devote to the duties as director due to the illness of his mother.
- iv. **Mr. Laxmikant Kabra:** Due to increase in professional commitments, he is unable to give adequate time and attention to the company as a director.
- v. **Mr. Prakash Rao:** Undergoing various health issues since last year.
- vi. **Ms. Neha Agrawal:** Busy with other assignment of her job.

**g. Board Qualification, Expertise and Attributes:**

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. Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth. Key qualifications, skills, and attributes which are taken into consideration while nominating candidates to serve on the Board.

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, 2020, is as follows:

Sr. No.	Name of Director	No. of Directorships	No. of Audit Committees and Stakeholders' Relationship Committees in which Chairman / Member	
			Chairman	Member
1	Mr. Pravin Herlekar	1	Nil	Nil
2	Adv. Sanjivani Patare	Nil	Nil	Nil
3	Ms. Bhavana Shewakramani <sup>&amp;</sup>	1	1	2
4	Dr. Vikas Telvekar <sup>^</sup>	Nil	Nil	Nil
5	Mr. Rishikesh Herlekar <sup>^</sup>	1	Nil	Nil
6	CA. Sitendu Sharma <sup>*</sup>	Nil	Nil	Nil
7	CA. Laxmikant Kabra <sup>§</sup>	2	1	3
8	Mr. Prakash Rao <sup>§</sup>	Nil	Nil	Nil
9	Mr. Subhash Ambatkar <sup>%</sup>	Nil	Nil	Nil
10	Ms. Neha Agrawal <sup>#</sup>	Nil	Nil	Nil

**Notes:**

& Ceased to be a directors w.e.f August 14, 2019.

^ Ceased to be a director w.e.f November 13, 2019.

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a directors w.e.f February 14, 2020.

% Appointed as a director w.e.f February 14, 2020.

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

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. 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.

**i. Independent Directors**

Independent director a person who is not a promoter or employee or nor the key managerial personnel of the company or its subsidiaries. Further, the person should not have a material pecuniary relationship or transactions with the company or its subsidiaries, during the two immediate preceding financial years or during the current financial year, apart from receiving remuneration as an independent director. 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, 2020, 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.

j. **Independent Director databank registration**

Pursuant to a notification dated October 22, 2019 issued by the Ministry of Corporate Affairs, Independent Directors have completed the registration with the Independent Directors Databank. Requisite disclosures have been received from the directors in this regard.

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

Sr. No.	Name of Director	Shares held as on 31.03.2020
1	Adv. Sanjivani Patare	Nil
2	CA Sitendu Sharma	Nil
3	CS Bhavana Shewakramani	Nil
4	Dr. Vikas Telvekar	Nil
5	CA Laxmikant Kabra	Nil
6	Ms. Neha Agrawal	Nil

l. **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>

m. **Board Committees:**

Your Company has Six (6) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Internal Complaints Committee and Whistle Blower Committee as on March 31, 2020.

The Board Committees are represented by a judicious mix of Executive and Non-Executive Directors. The Committees deliberates 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.

a. **The Composition of the Audit Committee:**

Sr. No.	Name	Date of Appointment	Date of Resignation
1	Mr. Pravin Herleker	20-11-2019	-
2	Adv. Sanjivani Patare	02-05-2017	-
3	CA. Sitendu Sharma*	08-05-2015	19-11-2019
4	CA. Laxmikant Kabra <sup>§</sup>	02-05-2017	14-02-2020
5	Ms. Neha Agrawal <sup>#</sup>	20-11-2019	30-06-2019

**Notes:**

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a directors w.e.f February 14, 2020.

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

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.

M/s. Dipika D. Patel & Associates, Chartered Accountants, Mumbai is the Internal Auditor of the Company for the financial Year 2019-20. Internal Audit Plan and their remuneration 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.

The Committee, to carry out its responsibilities efficiently and transparently, relies on the Management's financial expertise and that of the internal and the Independent Auditors. The Management is responsible for the Company's internal control over financial reporting and the financial reporting process. The Independent Auditors are responsible for performing an independent audit of the Company's financial statements in accordance with the Generally Accepted Auditing Principles and for issuing a report based on the audit.

b. **The Meeting of Audit Committee members:**

The Committee met Four times during the year, which is sufficient and as per the requirement of the Companies Act, 2013 and the Listing Regulations.

Chairperson of the Audit Committee till November 13, 2019 was CA Sitendu Sharma. Adv. Sanjivani Patare appointed w.e.f February 14, 2020.





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

The meetings of the Audit Committee during the year ended March 31, 2020:

Sr. No.	Name of the Members	Committee Meetings Dates			
		May 30, 2019	August 14, 2019	Nov 13, 2019	Feb 14, 2020
1	Adv. Sanjivani Patare	✓	✓	✓	✓
2	CA. Sitendu Sharma*	✓	✓	✓	✗
3	CA. Laxmikant Kabra <sup>§</sup>	✓	✓	✓	✓
4	Ms. Neha Agrawal <sup>#</sup>	✗	✗	✗	--
5	Mr. Pravin Herlekar <sup>@</sup>	✗	✗	✗	✓

**Notes:**

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a director w.e.f February 14, 2020.

@ Appointed as a member of the committee w.e.f February 14, 2020.

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

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.

CA. Sitendu Sharma and Adv. Sanjivani Patare, could not attend the last Annual General Meeting held on September 21, 2019, CA Lakmikant Kabra has been appointed as alternate chairperson of the Audit Committee, in accordance with Section 177(1) of the Companies Act, 2013.

**c. 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.

**d. 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.

a. **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.

There were two meetings of the Nomination & Remuneration Committee during the year ended 31st March, 2020, i.e. on November 13, 2019 and 14<sup>th</sup> February, 2020. All Directors were present at the meeting.

The Members of the Committee:

Name of the Members	Date of Meetings	
	November 13, 2019	February 14, 2020
Adv. Sanjivani Patare <sup>+</sup> (Chairperson)	✓	✓
CA. Laxmikant Kabra <sup>§</sup> (Member)	✓	✓
Mr. Pravin Herlekar <sup>@</sup> (Member)	✓	✓
Ms. Neha Agrawal <sup>#</sup> (Member)	✗	--

**Notes:**

+ Appointed as Chairperson of the committee w.e.f. February 14, 2020.

§ ceased to be a director w.e.f. February 14, 2020.

@ Appointed as a member of the committee w.e.f. February 14, 2020.

# appointed as a director w.e.f. November 20, 2019 and ceased to be a director w.e.f. June 30, 2020.

b. **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.

**c. 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 or 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 are placed on the website of the Company and can be accessed through the web link: <http://www.omkarchemicals.com/policies.html>

d. **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, 2020 along with their holding as on March 31, 2020 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**	47,85,821	60,00,000	NA	60,00,000
2	Adv. Sanjivani Patare	NIL	NA	1,10,000	1,10,000
3	Ms. Bhavana Shewakramani&	NIL	NA	35,000	35,000
4	Dr. Vikas Telvekar &	NIL	NA	54,000	54,000
5	Mr. Rishikesh Herlekar^	5,17,006	17,20,800	NA	17,20,800
6	CA Sitendu Sharma^	NIL	NA	97,500	97,500
7	CA Laxmikant Kabra§	NIL	NA	1,10,000	1,10,000
8	Mr. Prakash Rao§	NIL	10,41,600	NA	10,41,600
9	Mr. Subhash Ambatkar%	NIL	1,51,000	NA	1,51,000
10	Ms. Neha Agrawal#	NIL	NA	--	--

**NOTES:**

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

& Ceased to be a directors w.e.f August 14, 2019.

^ Ceased to be a director w.e.f November 13, 2019.

\* Ceased to be a director w.e.f November 19, 2019.

§ Ceased to be a directors w.e.f February 14, 2020.

% Appointed as a director w.e.f February 14, 2020.

# Appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

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.

e. **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,

The Independent Directors at their meetings also consider:

- Review of the performance of the Non-Independent Directors and the Board as a whole;
- Review of the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors;
- 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.

One meeting of the independent directors was held during the year ended March 31, 2020 i.e. on February 14, 2020. Adv. Sanjivani Patare appointed as Chairperson of the Committee.

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

The Members of the Meeting are:

Date of the Meeting	Name of the Members	
February 14, 2020	Adv. Sanjivani Patare <sup>+</sup> (Chairperson)	Ms. Neha Agrawal <sup>#</sup> (Member)
Attended	✓	--

**Notes:**

+ Appointed as a Chairperson w.e.f. February 14, 2020

# Appointed as a director w.e.f. November 20, 2019 and Ceased to be director w.e.f. June 30, 2020

**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:

- To oversee and review all matters connected with transfer of Company's securities.
- To approve issue of duplicate of shares/debentures certificates;
- 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.;
- To investigate into complaints relating to allotment of shares, approval of transfers or transmission of shares, debentures or any other securities;
- To review the measures taken for effective exercise of voting rights by shareholders;
- 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 Company Secretary of the Company acts as the Secretary of the Committee.

The Members of the Committee and their meeting:

Date of Meeting	Name of the Members		
February 14, 2020	Adv. Sanjivani Patare <sup>+</sup> (Chairperson)	Mr. Pravin Herlekar <sup>@</sup> (Member)	Ms. Neha Agrawal <sup>#</sup> (Member)
Attended	✓	✓	--

**Notes:**

+ Appointed as a Chairperson of the Committee w.e.f February 14, 2020

@ Appointed as a member of the Committee w.e.f February 14, 2020

# appointed as a director w.e.f November 20, 2019 and ceased to be a director w.e.f June 30, 2020.

**b. Investor complaints**

A summary of various complaints received and cleared by the Company during the FY 2019-20 is given below:

Complaint	Received
Number of Shareholders complaints received during the year 2019-20	0
Number of complaints not resolved to the satisfaction of Shareholders	0
Number of Complaints pending/ unattended:	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, 2020, the Corporate Social Responsibility Committee comprised of three (3) Directors including one (1) Independent Directors of the Company.

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

The details of meeting held were as follows:

Date of the Meeting	Name of the Members		
February 14, 2020	Mr. Pravin Herlekar (Chairperson)	Adv. Sanjivani Patare (Member)	Mr. Subhash Ambatkar <sup>%</sup> (Member)
Member's Attendance	✓	✓	--

### Notes:

% Appointed as a member w.e.f February 14, 2020

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. 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](http://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 requirement 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 insider. 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.

## 8. GENERAL BODY MEETING:

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

Particulars	2016-17	2017-18	2018-19
<b>Date</b>	September 27, 2017	September 24, 2018	September 21, 2019
<b>Time</b>	11.00 a.m.	11.00 a.m.	11.00 a.m.
<b>Venue</b>	Sanjeevani Hall, Near Monginis Cake Shop, Badlapur (East) – 421503, Thane		
<b>Details of Special Resolutions passed</b>	<ol style="list-style-type: none"> <li>1. Appointment of Mr. Rishikesh Herlekar as an Whole Time Director</li> <li>2. Appointment of Ms. Bhavana Shewakramani as an Independnet Director</li> <li>3. Issue of Equity Shares on rights issue basis.</li> </ol>	No Special Resolution Passed	No Special Resolution Passed

### b. Resolution passed through Postal Ballot

For matters which are urgent and require shareholders' approval in the period between the AGMs, the Company seeks the approval of shareholders through postal ballot. In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules, the Company also provides electronic voting (e-voting) facility to all its members.

#### Procedure for postal ballot:

- Postal ballot notices and forms are dispatched, along with postage-prepaid business reply envelopes to registered members / beneficiaries. The same notice is sent by email to members who have opted to receive communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules.
- Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman / authorized officer. The results are also displayed on the Company website, [www.omkarchemicals.com](http://www.omkarchemicals.com) besides being communicated to the stock exchanges, depository and registrar and share transfer agent. The last date for the receipt of postal ballot forms or e-voting is the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

During the FY 2019-2020, the person who conducted the postal ballot exercise and details of the Voting Pattern:

- The Company sent Postal Ballot notice dated April 15, 2019 to the members seeking their approval through postal ballot for passing the following resolutions:

Resolution No 1: Approval for increase in Authorised Share Capital of the Company and consequent alteration in the Memorandum of Association of the Company.

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

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.

In accordance with the provision of Regulation 29 and Regulation 47 Sub Regulation (1) of the SEBI (Listing Obligation and Disclosure requirement) Regulations, 2015, the listed entity shall publish the notice of the meeting of Board of Directors where financial results shall be discussed. The information at sub-regulation (1) shall be published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated.

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, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Business Standard (All Editions) (English)	June 01, 2019	August 15, 2019	November 14, 2019	February 16, 2020
Mumbai Lakshdeep (Mumbai) (Marathi)	June 01, 2019	August 15, 2019	November 14, 2019	February 16, 2020

Comprehensive information about the Company, its businesses and operations and press releases can be viewed on the Company's website at [www.omkarchemicals.com](http://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](mailto: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. Participation and voting at 15th AGM**

Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by SEBI, the 15th AGM of the Company will be held through video-conferencing and the detailed instructions for participation and voting at the meeting is available in the notice of the 15th AGM.

**e. General Shareholder Information:**

<b>Date, Time and Venue of AGM</b>	September __, 2020	
<b>a. Financial Year</b>	April 1 to March 31	
<b>b. Tentative Financial Calendar</b>	<b>Results for Quarter Ending</b>	<b>To be published</b>
	June, 2020	On or before August 14, 2020
	September, 2020	On or before November 14, 2020
	December, 2020	On or before February 14, 2021
	March, 2021	On or before May 30, 2021
<b>Name &amp; Address of Stock Exchanges</b>	<b>Stock Code/ Symbol</b>	<b>ISIN Number for NSDL/ CDSL (Dematerialized shares)</b>
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	
<b>Annual Listing Fee and Annual Custodial Fee:</b>	The Company has paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the Financial Year 2020-2021.	

**f. Stock**

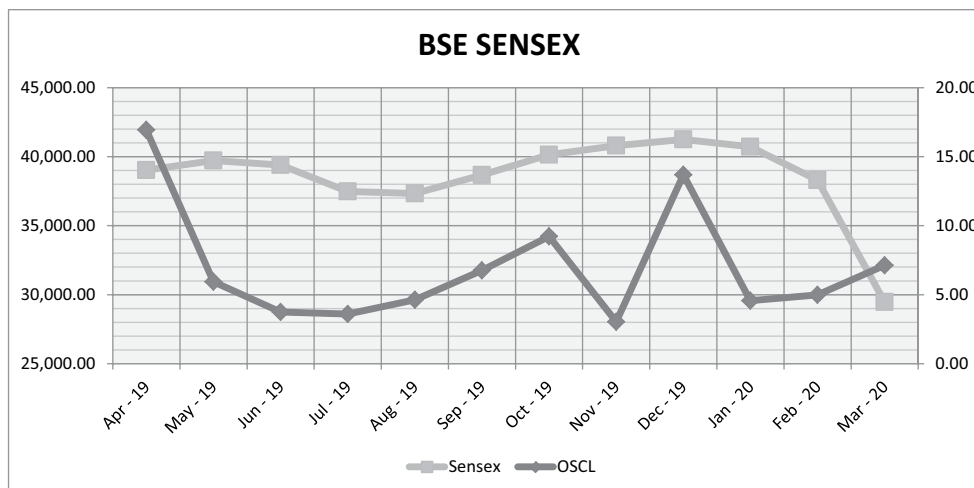
Market Price Data Monthly High/ Low of BSE/ NSE depicting liquidity of the Company's Equity Shares on the said exchanges are given hereunder:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2019	19	14.8	19	14.45
May 2019	16.2	11.1	15.8	11.05
June 2019	14.75	6.8	13.35	6.75
July 2019	8.5	5.41	8.55	5.35
August 2019	7.14	5.28	7.05	5.15
September 2019	8.5	6.42	8.5	6.4
October 2019	6.7	4.03	6.7	4
November 2019	5.32	3.82	5.35	3.65
December 2019	4.5	3.21	4.5	3.25
January 2020	5.17	4.14	5.05	4.2
February 2020	4.83	3.89	4.5	3.8
March 2020	4.08	2.33	3.95	2.25

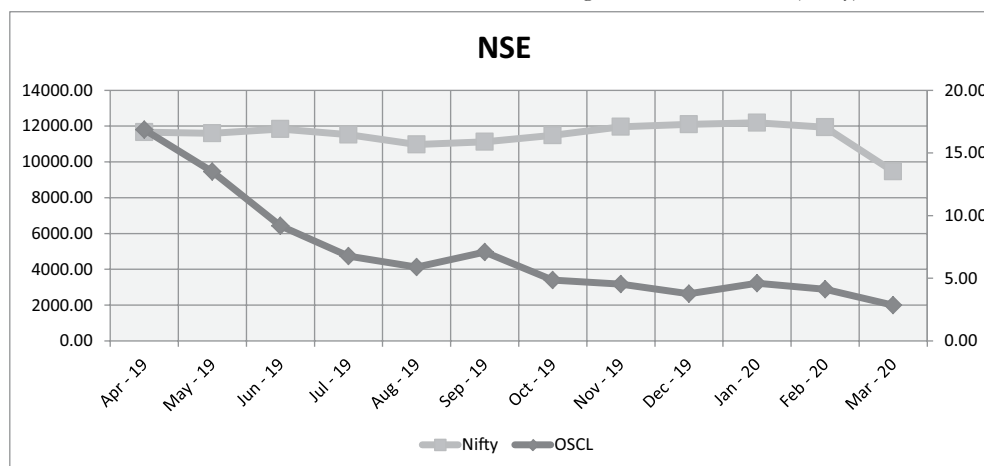


Graphical presentation of movement of Company's Stock Price as compared to Nifty and Sensex from April 1, 2019 to March 31, 2020 is as follows:

Stock Price Data: BSE Limited (Sensex)



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



**g. 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](mailto:info@nsdl.com)

**Website:** [www.nsdl.com](http://www.nsdl.com)

**Registrar and Share Transfer Agent ("RTA"):**

**Bigshare Services Private Limited**

1<sup>st</sup> 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](http://www.bigshareonline.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](mailto:investors@cdslindia.com)

**Website:** [www.cdslindia.com](http://www.cdslindia.com)

## h. 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, 2020, 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.

## i. Distribution of Shareholding as on March 31, 2020:

Shareholding Nominal value		Shareholders		Shares amount Nominal Value	
From	To	No.	%	No.	%
1	5000	15055	77.210	23298550	11.3221
5001	10000	1945	9.9759	15896340	7.7249
10001	20000	1178	6.0420	18243790	8.8657
20001	30000	414	2.1234	10687290	5.1936
30001	40000	224	1.1489	8052830	3.9133
40001	50000	175	0.8976	8278080	4.0228
50001	100000	268	1.3746	20391090	9.9092
100001	999999999	238	1.2207	100932070	49.0485
<b>TOTAL</b>		<b>19497</b>	<b>100.00</b>	<b>205780040</b>	<b>100.00</b>

## j. Categories of shareholders:

Sr. No.	Category	Shares As on March 31, 2020		Shares As on March 31, 2019	
		No.	%	No.	%
1	Promoter & Promoters Group	2837828	13.79	5682827	27.61
2	Banks and Financial Institutions	1703	0	1629	0.0079
3	Foreign Portfolio Investors	0	0	0	0
4	Bodies Corporate & Trusts	1600839	7.79	2509866	12.19
5	Foreign Nationals and NRIs	732718	3.56	527521	2.56
6	Indian Public	15099315	73.38	11664790	62.67
7	Clearing Members	305339	1.48	191109	0.9287
8	Others(IEPF)	262	0	262	0.0013
	<b>Total</b>	<b>20578004</b>	<b>100</b>	<b>20578004</b>	<b>100</b>





**k. Statement showing Shareholding more than 1% of the Share Capital as on March 31, 2020:**

Sr. No	Names of Shareholders	Number of Shares	Percentage of Capital
1	Pravin Herlekar*	4785821	23.26
2	Rishikesh Herlekar*	516825	2.51
3	Svaks Biotech India Private Limited*	380000	1.85

**NOTES:**

\*Promoters & Promoters Group

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

The Company's Equity Shares have been dematerialized 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 dematerialized 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, 2020, are given below:

Shares held	Shareholders		Shares Held	
	No.	%	No.	%
Physical Form	1	0.00	10	0.00
Electronic Form with NSDL	10902	56	12275098	59.65
Electronic Form with CDSL	8565	44	8302896	40.35
<b>Total</b>	<b>19467</b>	<b>100.00</b>	<b>20578004</b>	<b>100.00</b>

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

As on March 31, 2020, 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.

**n. Commodity Price Risks and Commodity Hedging Activities:** Not applicable

**o. Foreign exchange risk and hedging Activities:**

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

**p. 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
- **Manufacturing Unit III, Corporate Office and R & D Center:** 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
- **Open Plot – V:** D-27/4, M.I.D.C., Lote Parshuram Industrial Area, Chiplun, Dist. Ratnagiri, Maharashtra
- **Manufacturing Unit – VI:** W-83(C), M.I.D.C., Badlapur (East), Thane-421 503, Maharashtra.

**q. 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

## 9. 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.) 2019-20, 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.) 2019-20, 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) 2019-20, 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. 14, 84,370/- to M/s. Desai and Saksena associates, Chartered Accountants, the Statutory Auditors of the Company during the Financial Year 2019-20

**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 behavior and to provide a vigil mechanism for stakeholders including Directors, shareholders, and 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 have 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:

<b>Sr. No.</b>	<b>Requirement</b>	<b>Status of Implementation</b>
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.



## CEO & CFO CERTIFICATION

To,  
The Board of Directors  
Omkar Speciality Chemicals Limited.  
Dear members of the Board,

We, Rishikesh Herlekar, Chief Executive Officer and Vaman Acharya, Chief Financial Officer of Omkar Speciality Chemicals Limited, to the best of our knowledge and belief, certify that:

1. We have reviewed the Balance Sheet as at March 31, 2020, Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information of the Company, and the *Board's report* for the year ended March 31, 2020.
2. These statements do not contain any materially untrue statement or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.
3. The financial statements, and other financial information included in this report, present in all material respects a true and fair view of the Company's affairs, the financial condition, results of operations and cash flows of the Company as at, and for, the periods presented in this report, and are in compliance with the existing accounting standards and / or applicable laws and regulations.
4. There are no transactions entered into by the Company during the year that are fraudulent, illegal or violate the Company's Code of Conduct and Ethics, except as disclosed to the Company's auditors and the Company's audit committee of the Board of Directors.
5. We are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and we have:
  - a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared.
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Indian Accounting Standards (Ind AS).
  - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
  - d. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.
6. We have disclosed, based on our most recent evaluation of the Company's internal control over financial reporting, wherever applicable, to the Company's auditors and the audit committee of the Company's Board (and persons performing the equivalent functions):
  - a. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regard to deficiencies.
  - b. Any significant changes in internal controls during the year covered by this report.
  - c. All significant changes in accounting policies during the year, if any, and the same have been disclosed in the notes to the financial statements.
  - d. Any instances of significant fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. We affirm that we have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

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

Date: August 21, 2020  
Place: Badlapur

Sd/-  
**Rishikesh Herlekar**  
Chief Executive Officer

Sd/-  
**Vaman Acharya**  
Chief Financial Officer

**Certificate [Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,

The Members

OMKAR SPECIALITY CHEMICALS LIMITED

We have examined the relevant registers, records, forms and returns maintained / filed by OMKAR SPECIALITY CHEMICALS LIMITED (CIN: L24110MH2005PLC151589) ("hereinafter referred to as the Company") and notices and disclosures received from the Directors of the Company and produced before us by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary by us and explanations furnished to us by the Company, we hereby certify that none of the Directors on the Board of the Company as on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other statutory authority.

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**Nilesh A. Pradhan  
Partner**

FCS No: 5445

COP No: 3659

PR :791/2020

UDIN: F005445B000604362

Place: Mumbai

Date: August 21, 2020



## 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 (“the Company”), for the year ended on March 31, 2020, 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) pursuant to the Listing Agreement of the said Company with stock exchange (s).

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations except for Regulation 18 (1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that compliance is neither an assurance as to the future viability of the Company nor as to the efficiency 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

COP No: 3659

PR :791/2020

UDIN: F005445B000604340

Place: Mumbai

Date: August 21, 2020



## 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, 2020, 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 for Qualified opinion paragraphs I to VI given below, impact of paragraphs I, V and VI cannot be ascertained, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2020, 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 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.
- 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 foot note no.1 to note no.6 (Six) to the financial results –

Particulars of Loss	Amount of loss as per the books of accounts of the Company (Rs. in lacs.)
Loss of Fixed Assets	839.33
Loss of inventories	354.89
Loss arising due to public liabilities	157.50
Total	1,351.72

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. 1,351.72 lacs have 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. 1,351.72 lacs and the current assets of the Company are overstated by Rs. 1,351.72 lacs. Correspondingly, the net worth of the Company as on 31st March 2020 has been overstated by Rs. 1,351.72 lacs. Correspondingly, the net loss after tax (before Other Comprehensive Income) would have been Rs. 2,815.35 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. 17,600.72 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 foot note no.1 to note 26 (Twenty-six) 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. 2,101.51 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. 2,101.51 lacs. Correspondingly, the net loss after tax (Before other comprehensive income) would have been Rs. 3,565.14 lacs for the year ended on 31st March 2020 and Rs. 1,067.13 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. 18,350.51 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. 4,916.86 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. 19,702.23.
- V. 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.



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.

### 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
<b>Inventory Valuation</b>	
<p>As at 31 March 2020, the company held Rs. 383.26 lacs 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> <p>(i) Use Inventory ageing reports together with historical trends to estimate likely future salability of slow moving and older inventory lines;</p> <p>(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 recognized if required.</p>	<p>We have performed the following procedures over the valuation of inventory:</p> <p>(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.</p> <p>(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.</p> <p>(iii) On a sample basis we tested the net realizable value of inventory lines to recent selling prices.</p> <p>(iv) We re-performed the calculation of inventory write-down.</p> <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.

#### 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 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020, 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.
- g. 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 :
  - 1) The Company has disclosed the impact of pending litigations as at March 31, 2020 on its financial position in its standalone financial statements.
  - 2) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - 3) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Mumbai  
Date: August 1, 2020  
UDIN: 20032546AAAABF1243

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



## Annexure 'A' to the Independent Auditors' Report:

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 2020, 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 program 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 program, 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 lacs)

Sr. no.	Particulars	Original Cost	Written down value
1	Land	118.98	106.44

- 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 2020, for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us, there are no 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 lacs) including interest and penalty
1	Income Tax Act 1961	Income Tax	2010-11	Commissioner of Income Tax (A)	779.76
2	Income Tax Act 1961	Income Tax	2011-12	Commissioner of Income Tax (A)	75.57
3	Income Tax Act 1961	Income Tax	2012-13	Commissioner of Income Tax (A)	37.34
4	Income Tax Act 1961	Income Tax	2014-15	Commissioner of Income Tax (A)	12.22
5	Central Sales Tax, 1956	CST	2009-10	Sales Tax Tribunal	35.77
6	Value Added Tax, 2002	VAT	2011-12	Sales Tax Tribunal	222.48
7	Value Added Tax, 2002 and Central Sales Tax Act 1956	VAT & CST	2013-14	Sales Tax Tribunal	CST-84.4 VAT-96.15

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 lacs)	Default in number of days
1	Bank of Baroda	Term Loan	Principal and Interest	4,803	384 to 789
2	Bank of Baroda	Cash Credit	Principal and Interest	13,622	396 to 805
3	NKGSB	Cash Credit	Principal and Interest	2,622	1 to 486
4	Axis Bank	Cash Credit	Principal and Interest	1,259	376 to 805

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

Mumbai  
Date: August 1, 2020  
UDIN: 20032546AAAABF1243

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





## 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 2020 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, 2020, 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, 2020, 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, 2020:

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

Sd/-

**Dr. S. N. Desai**

Partner

Membership no.032546

Mumbai

Date: August 1, 2020

UDIN: 20032546AAAABF1243





## BALANCE SHEET AS AT 31st MARCH 2020

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	5,306.90	6,831.16
(d) Intangible Assets	4	6.93	12.04
(e) Financial Assets			
(i) Investments	6	38.03	34.87
(ii) Loans	6	23.68	23.53
(f) Deferred Tax Asset (Net)	12	725.73	1,058.00
(g) Other Non-Current Assets	11	616.38	639.69
		<b>6,717.59</b>	<b>8,599.29</b>
<b>Current assets</b>			
(a) Inventories	7	383.26	289.82
(b) Financial Assets			
(i) Trade Receivables	8	466.46	869.01
(ii) Cash and Cash Equivalents	9	31.00	8.24
(iii) Bank Balances Other than (iii) above	10	8.91	8.39
(iv) Loans	6	1.80	1.19
(v) Other Financial Assets	6	1,352.66	0.93
(c) Other Current Assets	11	765.88	942.34
		<b>3,009.97</b>	<b>2,119.92</b>
<b>TOTAL</b>		<b>9,727.55</b>	<b>10,719.22</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	2,057.80	2,057.80
(b) Other Equity	14	(18,306.80)	(16,866.16)
		<b>(16,248.99)</b>	<b>(14,808.36)</b>
<b>Liabilities</b>			
<b>Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	7,383.28	7,432.28
(ii) Other Financial Liabilities	16	32.24	36.41
(b) Provisions	19	48.06	53.68
		<b>7,463.58</b>	<b>7,522.37</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	14,948.20	14,518.08
(ii) Trade Payables	17		
Others		1,798.11	2,015.43
(iii) Other Financial Liabilities	16	1,178.14	1,120.10
(b) Other Current Liabilities	18	295.41	58.98
(c) Provisions	19	293.11	292.61
		<b>18,512.97</b>	<b>18,005.20</b>
<b>TOTAL</b>		<b>9,727.55</b>	<b>18,719.12</b>
<b>Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.</b>		<b>1 to 40</b>	

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

For and on behalf of the Board of Directors

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

Sd/-  
**Rishikesh Herlekar**  
 Chief Executive officer

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

Sd/-  
**Sunny Pagare**  
 Company Secretary

Sd/-  
 Vaman Acharya  
 Chief Financial officer

Place : Mumbai  
 Date : June 30, 2020

Place : Mumbai  
 Date : June 30, 2020

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31st MARCH 2020**

(Amount in INR Lakhs)

Particulars	Notes	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>REVENUE</b>			
Revenue from Operations	20	5,687.73	4,265.21
Other income	21	44.79	246.08
<b>Total Revenue (I)</b>		<b>5,732.52</b>	<b>4,511.29</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	4,429.50	2,608.00
Purchases of stock-in-trade	23	-	211.75
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	13.53	19.93
Employee benefits expense	25	365.50	438.33
Finance costs	26	493.45	1,461.91
Depreciation and amortization expense	27	658.64	798.87
Other expenses	28	903.26	1,117.60
<b>Total Expenses (II)</b>		<b>6,863.88</b>	<b>6,656.39</b>
<b>Profit/(loss) before exceptional items (I-II)</b>		<b>(1,131.36)</b>	<b>(2,145.10)</b>
Exceptional Items	29	-	(993.01)
<b>Profit before tax</b>		<b>(1,131.36)</b>	<b>(1,152.09)</b>
<b>Tax expense:</b>			
Deferred tax		332.27	535.37
<b>Profit/(loss) for the period</b>		<b>(1,463.30)</b>	<b>(1,687.46)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Income tax effect		-	-
Remeasurement of gains (losses) on defined benefit plans		22.99	14.15
<b>Other Comprehensive income for the year, net of tax</b>		<b>22.99</b>	<b>14.15</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		<b>(1,440.64)</b>	<b>(1,673.30)</b>
<b>Earnings per share for profit attributable to equity shareholders</b>	31		
Basic and Diluted EPS		(7.11)	(8.20)
Diluted EPS		(7.11)	(8.20)
<b>Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements</b>	1 to 40		

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

For and on behalf of the Board of Directors

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

Sd/-  
**Rishikesh Herlekar**  
Chief Executive officer

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

Sd/-  
**Sunny Pagare**  
Company Secretary

Sd/-  
Vaman Acharya  
Chief Financial officer

Place : Mumbai  
Date : June 30, 2020

Place : Mumbai  
Date : June 30, 2020



## STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2020

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before tax	(1,131.36)	(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	-	<b>(102.85)</b>
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)
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)
Provisions		
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>401.66</b>	<b>137.83</b>
Less: Income taxes paid	-	-
<b>Net cash inflow from operating activities</b>	<b>401.66</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>

**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31st MARCH 2020**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<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	22.76	(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>
<b>Notes:</b>		
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.		
<b>Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements</b>	<b>1 to 40</b>	

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

For and on behalf of the Board of Directors

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

Sd/-  
**Rishikesh Herlekar**  
**Chief Executive officer**

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

Sd/-  
**Sunny Pagare**  
**Company Secretary**

Sd/-  
Vaman Acharya  
**Chief Financial officer**

Place : Mumbai  
Date : June 30, 2020

Place : Mumbai  
Date : June 30, 2020



## STATEMENT OF CHANGES IN EQUITY AS AT 31st MARCH 2020

### 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
<b>March 31, 2019</b>			
Numbers	2,05,78,004	-	2,05,78,004
Amount	2,057.80	-	2,057.80
<b>March 31, 2020</b>			
Numbers	2,05,78,004	-	2,05,78,004
Amount	2,057.80	-	2,057.80

### B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus				
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	Total
<b>As at April 1st ,2019</b>	4.39	830.40	-	(17,700.95)	(16,866.16)
Profit for the period	-	-	-	(1,463.62)	(1,463.62)
Other Comprehensive Income	-	-	-	22.99	22.99
<b>Total Comprehensive Income for the year</b>	-	-	-	(1,440.63)	(1,440.63)
Fair Valuation of unsecured loans & Others	-	-	-	-	-
<b>As at March 31,2020</b>	4.39	830.40	-	(19,141.58)	(18,306.82)
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements		1 to 40			

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

For and on behalf of the Board of Directors

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

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

Sd/-  
**Rishikesh Herlekar**  
Chief Executive officer

Sd/-  
**Sunny Pagare**  
Company Secretary

Sd/-  
Vaman Acharya  
Chief Financial officer

Place : Mumbai  
Date : June 30, 2020

Place : Mumbai  
Date : June 30, 2020

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2020

### 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 June 30th, 2020

### 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").

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, 2019	Additions	Deductions/ Impairment	As at 31st March 2020	As at April 1, 2019	During the period	Deductions/ Adjustments	As at 31st March 2020	As at 31st March 2020	As at March 31, 2019
Leasehold Land	2,564.96		-	2,564.96	121.71	39.92	-	161.63	2,403.33	2,443.24
Factory Building	3,566.40		(784.63)	2,781.77	524.48	164.76	(121.39)	567.85	2,213.92	3,041.92
Plant & Machinery (R&D)	323.10		(90.49)	232.62	226.14	32.03	(37.57)	220.60	12.02	96.97
Plant & Machinery	2,659.76		(664.88)	1,994.88	1,560.87	356.84	(523.04)	1,394.66	600.21	1,098.89
Electrical Installation	227.65	2.02	(114.97)	114.70	149.15	32.99	(104.43)	77.72	36.98	78.50
Furniture and Fixtures	58.24		(4.64)	53.60	34.03	8.45	(1.22)	41.25	12.34	24.21
Office Equipments	22.32		(7.11)	15.21	15.12	5.00	(5.12)	15.01	0.20	7.20
Computer	14.61	0.82	(0.26)	15.16	12.72	2.36	(0.23)	14.86	0.30	1.89
Residential Premises	16.52			16.52	2.39	0.78		3.17	13.35	14.13
Motor Car and Cycle	35.45			35.45	11.25	9.97		21.22	14.23	24.20
Assets less than Rs 5,000/-	0.12		-	0.12	0.12		-	0.12	(0.00)	(0.00)
	<b>9,489.12</b>	<b>2.84</b>	<b>(1,666.98)</b>	<b>7,824.97</b>	<b>2,657.97</b>	<b>653.10</b>	<b>(792.99)</b>	<b>2,518.08</b>	<b>5,306.90</b>	<b>6,831.16</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,489.12</b>	<b>2.84</b>	<b>(1,666.98)</b>	<b>7,824.97</b>	<b>2,657.97</b>	<b>653.10</b>	<b>(792.99)</b>	<b>2,518.08</b>	<b>5,306.90</b>	<b>6,831.16</b>

Particulars	Gross Block			Accumulated Depreciation				Net Block		
	As at April 1, 2018 (Deemed Cost)	Additions	Deductions/ Impairment	As at March 31, 2019	As at April 1, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at April 1, 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	24.22	35.60
Office Equipments	22.32		-	22.32	12.65	2.46	-	15.11	7.21	9.67
Computer	14.19	0.42	-	14.61	11.32	1.40	-	12.72	1.89	2.87
Residential Premises	16.52		-	16.52	1.61	0.78	-	2.39	14.13	14.91
Motor Car and Cycle	27.17	12.79	(4.51)	35.45	9.47	3.42	(1.63)	11.26	24.19	17.69
Assets less than Rs 5,000/-	0.12		-	0.12	-	0.12	-	0.12	-	-
	<b>9,506.56</b>	<b>23.17</b>	<b>(40.73)</b>	<b>9,489.12</b>	<b>1,893.30</b>	<b>795.08</b>	<b>(30.40)</b>	<b>2,657.85</b>	<b>6,831.16</b>	<b>7,613.27</b>
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>9,506.56</b>	<b>23.17</b>	<b>(40.73)</b>	<b>9,489.12</b>	<b>1,893.30</b>	<b>795.08</b>	<b>(30.40)</b>	<b>2,657.85</b>	<b>6,831.16</b>	<b>7,613.27</b>

#### 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, 2020	March 31, 2019
<b>Land</b>		
Cost	2,564.96	2,564.96
Accumulated Depreciation	161.63	131.85
<b>Net carrying amount</b>	<b>2,403.33</b>	<b>2,433.10</b>

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 the Note no. 15(A) on Borrowings

##### iii. Impairment Loss

During the year ended March 2020, the impairment loss of INR NIL Lakhs (March 31, 2019 Nil) 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, 2019	Additions	Deductions/ Adjustments	As at April 1, 2019	During the period	Deductions/ Adjustments	As at 31st March 2020	As at March 31, 2019
Patent	6.55	0.44	-	0.29		-	0.29	6.26
Computer Software	26.13	-	-	20.35	5.54	-	25.90	5.78
<b>Total</b>	<b>32.68</b>	<b>0.44</b>	<b>-</b>	<b>20.64</b>	<b>5.54</b>	<b>-</b>	<b>26.19</b>	<b>12.04</b>

(Amount in INR Lakhs)

Particulars	Gross Block			Accumulated Amortisation			Net Block	
	As at April 1, 2018	Additions	Deductions/ Adjustments	As at April 1, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018
Patent	6.55	-	-	-	0.29	-	0.29	6.55
Computer Software	26.13	-	-	16.85	3.50	-	20.35	9.28
<b>Total</b>	<b>32.68</b>	<b>-</b>	<b>-</b>	<b>16.85</b>	<b>3.79</b>	<b>-</b>	<b>20.64</b>	<b>15.82</b>



## 6. FINANCIAL ASSETS

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(A) INVESTMENTS</b>		
<b>(2) Investments carried at fair value through Profit and Loss</b>		
<b>Investments in Equity Instruments - Others</b>		
<b>Quoted</b>		
119 Equity Shares of INR 10 each in Arti Drugs Ltd (March 31, 2019 :127)	0.60	0.82
50 Equity Shares of 10 INR each in Emami Limited (March 31, 2019 :25)	0.08	0.10
86,445 Equity shares of INR 10 each in Lasa Supergenerics Limited (March 31, 2019 Share 86,445)	23.51	19.84
	<b>24.20</b>	<b>20.75</b>
<b>Unquoted</b>		
10 Equity Shares of INR 100 each in Janta Sahakari Bank Limited (Schedule Bank) (March 31, 2019 : 10 )	0.01	0.01
50,500 Equity Shares of INR 10 each in NKGSBL (Schedule Bank) (March 31, 2019 :50500)	5.05	5.05
	<b>5.06</b>	<b>5.06</b>
<b>Investments in Mutual Funds</b>		
<b>Quoted</b>		
1,00,000 Units of INR 10 each in Baroda Pioneer Mutual fund (March 31, 2019 : 1,00,000 units)	8.77	9.06
<b>Total</b>	<b>38.03</b>	<b>34.87</b>
Aggregate amount of quoted investments	32.97	29.81
Market value of quoted investments	5.06	5.06
Aggregate amount of unquoted investments	5.06	5.06
<b>Investments carried at fair value through profit and loss</b>	<b>38.03</b>	<b>34.87</b>
<b>Investments carried at cost</b>	-	-
<b>(B) LOANS</b>		
<b>Non Current</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Deposits with Body Corporates and Others *	23.68	23.53
<b>Total</b>	<b>23.68</b>	<b>23.53</b>
* Having maturity after 12 months from the reporting date and earmarked for specific purpose.		
<b>Current</b>		
<b>Unsecured, considered good unless otherwise stated</b>		
Loans to employees	1.80	1.19
Others		-
<b>Total</b>	<b>1.80</b>	<b>1.19</b>
<b>(C) OTHER FINANCIAL ASSETS</b>		
<b>Current</b>		
<b>Financial assets carried at amortised cost</b>		
GST Refund Receivable	0.93	0.93
Insurance Claim Recivable ( Refer foot note no.1)	1,351.72	-
<b>Total</b>	<b>1,352.66</b>	<b>0.93</b>

### Foot note no. 1

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 & machineries, factory building and Inventories. The insurance claim of loss for damage of Plant and Machinery, Factory building & Inventories due to fire is yet to be assessed by the Insurer and claim settlement is under process. The estimated insurance claim receivable for the book value of fixed assets and inventory destroyed is shown as claim receivable under other currents assests . Further, amount paid till 31st March 2020 towards public liability is also shown under other currents assests as part of claim receivable.

**7. INVENTORIES**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(Valued at lower of Cost and Net Realisable value)</b>		
Raw materials	194.74	87.77
Work-in-process	163.44	187.02
Finished goods	25.08	15.03
<b>Total</b>	<b>383.26</b>	<b>289.82</b>

**8. TRADE RECEIVABLES**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current</b>		
Trade Receivables from customers	466.46	869.01
	<b>466.46</b>	<b>869.01</b>
<b>Breakup of Security details</b>		
Unsecured, considered good	466.46	869.01
Doubtful	2,519.13	2,519.13
	<b>2,985.59</b>	<b>3,388.14</b>
<b>Allowance for bad and doubtful debts</b>		
Doubtful	2,519.13	2,519.13
	<b>2,519.13</b>	<b>2,519.13</b>
	<b>466.46</b>	<b>869.01</b>

**9. CASH AND CASH EQUIVALENTS**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Balances with banks on current accounts	2.92	3.77
Cash on hand	28.08	4.47
	<b>31.00</b>	<b>8.24</b>

**10. OTHER BANK BALANCES**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
Deposits with banks to the extent held as margin money	8.91	8.39
	<b>8.91</b>	<b>8.39</b>

**11. OTHER ASSETS**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non Current</b>		
Advances to Suppliers	52.19	46.04
Prepaid expenses	9.39	27.25
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	551.73	562.94
Other non current assets*	3.00	3.46
<b>Total</b>	<b>616.32</b>	<b>639.69</b>

\* Other Current assets Includes GST paid for RCM &amp; Refund receivable from LIC Paid for Gratuity Trust.



(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Current</b>		
<b>Advances other than Capital advances</b>		
- Security Deposits	-	-
- Advances to Related Parties	-	-
- Advances to Suppliers	-	-
- Advances to Directors or other Officers of the Company	-	-
<b>Others</b>		
- Prepaid expenses	-	-
Duty Drawback Receivable	17.23	40.25
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	748.65	902.09
<b>Total</b>	<b>765.88</b>	<b>942.34</b>

**12. INCOME TAX****Deferred Tax**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Deferred tax relates to Asset:</b>		
Temporary difference in the carrying amount of property, plant and equipment	985.34	1,318.24
Revaluation of Land and buildings to fair value	(268.53)	(268.53)
Provision for employee benefits	8.92	8.29
	<b>725.73</b>	<b>1,058.00</b>

**Movement in deferred tax liabilities/assets**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Opening balance as of April 1</b>	<b>1,058.00</b>	<b>1,593.38</b>
Tax income/(expense) during the period recognised in profit or loss	(332.27)	(535.37)
Tax income/(expense) recognised in equity	-	-
<b>Closing balance as at March 31st, 2020</b>	<b>725.73</b>	<b>1,058.00</b>

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Unrecognised deferred tax assets</b>		
Unrecognised tax losses	-	-
Unrecognised tax credits	-	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, 2020 and March 31, 2019 are as follows:**

**Income tax recognised in profit or loss**

(Amount in INR Lakhs)

	As at 31st March 2020	As at 31st March 2019
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	332.27	535.37
<b>Income tax expense recognised in profit or loss</b>	<b>332.27</b>	<b>535.37</b>



**Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2020 and March 31, 2019**

	As at 31st March 2020	As at 31st March 2019
Accounting profit before income tax	(1,131.36)	(1,152.09)
Enacted tax rate in India	26.00%	26.00%
<b>Income tax on accounting profits</b>	<b>(294.15)</b>	<b>(299.54)</b>
<b>Tax Effect of</b>		
Recognition of deferred tax relating to origination and reversal of temporary differences	332.27	535.37
<b>Tax at effective income tax rate</b>	<b>38.12</b>	<b>235.83</b>

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

Particulars	Equity Share of INR 10 each	
	Number	Amount
<b>At March 31, 2018</b>	<b>4,47,00,000</b>	<b>4,470.00</b>
Increase/(decrease) during the year #	2,03,00,000	2,030.00
<b>At March 31, 2019</b>	<b>6,50,00,000</b>	<b>6,500.00</b>
Increase/(decrease) during the year *	18,50,00,000	18,500.00
<b>At March 31, 2020</b>	<b>25,00,00,000</b>	<b>25,000.00</b>

\* Increase in Authorised Share Capital and consequent alteration in the Memorandum of Association of the Company through Postal Ballot notice dated April 15, 2019.

# 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 Capital**

	(Amount in INR Lakhs)	
	Number	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>At March 31, 2019</b>	2,05,78,004	2,057.80
Issued during the period	-	-
<b>At March 31, 2019</b>	2,05,78,004	2,057.80
Issued during the period	-	-
<b>At March 31st, 2020</b>	<b>2,05,78,004</b>	<b>2,057.80</b>

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

Name of the shareholder	As at 31st March 2020		As at March 2019	
	Number	% holding	Number	% holding
<b>Equity shares of INR 10 each fully paid</b>				
Omkar Pravin Herlekar*	-	-	5,956	0.03%
Pravin Herlekar	47,85,821	23.26%	47,85,821	23.26%



- 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	As at 31st March 2020	As at March 2019
Capital Reserve	-	-
Securities Premium Reserve	4.39	4.39
Treasury Shares	-	-
General Reserve	830.40	830.40
Share Based Payment Reserve	-	-
Retained Earnings	(19,141.59)	(17,700.95)
Property, plant and equipment Reserve	-	-
	<b>(18,306.79)</b>	<b>(16,866.16)</b>

##### (a) Securities Premium Reserve

	As at 31st March 2020	As at March 2019
Opening balance	4.39	4.39
Add/(Less):	-	-
<b>Closing balance</b>	<b>4.39</b>	<b>4.39</b>

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

	As at 31st March 2020	As at March 2019
Opening balance	830.40	830.40
Add/(Less):	-	-
<b>Closing balance</b>	<b>830.40</b>	<b>830.40</b>

##### (c) Retained Earnings

	As at 31st March 2020	As at March 2019
Opening balance	<b>(17,700.95)</b>	<b>(15,401.15)</b>
Net Profit/(Loss) for the period	(1,463.63)	(1,687.46)
Add/(Less):		
Fair Valuation of unsecured loans & Others	-	(626.49)
Items of Other Comprehensive Income directly recognised in Retained Earnings	-	-
Remeasurement of gains (losses) on defined benefit plans	22.99	14.15
<b>Closing balance</b>	<b>(19,141.59)</b>	<b>(17,700.95)</b>

**15. BORROWINGS**

(Amount in INR Lakhs)

Particulars	As at 31st March 2020	As at March 2019
<b>Non Current Borrowings</b>		
<b>Secured</b>		
Term Loans from Banks	3,782.74	3,780.60
<b>Unsecured</b>		
Term Loans from Others		
From Related parties	4,600.54	4,651.68
From Others	-	-
<b>(A)</b>	<b>8,383.28</b>	<b>8,432.28</b>
<b>Current Maturity of Non Current Borrowings</b>		
Term Loans from Banks	1,000.00	1,000.00
<b>(B)</b>	<b>1,000.00</b>	<b>1,000.00</b>
<b>Total</b>	<b>7,383.28</b>	<b>7,432.28</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
<b>Working capital loan</b>		
From banks	13,591.60	13,185.46
<b>Unsecured</b>		
<b>Working capital loan</b>		
From others	1,037.75	1,037.75
<b>Unsecured</b>		
<b>Other Loans</b>		
From related parties	-	-
Financial institutions and others	318.85	294.87
<b>Total</b>	<b>14,948.20</b>	<b>14,518.08</b>

**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 2018-19 and FY2019-20 is 13.65%p.a. and 13.65%p.a respectively.
- iii) Number of installment pending -15 numbers ( P.Y. 15 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 2018-20 and 2019-20 is 10% p.a. to 15%p.a.

Description	2019-20	2018-19
1st year	1,032.74	1,030.60
2nd year	1,000.00	1,000.00
3rd year	1,000.00	1,000.00
After 3rd year	750.00	750.00
<b>Total</b>	<b>3,782.74</b>	<b>3,780.60</b>

#### 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 and FY 2019-20 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 2018-19 and 2019-20 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)	
	As at 31st March 2020	As at March 2019
Current Borrowings	14,948.20	14,518.08
Non-current Borrowings	7,383.28	7,432.28
<b>Net Debt</b>	<b>22,331.48</b>	<b>21,950.36</b>

Particulars	(Amount in INR Lakhs)		
	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
<b>Net Debt as at March 31, 2018</b>	<b>7,640.18</b>	<b>14,631.53</b>	<b>22,271.71</b>
Cash Inflows	354.67	-	354.67
Cash Outflows	(1,153.50)	(299.62)	(1,453.12)
	<b>6,841.35</b>	<b>14,331.91</b>	<b>21,173.26</b>
Interest Expense	270.03	1,182.78	1,452.81
Interest Paid	-	(256.80)	(256.80)
Other non cash adjustments	320.90	(739.81)	(418.91)
<b>Net Debt as at March 31, 2019</b>	<b>7,432.28</b>	<b>14,518.08</b>	<b>21,950.36</b>

(Amount in INR Lakhs)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Cash Inflows	26.50	244.29	270.79
Cash Outflows	(76.48)	(306.79)	(383.27)
Interest Expense	7,382.30	14,455.58	21,837.88
Interest Paid		492.52	492.52
Other non cash adjustments	0.97	0.11	1.08
<b>Net Debt as at 31st March 2020</b>	<b>7,383.28</b>	<b>14,948.20</b>	<b>22,331.48</b>

**16. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31st March 2020	As at March 2019
<b>Non Current</b>		
<b>Financial Liabilities at amortised cost</b>		
Other payable **	32.24	36.41
<b>Total</b>	<b>32.24</b>	<b>36.41</b>
<b>Current</b>		
<b>Financial Liabilities at amortised cost</b>		
Current maturities of long term debts	1,000.00	1,000.00
Creditors for capital goods	4.74	10.23
Other payable*	173.40	109.87
<b>Total</b>	<b>1,178.14</b>	<b>1,120.10</b>

\* Other payable ( Current ) Includes Director Remuneration ,Electricity ,Salary wages,Rates & Taxes, Retainer Ship Charges & Pending Salary

\*\* Other Payment Non Current - Includes Bonus and Leave Encashment

**17. TRADE PAYABLES**

Particulars	As at 31st March 2020	As at March 2019
<b>Current</b>		
Trade Payables to Micro, Small and Medium Enterprises ( Refer Footnote)	38.39	90.87
Trade Payables to Others	1,759.72	1,924.56
<b>Total</b>	<b>1,798.11</b>	<b>2,015.43</b>

Foot Note:- According to information available with the management, on the basis of information 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 31st,2020	March 31st, 2019
1 (a) Principal amount remaining unpaid to any supplier	38.39	90.87
(b) Interest on 1 (a) above	20.98	6.16
2 (a) The amount of principal Paid beyond the appointed date	-	-
(b) The amount of interest paid beyond the appointed date	-	-
3 Amount of Interest due and payable on the deals payment	20.98	6.16
4 Amount of interest accrued and remaining unpaid as at year end	20.98	6.16

**18. OTHER LIABILITIES**

Particulars	As at 31st March 2020	As at March 2019
<b>Current</b>		
Advance received from Customers	283.82	4.35
Unclaimed dividend	1.67	1.81
Statutory Liabilities	9.93	15.82
<b>Total</b>	<b>295.41</b>	<b>58.98</b>

**19. PROVISIONS**

Particulars	As at 31st March 2020	As at March 2019
<b>Non Current</b>		
Provision for employee benefits - Gratuity	48.06	53.68
<b>Total</b>	<b>48.06</b>	<b>53.68</b>
<b>Current</b>		
Provision for CSR	139.59	139.59
Provision for Taxation (Net)	153.52	153.02
<b>Total</b>	<b>293.11</b>	<b>292.61</b>

**20. REVENUE FROM OPERATIONS**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>Sales and Services</b>		
Domestic Sales	5,336.02	3,125.70
Exports Sales	263.82	965.01
Job Work Charges	87.89	174.50
	<b>5,687.73</b>	<b>4,265.21</b>

**21. OTHER INCOME**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Interest income	0.54	2.18
Dividend income	0.44	-
Fair value gain on financial instruments at fair value through profit and loss	11.42	(57.57)
Duty drawback	5.63	48.61
Net gain on disposal of property, plant and equipment	5.71	0.52
Miscellaneous Income ( Foot Note )	18.33	125.40
Net Gain/Loss on sale of Investments	-	102.90
Foreign Exchange Fluctuation Gain (Net)	2.72	24.04
	<b>44.79</b>	<b>246.08</b>

**Foot Note:-** Miscellaneous Income Includes Sundry Creditors Written Back ( not payable ) , Dividend on share and profit on sales of Share.

**22. COST OF MATERIALS CONSUMED**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Opening Stock ( (Raw Materials & Packing Materials)	87.77	210.59
Add : Purchases of Raw materials & Packing materials	4,536.47	2,485.18
Less : Closing Stock (Raw Materials & Packing Materials)	194.74	87.77
	<b>4,429.50</b>	<b>2,608.00</b>

**23. PURCHASES OF STOCK-IN-TRADE**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Purchases of Stock-In-Trade	-	211.75
	-	211.75

**24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>Inventories as at the beginning of the year</b>		
Finished goods	15.03	61.05
Work - in - progress	187.02	160.93
<b>Total</b>	202.05	221.97
<b>Less : Inventories as at the end of the year</b>		
Finished goods	25.08	15.03
Work - in - progress	163.44	187.02
<b>Total</b>	188.52	202.05
<b>Net decrease / (increase) in inventories</b>	13.53	19.93

**25. EMPLOYEE BENEFITS EXPENSE**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Salaries, wages and bonus (Note refer below)	341.58	402.06
Contribution to provident and other funds	14.53	18.61
Staff welfare expenses	9.39	17.66
	365.50	438.33

**Note :**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Salaries and Wages	225.45	371.03
Leave Leave Encashment Excess Provision Written Back	-	(30.69)
Directors Remuneration	87.60	89.56
Bonus, Gratuity and other incentives	28.53	23.22
Gratuity Excess Provision Written Back	-	(109.21)
Employers Contribution to ESIC and Other Funds	-	4.33
	341.58	348.24

**26. FINANCE COST**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Interest Expenses (Note refer below)	492.63	1,452.82
Other Borrowing Costs	0.82	9.10
<b>Net Total</b>	493.45	1,461.91



**Note :**

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>Interest Expenses includes :</b>		
On loans for fixed periods from banks	-	270.03
On cash credit and other facilities from banks	492.52	1,182.78
<b>Total</b>	492.52	1,452.81

Foot note no 1

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 during the year March 31, 2020 on various credit facilities/loans from the said Banks

**27. DEPRECIATION AND AMORTISATION EXPENSE**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Depreciation on tangible assets	653.10	795.08
Amortisation on intangible assets	5.54	3.79
	658.64	798.87

**28. OTHER EXPENSES**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>Other Manufacturing Expenses</b>		
Factory Electricity charge	95.05	88.91
Water Charges	17.90	13.92
Packing and Testing Charges	1.99	1.62
Laboratory Expenses	3.55	8.36
Contract Labour Charges	282.94	275.44
Consumable Stores	74.33	103.97
Processing Charges	22.66	72.89
Repairs and maintenance		
Plant and Machinery	31.36	29.88
Buildings	8.02	11.71
Freight Inward	3.07	11.94
Sundry Factory Expenses	5.84	4.11
	546.73	622.76
<b>Administrative, Selling and Distribution Expenses</b>		
Sales promotion expenses	5.08	17.83
Commission on Sales	2.24	166.86
Conveyance & travelling expenses	2.19	6.30
Freight & Transportation - Sales	14.33	52.65
Postage, Telephone/Telegram/Internet Charges	13.41	14.95
Repairs and maintenance-others	5.49	7.13
Insurance	26.49	13.27
Printing and Stationery	4.79	6.91
Sales Tax Expenses	26.86	-
Forex Exchange Loss	27.17	-
Professional Charges	150.20	175.79

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Rates & Taxes	22.41	10.14
Payments to auditors ( <i>Refer note below</i> )	9.00	9.00
Fair value loss on financial instrument at Fair value through profit and loss	8.20	-
Miscellaneous expenses	38.68	14.01
	356.53	494.84
<b>Total</b>	903.26	1,117.60

**(a) Details of Payments to Auditors**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>As auditor</b>		
Audit Fee	9.00	9.00
	9.00	9.00

**(b) Corporate social responsibility expenditure**

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
Contribution to charity foundation	-	-
Contribution to slum rehabilitation program	-	-
<b>Total</b>	-	-

**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, 2020 INR 3.61 Lakhs (March 31, 2019 INR 25.47 Lakhs) details of which are as follows :

(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>i. On Capital Items</b>	-	-
<b>ii. On items which have been expensed during the year*</b>	3.61	25.47
<b>Total</b>	3.61	25.47
<b>Total Research and Development Expenditure ( i + ii )</b>	3.61	25.47

\* 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	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<b>(a) Basic earnings per share (INR)</b>	(7.11)	(8.20)
<b>(b) Diluted earnings per share (INR)</b>	(7.11)	(8.20)
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>		
<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	(1,463.62)	(1,687.46)



(Amount in INR Lakhs)

Particulars	For the year Ended March 31st, 2020	For the year Ended March 31st, 2019
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(1,463.62)	(1,687.46)
Adjustments for calculation of Diluted earnings per share:	-	-
<b>Profit attributable to the equity holders of the company used in calculating diluted earnings per share</b>	<b>(1,463.62)</b>	<b>(1,687.46)</b>
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,05,78,004	2,05,78,004
Adjustments for calculation of Diluted earnings per share:	-	-
<b>Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share</b>	<b>2,05,78,004</b>	<b>2,05,78,004</b>

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, 2020			March 31, 2019	
	Current	Non Current	Total	Current	Non Current
Leave Encashment	-	4.08	<b>4.08</b>	0.82	5.23
Gratuity	-	48.06	<b>48.06</b>	-	53.68
<b>Total Employee Benefit Obligation</b>	<b>-</b>	<b>52.14</b>	<b>52.14</b>	<b>0.82</b>	<b>58.91</b>

#### (i) Leave Encashment

The leave obligations cover the company's liability for sick and earned leave.

The amount of the provision of INR Nil (March 31, 2019: INR 0.82 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 :

(Amount in INR Lakhs)	
Particulars	Present value of obligation
<b>As at March 31, 2019</b>	53.68
Current service cost	5.07
Past Service Cost -(vested benefits)	-
Interest expense/(income)	3.02
Adjustment to Opening Fair Value of Plan Asset	-
<b>Total amount recognised in profit or loss</b>	8.08
<i>Remeasurements</i>	
(Gain)/Loss from change in financial assumptions	1.07
Experience (gains)/losses	(14.77)
<b>Total amount recognised in other comprehensive income</b>	(13.70)
Employer contributions	
Benefit paid	-
<b>As at March 31, 2020</b>	48.06

The significant actuarial assumptions were as follows:

Particulars	March 31, 2020	March 31, 2019
Mortality	IALM (2006-08 Ult.	IALM (2006-08 Ult.
Interest/ Discount Rate	6.51%	7.32%
Rate of Increase in Compensation	3.00%	3.00%
Expected average remaining service	6.65%	6.67%
Employee Attrition Rate	PS: 0 to 42 : 10%	PS: 0 to 42 : 10%

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is shown below:

(Amount in INR Lakhs)				
Assumptions	Discount rate		Salary escalation rate	
	1% increase	1% decrease	1% increase	1% decrease
<b>March 31, 2020</b>				
Impact on defined benefit obligation	(1.31)	1.44	1.39	(1.27)
% Impact	-2.43%	2.69%	2.58%	-2.36%
<b>March 31, 2019</b>				
Impact on defined benefit obligation	(1.40)	1.54	1.48	(1.37)
% Impact	-2.91%	3.19%	3.09%	-2.85%

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, 2020	March 31, 2019
Expected outflow First	23.07	24.94
Expected outflow Second	3.25	5.38
Expected outflow Third	7.51	6.02
Expected outflow Fourth	3.88	6.82
Expected outflow Fifth	2.27	3.71
Expected outflow Six to Ten years	10.03	9.85
<b>Total expected payments</b>	<b>50.02</b>	<b>56.72</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is **7.90 years** (March 31, 2019: 7.49 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 12.20 Lakhs (March 31, 2019: INR 15.04 Lakhs)

## 33. COMMITMENTS AND CONTINGENCIES

### A. Commitments

	March 31, 2020	March 31, 2019
Letter of Credits	-	-
Bank Guarantee	8.91	8.39

### B. Contingent Liabilities

Particulars	March 31, 2020	March 31, 2019
<b>Claim against the company not acknowledged as debt</b>		
Income tax matter	951.53	1,022.20
Contingent Liability in respect of sale tax demands against which company has filed appeal /granted stay order	402.26	626.90
Excise Duty	-	37.16

#### Note :

Amounts are net of payments made.

A vendor M/s Ela Enterprises has filed 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 financial difficulties, payment is delayed.

### C. Financial Guarantees

Particulars	March 31, 2020	March 31, 2019
The company has given guarantee on behalf of Lasa Supergenics 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, Chairman and Managing Director

Rishikesh P. Herlekar, Chief Executive Officer

Subhash Ambatkar, Executive Director

Sunny D. Pagare, Company Secretary

Vaman Acharya, Chief Financial Officer

Sanjivani S. Patare, Independent Director

Prakash Rao (till 14-02-2020)

Laxmikant Kabra (till 14-02-2020)

Sitendu Sharma (till 19-11-2019)

Neha Agarwal (till 30-06-2020)

Lasa Supergenics Ltd.

#### Relative of Key Managerial Personnel

Omkar Herlekar

Anjali P. Herlekar, Non-Executive Director (till May 23, 2016)

#### 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, 2020	March 31, 2019
Pravin.S. Herlekar	Remuneration paid	60.00	60.00
	Loan taken	1.50	322.67
	Loan repaid	24.79	1,207.87
Rishikesh P. Herlekar	Remuneration paid	18.00	18.00
	Loan taken	-	32.00
	Loan repaid	27.85	3.84
Prakash Rao	Remuneration paid	11.01	12.95
Subhash Murlidhar Ambatkar	Remuneration paid	2.12	-

**(iv) Loans from related parties****(Amount in INR Lakhs)**

Name	Particulars	March 31, 2020	March 31, 2019
<b>Loans from related parties</b>			
Pravin Herlekar	Beginning of the year	4,215.90	5,101.10
	Loans taken	1.50	322.67
	Loan repaid	24.79	1,207.87
	<b>End of 31st March 2020</b>	<b>4,192.61</b>	<b>4,215.90</b>
Rishikesh Herlekar	Beginning of the year	244.29	216.13
	Loans taken	-	32.00
	Loan repaid	27.85	3.84
	<b>End of 31st March 2020</b>	<b>216.44</b>	<b>244.29</b>
Anjali Herlekar	Beginning of the year	260.00	260.00
	Loans taken	-	-
	Loan repaid	-	-
	<b>End of 31st March 2020</b>	<b>260.00</b>	<b>260.00</b>

**(v) Other balances with related parties****(Amount in INR Lakhs)**

Name	Particulars	March 31, 2020	March 31, 2019
Lasa Supergenics Ltd	Opening balance Receivable	5.34	-
	Opening balance Payable	-	-
	Purchase of Goods	-	126.53
	Sales of Goods	-	16.31
	Closing balance Payable	44.25	-
	Closing balance Receivable	5.34	5.34

**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.

**(vi) Key management personnel compensation****(Amount in INR Lakhs)**

	March 31, 2020	March 31, 2019
Director sitting fees	91.13	90.95
Short term employee benefits	-	-
Post-employment benefits*	-	-
Long term employee benefits*	-	-
	<b>91.13</b>	<b>90.95</b>

\*The amount of post employment benefits and long term employee benefits cannot be separately identified from the composite figure advised by the actuary/valuer.



### (vii) 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, 2019 : INR NIL lakhs). For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2019: 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, 2020	March 31, 2019
India	5,423.91	3,300.20
Outside India	263.82	965.01
	<b>5,687.73</b>	<b>4,265.21</b>

Revenue arising from sale of products to one customers amounted to INR 4987.84 Lakhs (March 31, 2019: INR 1741.10 Lakhs ), 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>FINANCIAL ASSETS</b>				
<b>Amortised cost</b>				
Trade Receivables	466.46	869.01	466.46	869.01
Loans	25.48	24.72	25.48	24.72
Cash and Cash Equivalents	31.00	8.24	31.00	8.24
Other Bank Balances	8.91	8.39	8.91	8.39
Other Financial Assets	1,352.66	0.93	1,352.66	0.93
<b>FVTPL</b>				
Investments in Equity Instruments	29.26	25.81	29.26	25.81
Investments in Mutual Funds	8.77	9.06	8.77	9.06
<b>Total</b>	<b>1,922.54</b>	<b>946.16</b>	<b>1,922.54</b>	<b>946.16</b>
<b>FINANCIAL LIABILITIES</b>				
<b>Amortised cost</b>				
Borrowings	23,331.48	22,950.36	23,331.48	22,950.36
Trade Payables	1,798.11	2,015.43	1,798.11	2,015.43
Other financial liabilities	210.38	156.51	210.38	156.51
<b>Total</b>	<b>25,339.97</b>	<b>25,122.30</b>	<b>25,339.97</b>	<b>25,122.30</b>

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, 2020			Total	March 31, 2019		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)	
<b>Financial Assets</b>							
<b>Financial Investments at FVTPL</b>							
Quoted Mutual Funds	8.77	-	-	8.77	9.06	-	9.06
Quoted Equity Instruments	24.20	-	-	24.20	20.75	-	20.75
Unquoted Equity Instruments	-	-	5.06	5.06	-	5.06	5.06
<b>Total Financial Assets</b>	<b>32.97</b>	<b>-</b>	<b>5.06</b>	<b>38.03</b>	<b>29.81</b>	<b>5.06</b>	<b>34.87</b>

## 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):**

(Amount in INR Lakhs)

Particulars	Unquoted equity shares
<b>As at March 31, 2019</b>	5.06
Remeasurement recognised in profit and loss	-
Purchases	-
Sales	-
<b>As at March 31, 2020</b>	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**

(Amount in INR Lakhs)

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31, 2020	118.32	348.14	466.46
As at March 31, 2019	563.05	305.96	869.01

## iii. Reconciliation of loss allowance provision - Trade receivables

(Amount in INR Lakhs)

Particulars	
Loss allowance on March 31, 2019	2,519.13
Changes in loss allowance	-
Loss allowance on March 31, 2020	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 INR1418.04 Lakhs (March 31, 2019: INR 42.28 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
<b>March 31, 2020</b>					
Borrowings	23,331.48	23,331.48	14,948.20	1,000.00	7,383.28
Trade payables	1,798.11	1,798.11	1,798.11	-	-
Other financial liabilities	210.38	210.38	-	181.98	28.40
<b>Total financial liabilities</b>	<b>25,339.96</b>	<b>25,339.96</b>	<b>16,746.31</b>	<b>1,181.98</b>	<b>7,411.68</b>
<b>March 31, 2019</b>					
Borrowings	22,950.36	23,271.71	14,631.53	1,000.00	7,640.18
Trade payables	2,015.43	1,821.29	1,821.29	-	-
Other financial liabilities	156.51	342.16	-	311.44	30.72
<b>Total financial liabilities</b>	<b>25,122.31</b>	<b>25,435.16</b>	<b>16,452.82</b>	<b>1,311.44</b>	<b>7,670.90</b>

## (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
<b>March 31, 2020</b>			
Trade Receivables	5.24	-	5.24
Bank balance in EEFC accounts	-	-	-
Trade Payables	(10.20)	-	(10.20)
<b>Net exposure to foreign currency risk</b>	<b>(4.96)</b>	<b>-</b>	<b>(4.96)</b>
<b>March 31, 2019</b>			
Trade Receivables	5.44	-	5.44
Bank balance in EEFC accounts	-	-	-
Trade Payables	(10.20)	-	(10.20)
<b>Net exposure to foreign currency risk</b>	<b>(4.76)</b>	<b>-</b>	<b>(4.76)</b>



### (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)			
	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(0.05)	0.05	(0.05)	0.05
EURO	-	-	-	-
<b>Net Increase/(decrease) in profit or loss</b>	<b>(0.05)</b>	<b>0.05</b>	<b>(0.05)</b>	<b>0.05</b>

### (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 -

Rate sensitivity	(Amount in INR Lakhs)		
	Increase / Decrease In basis rate	Effect on Profit before tax	
For year ended March 31,2020	-	+ / (-)	-
For year ended March 31,2019	(0.25)	+ / (-)	(14.00)

### (iii) Inventory price risk

The Company is exposed to the movement in price of principal finished product. Company monitors the prices on daily basis and formulates the sales strategy to achieve maximum realisation.

## 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, 2020	March 31, 2019
Borrowings	23,331.48	22,950.36
Trade payables	1,798.11	2,015.43
Other payables	210.38	156.51
Less: Cash and cash equivalents	(31.00)	(8.24)
Less: Other bank balance	(8.91)	(8.39)
<b>Net Debt</b>	<b>25,300.06</b>	<b>25,105.67</b>
Equity share capital	2,057.80	2,057.80
Other equity*	(18,306.79)	(16,866.16)
<b>Total Equity</b>	<b>(16,248.99)</b>	<b>(14,808.36)</b>
<b>Total Equity and Net Debt</b>	<b>9,051.06</b>	<b>10,297.31</b>
<b>Gearing ratio (%)</b>	<b>279.53</b>	<b>243.81</b>

\*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 not 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 not been made.

**40. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013**

- a) Details of Investment made are given under Note 6.
- b) Details of loans given are disclosed in Note 6
- c) 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

**Dr. S.N.Desai**  
Partner  
Membership No. 032546

Place : Mumbai  
Date : 30th June 2020

**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 :30th June 2020

Sd/-  
**Rishikesh Herlekar**  
**Chief Executive officer**

Sd/-  
Vaman Acharya  
**Chief Financial officer**

