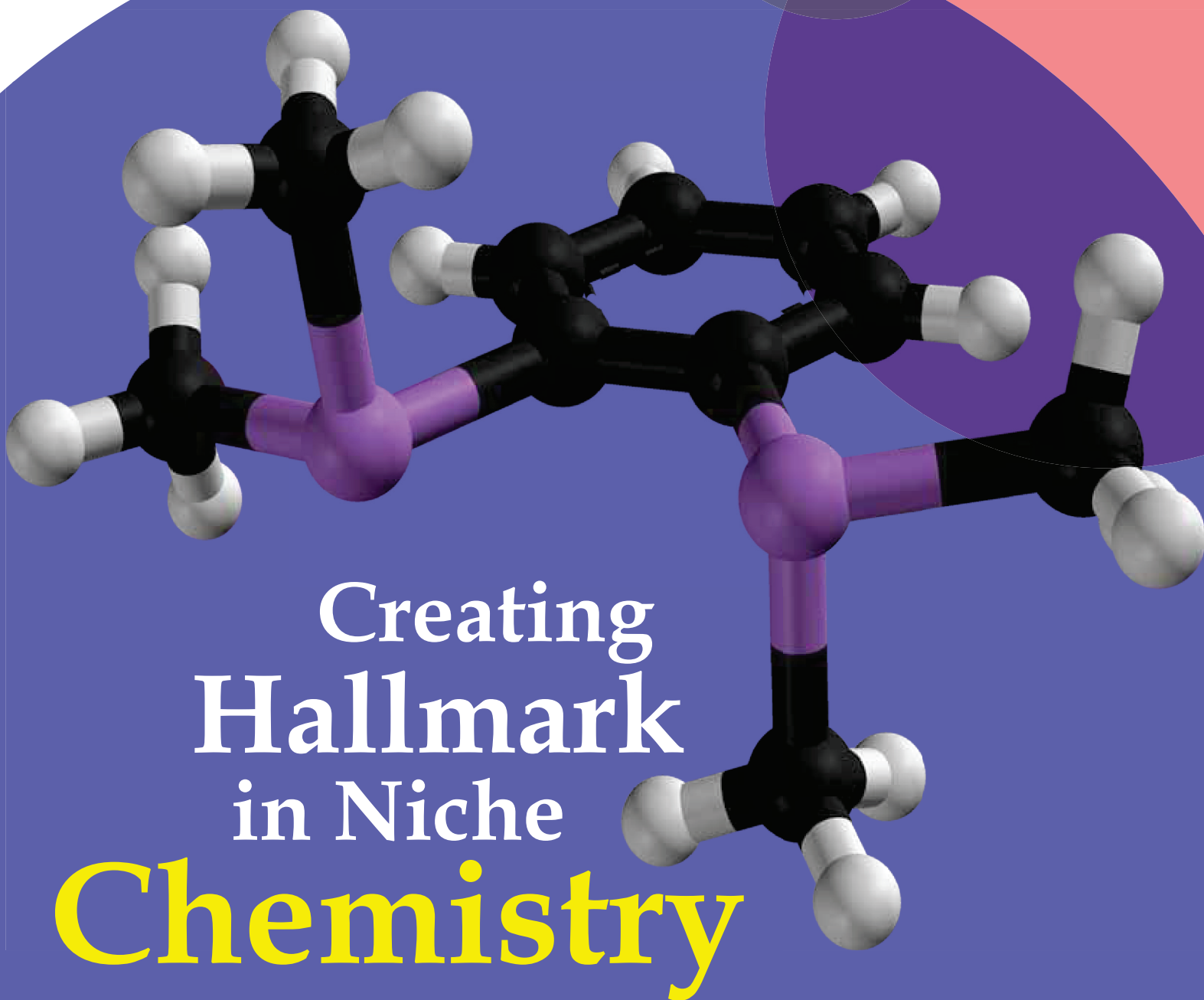


OMKAR

Always the leaders

# ANNUAL REPORT 2012-2013



Creating  
Hallmark  
in Niche  
**Chemistry**



CORPORATE SOCIAL RESPONSIBILITY



B<sup>2</sup>B  
mélange

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# From the Desk of Chairman & MD

Dear Shareholders,

Last year, I had noted that the global economic outlook was overcast, that markets were edgy, and that consumers were skeptical. I anticipated a daunting year, and it was. The economic and debt cataclysm continued to cast a shadow over Europe and the United States since over last four years, seeping a trickle-down effect all through FY2012-13, as well.

Despite this ominous ambiance beset with extraneous global business challenges, we have yet again triumphed in our endeavor by posting a positive growth in sales during FY2012-13. This is because niche chemistry is the aggregate of both science and invention, which is pivotal to everything we do.

On overall parameters, starting with our financial performance, we have enriched outcomes and concurrently undertaken several initiatives to ameliorate our market position for the future. It's all the more significant given that we are consistently focused on our niche innovative product offerings, and geographies, which have the potential for sustainable growth. Our inventive approach, long-term planning and a rich product pipeline has helped us in keeping up a positive growth trajectory and earnings prospects during FY13.

Over the past few years, we progressively navigated through a series of challenges with élan—adopted long-term perspective, maintained a disciplined approach towards growing our business and remained aligned to our operating model and corporate philosophy.

We cater to a host of industries, with pharma intermediates & APIs contributing around 70 percent of our revenue, while the balance 30 percent is contributed by our speciality chemicals products catering to cattle and poultry feed, glass industry, water treatment, to name a few. Our focus on the pharma segment remains unaltered as we have evolved the roadmap to bolster our presence in the API segment for domestic and export markets.

Last year, we embarked on a quest of expansion—to fortify our existing manufacturing facilities and pave way for the phased commissioning of our new manufacturing facilities at Chiplun. OSCL's unit V situated at Chiplun is currently taking shape and it is expected to be operational in next six months. We have also initiated steps to shore up a robust manufacturing backbone across all our existing and new facilities by building state-of-the-art GMP facilities to cater to the regulatory markets.

Urdhwa Chemical Co. Private Limited, located at MIDC, Lote Parshuram, Chiplun, District Ratnagiri, our wholly owned subsidiary, with a manufacturing capacity of 2,800 MTPA was commissioned during December 2012. The plant is currently working efficiently, and we expect to reach the desirable level of capacity utilization

in next couple of months.

The acquisition of the veterinary API facility of Lasa Laboratory located at MIDC Mahad in Raigad District in April 2012 was part of our forward integration endeavor with our in-house intermediates. This acquisition offered us the headway to foray into the API segment. We will continue to forge ahead with such forward and backward integrations to add value to our operations and yield better performance going forward.

Among our achievements, we delivered our highest-ever exports, made substantial investments to expand our global footprint, and continued launch of newer value added products. Our exports currently constitute about 28 percent of our top-line, which indicate an increase from Rs 26 crore in FY2012 to about Rs 60 crore in FY2013. As a matter of strategy, we will continue our efforts to step-up our exports by targeting more geographical territories, which will offer us natural hedging for our Forex outflows.

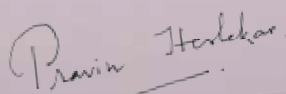
Scalability for any speciality chemicals company can be accomplished through consistent launch of newer molecules, braced by a robust R&D backbone. We have maintained a strong edge over our peers, mainly on the back of our R&D strength and unswervingly launch of new products with IPR filings. Currently, we have applied for seven process patents, besides 5-6 fresh applications in the pipeline.

In a bid to bolster a healthy cash flow in our business, we are pulling out all the stops to streamline and arrest the protracted working capital cycle. A pragmatic approach initiated by us to control our inventories and receivables has started yielding results, and our efforts in this regards will soon translate in controlling and rationalizing our working capital cycle in the near future.

For now, I firmly believe that we have established a culture of continuous enhancement of business quality and performance to ensure that we maintain our growth and profitability, and stay ahead of the curve. Without being swayed by the disconsolate economic climate of the time, we have enhanced our corporate value by ensuring that we achieve high credibility with our customers and stakeholders.

On behalf of the Board of Directors, I would like to thank all our shareholders, and I greatly appreciate their continuous support and faith in OSCL.

Sincerely



**Pravin S. Herlekar**  
Chairman & Managing Director



“

**Despite ominous ambiance beset with extraneous global business challenges, we have yet again posted a positive growth in sales during FY2012-13**

”





## The year ahead looks stronger than ever!

Dear Shareholders,

**A**t the outset, I would like to express my sincere appreciation for your loyal and extended support for OSCL's business endeavors. We look forward to your continued support.

Despite a challenging environment, I believe FY2013 marked another year of progress for OSCL in the delivery of our strategy and in generating more sustainable returns to shareholders.

It has been a consistent journey for all of us, marked by substantial growth that places our company on the cusp of formidable transformation. Our vision is to emerge as one of the dominant players in the niche speciality chemicals sector and innovatively strong player in domestic and global markets.

Innovation is part of your corporate ethos and we follow a win-win strategy, with unwavering dedication and devotion to win the confidence of our valued customers. We are confident that our efforts would see our company grow from strength to strength as a strong speciality chemicals player in the years to come. To achieve success in marketing, we are determined to capitalize on the new opportunities based on our strong fundamentals of innovation and product basket. We remain committed to enhancing the values as we actively pursue our strategy of growth through organic and inorganic means.

We have been constantly pursuing a number of value-accretive growth initiatives in attractive markets, which will deliver value for our shareholders. The benefits of this strategy were evident during FY2013, with strong performances in our earnings, thereby offsetting much of the impact of the significantly worsening outlook in the Europe. In spite of sharp fluctuations in input costs and an overall inflationary scenario, we were able to manage costs well leading to maintaining our operating margins during FY2013.

Operating in a responsible and ethical way has proved commercial success for OSCL. As Whole-Time Director of the company, I am pleased to see the continued progress during FY 14 in our efforts to improve global footprint.

Being an innovation-driven company, we have been successful in tailoring specific products and customized solutions for each customer market. Our mission is to continually look for new innovative molecules. We have a large pool of qualified scientists and supportive Intellectual Property (IP) protection framework, which has helped in creating a strong R&D backbone for our business.

Gearing up for the future, we have the preparedness to withstand the winds of change backed by a highly skilled and creative research and development team, which is reinforced by our state-of-the-art infrastructure. Our well-recognized global market presence with over 200 strong product portfolios is being backed up with newer products every year. We have a streamlined and efficient manufacturing capability, which

exemplifies our innovative prowess, high quality production and cost effectiveness. We also have a well monitored marketing and distribution network, aimed to attract wide-reaching customer base globally.

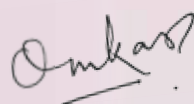
A very exciting year lies ahead of us despite downcast in the global demand for chemicals across developed markets. We are cautious, but at the same time quite optimistic that markets would bounce back again in the near future.

The achievements we made in FY2013 demonstrate that OSCL has employees with the right collective expertise. This, together with their great commitment, has led us to our successes. I want to thank all employees for these efforts and I am looking forward to fruitful developments in FY2014 with great expectations.

I appreciate and look forward to your further support as OSCL makes a concerted effort to make further dynamic progress toward global growth. I also believe that our shareholders and investors are as excited as I am about OSCL's future prospects, and will continue to support us as we accelerate our initiatives for further growth.

On behalf of our Board of Directors and management team, I extend deep gratitude and thanks for your continued support.

Sincerely,



**Omkar P. Herlekar**  
Whole Time Director



## CORPORATE INFORMATION

### Board of Directors:

**Mr. Pravin S. Herlekar**  
Chairman & Managing Director

**Mr. Omkar P. Herlekar**  
Whole Time Director

**Mr. Amit A. Pandit**  
Non Executive - Independent Director

**Prof. (Dr.) Suhas M. Rane**  
Non Executive - Independent Director

**Mr. Subhash P. Mali**  
Non Executive - Independent Director

**Dr. Vikas N. Telvekar**  
Non Executive - Independent Director

**Mr. Siddharth S. Sinkar**  
Non Executive - Non Independent Director  
(Appointed w.e.f. 5th April, 2012)

**Company Secretary & Compliance Officer:**  
Mr. Nirav K. Momaya

### Auditors:

**M/s J.P.J Associates**  
Chartered Accountants  
46, Shrikrishna Nagar,  
Borivali (East), Mumbai - 400 066

### Registrar & Share Transfer Agent:

**M/s Bigshare Services Pvt. Ltd.,**  
E-2, Ansa Industrial Estate,  
Sakivihar Road, Saki Naka,  
Andheri (East), Mumbai – 400 072

### Bankers:

**Bank of Baroda**  
**Axis Bank Limited**  
**Citi Bank N.A.**

## COMPANY LOCATIONS

### Registered & Corporate Office:

B-34, M.I.D.C. Badlapur (E)  
Dist: Thane  
State: Maharashtra  
Tel No. +91(0251) 2690651, 2697340/48/49  
Fax: +91(0251) 2691572, 2697347  
E-mail address: [info@omkarchemicals.com](mailto:info@omkarchemicals.com)  
[cs@omkarchemicals.com](mailto:cs@omkarchemicals.com)  
Website: [www.omkarchemicals.com](http://www.omkarchemicals.com)

### Plants:

**Unit -I-** W-92(A), W-94(A) & W-95(A), M.I.D.C.,  
Badlapur (East), Thane – 421503, Maharashtra

**Unit -II-** F-24, M.I.D.C., Badlapur (East), Thane-421503,  
Maharashtra

**Unit -III-** B-34, M.I.D.C., Badlapur (East), Thane-421503,  
Maharashtra

**Unit -IV-** F-9 & F-10/1, M.I.D.C., Badlapur (East),  
Thane-421503, Maharashtra

**Unit -V-** D 27/5, M.I.D.C., Lote Parshuram Industrial Area ,  
Chiplun, Dist. Ratnagiri, Maharashtra

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Eighth Annual General Meeting of the members of Omkar Speciality Chemicals Limited will be held on Tuesday, the 13th Day of August, 2013 at 10:30 A.M. at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane – 421503, to transact the following business:

## **ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Statement of Profit & Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Report of the Board of Directors and that of Auditors thereon.
2. To declare a final dividend for the year ended on 31st March, 2013 on the Equity Shares.
3. To appoint a Director in place of Mr. Amit A. Pandit, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Prof. (Dr.) Suhas M. Rane, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting & to fix their remuneration 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** subject to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. J.P.J. Associates, Chartered Accountants, Mumbai [Firm Registration No. 113012W] be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors, plus service tax, out-of-pocket, travelling and living expenses, etc.”

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

Place: Mumbai  
Date: 20th May 2013

**Nirav Momaya  
Company Secretary**

## **NOTES:**

1. The additional information pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange(s) in respect of the Directors seeking re-appointment is furnished herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE ‘MEETING’) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

**THE INSTRUMENT APPOINTING THE PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.**

3. The members/proxies should bring the enclosed attendance slip duly filled in, for attending the Annual General Meeting. The copies of the Annual Report will not be distributed at the meeting.
4. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



# NOTICE OF ANNUAL GENERAL MEETING

## 6. Book closure & Dividend:

- a) The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 6th August, 2013 to Tuesday, 13th August, 2013(both days inclusive).
  - b) If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, the payment of such dividend will be made on 26th August, 2013 as under:
    - (i) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 5th August, 2013;
    - (ii) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of the transfer request lodged with the Company on or before the close of business hours on 5th August, 2013.
7. Members desiring to seek any information on the Annual Accounts to be explained at the meeting are requested to send their queries in writing to the Company Secretary at least seven days before the date of the meeting at the Registered Office to make the required information available.
8. The Securities and Exchange Board of India (SEBI), vide its circular dated 21st March, 2013, has mandated that all the cash payments to the investors by the companies whose securities are listed on the Stock Exchanges shall be made through Reserve Bank of India (RBI) approved electronic mode of payment such as ECS (Local ECS/Regional ECS/National ECS), NEFT etc. for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.
9. Members holding shares in physical form are requested to advise any change of address immediately to Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialized form must send the advice about the change in address to the respective Depository Participant only and not to Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.
10. Members, who have not encashed their Dividend Warrants for the financial year ended 31st March, 2011 and 31st March, 2012 may approach the Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company/ to the Company for issuance of demand draft upon completion of necessary formalities in the said behalf in lieu of such warrants. Pursuant to section 205A, 205C and other applicable provisions, if any, of the Companies Act, 1956, any money transferred to unpaid dividend account which remains unpaid/ unclaimed for a period of 7 years from the date they become due for the payment, is required to be transferred to the "Investor Education and Protection Fund" set up by the Central Government.
11. 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 to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Company or Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.
12. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated 21st April and 29th April, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form, with their respective Depository Participants and in respect of shares held in physical form, with Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.

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

Place: Mumbai  
Date: 20th May, 2013

**Nirav Momaya  
Company Secretary**

# NOTICE OF ANNUAL GENERAL MEETING

## DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Amit A. Pandit	Prof. (Dr.) Suhas M. Rane
Date of Birth	30th March, 1971	03rd December, 1951
Date of appointment	25th March, 2010	25th March, 2010
Expertise in specific functional Areas	Mr. Amit A. Pandit has an overall experience of more than 20 years in the field of Finance & Banking, Business Valuations, Business Restructuring, Investment Banking, Internal Audits and Corporate Advisory. Earlier, he worked with BON Consultants, Mafatlal Finance Company Limited, Global Tele Systems and Darashaw & Company Pvt. Ltd. He was also in independent practice for some years. He joined Contractor, Nayak & Kishnadwala, Chartered Accountants in 2004 as Head of Internal Audit and was elevated to a partner in 2007. He is currently in charge of the Risk Assurance Practice of the Firm. Additionally he is on the Board of The Saraswat Co-operative Bank Ltd and Saraswat Infotech Limited. He is also a visiting faculty at various management institutes for Corporate Finance and other finance related subjects.	Prof. (Dr.) Suhas M. Rane has an overall experience of 40 years. Earlier he worked with Mahindra & Mahindra, Tata Motors, Pidilite Industries, Soji Group, Procons Consultants, in various capacities. Later he moved on to academics since 2000. He was Associate Dean of ICAI Business School and thereafter became the Director- Planning of Narsee Monji Institute of Management Studies. Currently he is a management consultant and visiting faculty with several leading B-schools, such as NMIMS, S.P. Jain Centres- Singapore & Dubai, Indo-German, Chamber of Commerce and CII. He has to his credit several research papers published in the national & international journals and conferences. His special interest and research lies in RFID technology applications.
Qualifications	Mr. Amit A. Pandit is a fellow member of The Institute of Chartered Accountants of India (ICAI), holds a Diploma in Business Finance from Institute of Chartered Financial Analysts of India (ICFAI) and is a commerce graduate from Mumbai University.	Prof. (Dr.) Suhas M. Rane is B.E (Mechanical), holds a Diploma in Management Studies (DMS) and Master of Financial Management (MFM), all from University of Mumbai. Later he completed his PH.D in Supply Chain Management from the University of Pune.
No. of shares held in the Company	NIL	NIL
List of other Companies in which Directorship held as on 31st March, 2013.	1. The Saraswat Co-operative Bank Ltd. 2. Saraswat Infotech Ltd.	NIL
Chairman/ Member of the mandatory committees of the Board of the Companies on which he is a director (including OSCIL) as on 31st March, 2013	1. Chairman of Audit Committee of Omkar Speciality Chemicals Ltd. 2. Chairman of Audit Committee of Saraswat Infotech Ltd. 3. Member of Share Transfer & Investor Grievance Committee of Omkar Speciality Chemicals Ltd. 4. Member of Audit Committee of The Saraswat Co-operative Bank Ltd.	1. Chairman of Share Transfer & Investor Grievance Committee of Omkar Speciality Chemicals Ltd. 2. Member of Audit Committee of Omkar Speciality Chemicals Ltd.



# DIRECTORS' REPORT

## TO THE MEMBERS OF OMKAR SPECIALITY CHEMICALS LIMITED

Your Directors have pleasure in presenting their Eighth Annual Report and Audited Financial Statements for the financial year ended 31st March, 2013.

## FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March, 2013 is summarized below:

(Rs in Lakhs)

Particulars	Year ended 31st March, 2013	Year ended 31st March, 2012
<b>INCOME</b>		
Revenue from Operation	20,153.12	16,694.80
Other Income	579.40	369.86
<b>TOTAL REVENUE</b>	<b>20,732.52</b>	<b>17,064.66</b>
<b>EXPENDITURE</b>		
Cost of Material Consumed	11,935.71	10,773.33
Purchase of Stock in Trade	3,509.26	1,817.96
Changes in Inventories	(1,808.51)	(1,157.10)
Employee Benefits Expense	800.54	638.34
Finance Costs	743.16	809.53
Depreciation & Amortization Expense	568.43	562.09
Other Expenses	2,083.45	1,302.93
<b>TOTAL EXPENDITURE</b>	<b>17,832.04</b>	<b>14,747.08</b>
<b>PROFIT BEFORE TAX</b>	<b>2,900.48</b>	<b>2,317.58</b>
Tax Expenses	820.38	672.91
<b>PROFIT AFTER TAX</b>	<b>2,080.10</b>	<b>1,644.67</b>
Balance in Profit & Loss Account brought forward from previous year.	2,149.60	940.08
<b>Less: Appropriations</b>		
Proposed Dividend	294.42	245.35
Tax on Dividend	47.76	39.80
Transfer to General Reserve	150.00	150.00
<b>Balance carried to Balance Sheet</b>	<b>3,737.52</b>	<b>2,149.60</b>

## PERFORMANCE REVIEW:

The Revenue from Operations for the financial year under review has gone up to Rs. 20,153.12 Lakhs as against Rs. 16,694.80 Lakhs in previous year, registering a growth of 21%. The Profit after tax has also gone up to Rs. 2,080.10 Lakhs in current year from Rs. 1,644.67 Lakhs in previous year, registering a growth of 26%.

## DIVIDEND

Based on the Company's performance, the Directors are pleased to recommend for the approval of members a final dividend of Rs. 1.50 per share (Previous Year Rs. 1.25 per share) on the capital of 19628004 Equity Shares of Rs. 10/- each. The final dividend on equity shares as recommended above, if approved by the members would involve a cash out flow of Rs. 342.17 Lakhs including dividend tax of Rs. 47.76 Lakhs [Previous Year Rs. 285.15 Lakhs including dividend tax of Rs. 39.80 Lakhs].

## TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 150 Lakhs to General Reserve out of the amount available for appropriations and an amount of Rs. 3,737.52 Lakhs is proposed to be retained in the Statement of Profit and Loss.

# DIRECTORS' REPORT

## HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS

A detailed discussion on Human Resource Management and Industrial Relations has been dealt in Management Discussion and Analysis (MD & A) report.

## IPO PROCEEDS UTILIZATION

The objective of our IPO during January 2011 was to raise capital to increase our capacities at various locations. The management has obtained the approval from the members in the last Annual General Meeting for utilization of the IPO funds for the expansion activities in addition to the objects as proposed in earlier RHP. The utilization of IPO proceeds is within the framework of the objectives as listed in our RHP and the purposes other than those as stated in the notice convening the Seventh Annual General Meeting.

## ISSUE OF WARRANTS CONVERTIBLE INTO EQUITY SHARES TO PROMOTERS & PROMOTER GROUP

During the year under review, your Company has, in furtherance of approval received from the Bombay Stock Exchange Limited (BSE), the National Stock Exchange of India Limited (NSE) and Shareholders of the Company, issued and allotted 950,000 Warrants, on preferential basis, @ Rs. 150/- per warrant, convertible into 950,000 Equity Shares of Rs. 10/- each. The above warrants were issued to Promoter & Promoter Group on 6th March, 2013, in accordance with the SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

## CALLING OFF THE AMALGAMATION OF DESH CHEMICALS PRIVATE LIMITED WITH OMKAR SPECIALITY CHEMICALS LIMITED

Your Company had initiated the process of amalgamation of M/s Desh Chemicals Private Limited, Wholly Owned Subsidiary of the Company, with the Company on 5th April, 2012. However, due to too much delay in the said process and involvement of multiple regulations, the Board of Directors have approved cancellation and calling off the process of amalgamation. Further, the Board of Directors have approved the acquisition of assets of M/s Desh Chemicals Private Limited comprising of land, building and machinery for the operational benefits of the Company.

## UNPAID DIVIDEND

As per the information obtained from Axis Bank, it has been noted that the amount of Rs.17,948/- and Rs.14,742.50 is lying in Unpaid Dividend Account of Omkar Speciality Chemicals Limited in respect of the dividend declared by the Company for the financial year 2010-2011 and 2011-2012 respectively. Those Members who have not claimed their dividend are requested to contact Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company / to the Company for issuance of demand draft upon completion of necessary formalities in the said behalf in lieu of such dividend warrants.

## FINANCIAL STATEMENTS

The Financial Statements have been prepared as per the revised schedule VI of the Companies Act, 1956 as notified by the Ministry of Corporate Affairs. Accordingly, the previous year's figures have also been regrouped/ restated wherever necessary to conform to the classification of the current year.

## SUBSIDIARY COMPANIES

During the year under consideration, your Company has acquired M/s Lasa Laboratory Private Limited as a going on concern basis by acquiring all the equity shares thereof entitling all the liabilities and assets including plot of land situated at C-105, MIDC, Mahad, Village Khaire, Birwali, Raigad- 402309 with effect from 9th April 2012 and the said company was made a wholly owned subsidiary of M/s Omkar Speciality Chemicals Limited. M/s Lasa Laboratory Private Limited is engaged in the manufacturing of Anthelmintic APIs for veterinary applications. By acquiring M/s Lasa Laboratory Private Limited, the Company has gained a foothold in the API manufacturing space.

A detailed discussion on subsidiaries has been dealt in the Management Discussion and Analysis (MD & A) Report.

In terms of the General Circular of the Ministry of Corporate Affairs, Government of India has granted general exemption under Section 212(8) of the Companies Act, 1956. In view of this copies of the Balance Sheet, Statement of Profit & Loss, Report of the Board of



# DIRECTORS' REPORT

Directors and Auditors of its subsidiaries namely Rishichem Research Limited, Desh Chemicals Private Limited, Urdhwa Chemicals Company Private Limited and Lasa Laboratory Private Limited have not been attached with the Balance Sheet of the Company. These documents will be made available upon request by any member of the Company interested in obtaining the same at the Registered Office of the Company. However, as directed by the MCA in the aforesaid circulars, the financial information of the said subsidiaries has been disclosed in the Annual Report.

Further, pursuant to Clause 32 of the Listing Agreement with Stock Exchange(s) and Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include financial information of its aforesaid subsidiaries.

## DEPOSIT FROM PUBLIC

Your Company did not invite or accept deposits from the public during the year under review.

## REGULATORY APPROVALS

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

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

## DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Amit A. Pandit and Prof. (Dr.) Suhas M. Rane retires by rotation at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

The Board recommends re-appointment of both the Directors in the ensuing Annual General Meeting of the company.

## DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's Responsibilities Statement, the Directors state and hereby confirm that:

- a) In the preparation of the annual accounts for the year ended 31st March 2013, the applicable accounting standards have been followed and there are no material departures;
- b) They have, in selection of the accounting policies, consulted the Statutory Auditors and have 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 as at 31st March, 2013 and of profit of the Company for the financial year ended 31st March, 2013;
- c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) They have prepared the annual accounts on a going concern basis.

## AUDITORS AND AUDITOR'S REPORT

The comments of the Auditors in their report and the notes forming part of the Accounts are self-explanatory and need no comments.

The Company's Statutory Auditors M/s. J.P.J. Associates, Chartered Accountants, Mumbai retires as Statutory Auditors at the ensuing Annual General Meeting and have expressed their willingness to continue, if so appointed. As required under the provisions of Section 224(1B) of the Companies Act, 1956 the Company has obtained written confirmation from the Auditors, proposed to be re-appointed to the effect that their re-appointment if made, would be in conformity with the limits specified in the said section. A proposal seeking their re-appointment is provided as a part of the Notice of the ensuing Annual General Meeting.

# DIRECTORS' REPORT

## **COST AUDITORS**

Pursuant to the provisions of section 233B of the Companies Act, 1956 and the notification issued by Ministry of Corporate Affairs, the Board at its meeting held on 26th June 2012 has considered the proposal to appoint Mr. Vaibhav P. Joshi (Membership No. M-15797), Practicing Cost Accountant, to conduct the cost audit of the Company for the financial year ended 31st March 2013. The Cost Compliance Report for the year ended 31st March 2012 was filed with the Central Government on 03rd January 2013.

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

The information as per Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, relating to conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo is provided in Annexure forming part of this report.

## **PARTICULARS OF EMPLOYEES**

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of certain employees are required to be set out in the Annexure to the Directors' Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled thereto. Members who are interested in obtaining such particulars may write to the Company Secretary at its Registered Office.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

As required by Clause 49 of the Listing Agreement with Stock Exchange(s), a Management Discussion & Analysis Report forms part of the Annual Report.

## **REPORT ON CORPORATE GOVERNANCE**

A detailed Report on Corporate Governance pursuant to the requirements of Clause 49 of the Listing Agreement with the Stock Exchange(s) forms part of the Annual Report. A Certificate from the Auditors of the Company, M/s J.P.J Associates, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, also forms part of the Annual Report.

## **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, Government 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 Government Agencies for their positive support and assistance during the year.

Your Directors also place on record their appreciation for the excellent contribution made by all the employees of OSCL Group through their commitment, competence, co-operation and diligence to duty in achieving consistent growth of the Company.

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

Place: Mumbai

Date: 20th May, 2013

**Pravin S. Herlekar**  
Chairman & Managing Director

**Omkar P. Herlekar**  
Whole Time Director



# ANNEXURE TO DIRECTORS' REPORT

[Information as required under section 217(1)(e) of the Companies Act 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988]

## **ANNEXURE A: CONSERVATION OF ENERGY:**

### **FORM 'A'**

[Form for Disclosure of Particulars with respect to Conservation of Energy]

#### **A. Power and Fuel Consumption**

<b>Power and Fuel Consumption</b>	<b>2012-13</b>	<b>2011-12</b>
<b>1. Electricity</b>		
a) Purchased		
Unit	980729	845973
Total Amount (Rs)	84,57,105	71,73,639
Rate / Unit	8.62	8.48
b) Own Generation		
i) Through diesel generator		
Unit	16784	27325
Units per ltr. of diesel oil	1.20	1.10
Cost / Unit	52.20	40.30
ii) Through steam turbine/generator		
Units	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/unit	-	-
<b>2. Coal</b>		
Quantity (tonnes)	-	-
Total cost	-	-
Average rate	-	-
<b>3. Light Diesel Oil</b>		
Quantity (ltrs.)	388754	301379
Total Amount (Rs)	2,30,82,778	1,58,03,663
Average Rate	59.38	52.44
<b>4. Others/internal generation (please give details)</b>		
Quantity	-	-
Total cost	-	-
Rate/unit	-	-

#### **B. Consumption per unit of Production**

Since the Company manufactures different types of pharmaceutical intermediates, it is not practicable to give consumption per unit of production.

The Company has undertaken following measures to ensure conservation of energy:

- Use of CFL and LED lamps has helped in cutting down on our energy consumption by whopping 70 percent.
- Water harvesting system has been installed at Lasa Laboratory Private Limited. The same would be implemented in all our future projects.

# ANNEXURE TO DIRECTORS' REPORT

## **ANNEXURE B: TECHNOLOGY ABSORPTION:**

### **‘FORM B’**

*(See rule 2)*

#### **[Form for disclosure of particulars with respect to absorption]**

#### **1) RESEARCH AND DEVELOPMENT (R&D)**

OSCL R & D is recognized by Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Govt. of India. OSCL is among very few research oriented companies in India carrying out extensive research on intermediates and bulk drugs and ensures future growth. Our foundation lies in Organic synthesis; we have demonstrated expertise in Route selection, Process chemistry, Custom synthesis and Manufacturing. OSCL has served various customers across the globe with custom synthesized organic entities. Our goal is to crack difficulties in organic synthesis within economy, greening the technology. As a result of our extensive research we are increasing our intellectual bank day by day.

We have adequate facilities and qualified scientific manpower to carry out the R&D work. Our R & D Centre is equipped with state of art facilities including autoclaves, Vapor phase reactors, pilot plant, latest sophisticated instruments like Gas Chromatographs equipped with headspace and ion chromatograph, HPLC's, IR, AAS, UV.

#### **2) SPECIFIC AREAS IN WHICH RESEARCH & DEVELOPMENT IS CARRIED OUT BY THE COMPANY**

- Speciality chemicals
- Bulk drugs (human and veterinary)
- Pharma intermediates
- Inorganic molecules having applications as feed ingredients, micro nutrients, etc.

#### **3) BENEFITS DERIVED AS A RESULT OF R & D:**

- Increase in sales of newly developed molecules
- Development of Intellectual Properties
- Cost Reduction
- Quality Enhancement
- Trouble Shooting

#### **4) FUTURE PLANS OF ACTION:**

To generate adequate database for regulatory requirements

#### **5) EXPENDITURE ON R&D:**

*(Rs in Lakhs)*

Particulars	2012-13	2011-12
Capital Expenditure	30.76	238.05
Recurring Expenditure	255.09	58.64
<b>Total</b>	<b>285.85</b>	<b>296.69</b>

## **ANNEXURE C: FOREIGN EXCHANGE EARNINGS AND OUTGO**

*(Rs in Lakhs)*

Particulars	2012-13	2011-12
Foreign Exchange Earned	5,815.97	2,575.76
Foreign Exchange Used	6,790.89	5,281.71

# MANAGEMENT DISCUSSION & ANALYSIS

## Industry Scenario:

### Global & Indian Chemical Industry

The chemical industry has traditionally grown in developed countries of the West and Japan. However, changing market dynamics over the last ten years have resulted in global chemical production, moving to Asia, particularly in China and India. Speciality chemicals, which are consumed by the diverse end product markets, are the key contributors to this changing landscape. It is because the rise in the use of speciality chemicals has led to a higher level of commoditization, thereby compelling manufacturers to focus more on cost reduction.

The production levels in Asia have surpassed those in Europe, with China becoming the world's second largest chemical producer, replacing Germany. In terms of volume of production of chemicals, India ranks the third-largest producers in Asia after China and Japan and eighth-largest across the globe. With the current size of approximately USD 108 billion, the Indian chemical industry accounts for about 7 percent of the Indian GDP and 14 percent in the overall index of industrial production. Despite its large size, the Indian chemical industry represents only about 3 percent of the global chemical industry.

### Speciality Chemical Segment

Speciality chemicals are synthetic products used as intermediates to manufacture various products ranging from pharmaceuticals to flavours and essences, and from agrochemicals to detergents.

Unlike other chemical products, the speciality chemical segment has greater flexibility, small production volume and vast product categories.

Speciality chemicals are high-value added chemicals used to manufacture a wide range of products, including pharmaceuticals, fine chemicals, additives, advanced polymers, adhesives, sealants, paints, pigments and coatings.

The demand from end-user industries has improved the growth prospects of several speciality chemicals segments in Asia. Currently, the Indian speciality chemicals industry is still at a nascent stage and is expected to grow rapidly over next couple of years as it moves toward higher-quality products and applications, in both industrial and consumer segments.

The demand for environment friendly solutions and stringent emission control legislations has opened up new frontiers especially for the speciality chemical industry. The greater emphasis on energy efficiency and curbing greenhouse emissions has also contributed to demand for speciality chemical products, such as photovoltaic solar cells, electrode materials, insulating materials and chemicals.

### Indian chemical industry - Growth Scenario

The global economic environment has remained sluggish as growth in the major advanced economies decelerated due to a significant negative short-run effect of fiscal consolidation on domestic output, thereby resulting in subdued trade and languid labour markets, restraining the overall demand. Persistent recessionary conditions in the United States and Europe, and the fragility in some global key end markets have led to sinking demand for chemical products. Chemical companies located in the Asia-Pacific geographies faced the brunt of the economic conundrum mainly due to weaker demands in the West.

Amidst low levels of growth in the developed economies, global demand for chemicals is likely to remain downcast. However, with manufacturers shifting their focus on emerging economies, Indian chemical industry is poised to increase its share of global chemical industry pie.

Primarily being regarded as producer of basic chemicals, Indian chemical industry has forged ahead to earn a global repute as a manufacturer of speciality and high value-added chemicals on the back of strong R&D.

With significant labor cost advantages, rising domestic demand in end-user segments, expanding exports fueled by improved export competitiveness, new market opportunities, infrastructure investments along with regulatory reforms and the federal government's fiscal incentives—the growth of the Indian chemical industry is expected to continue.

According to estimates, the India's chemical industry is slated to grow at 11 percent year-on-year, to USD 134 billion by 2015 and USD 244 billion by 2017. India is also expected to evolve as a global chemical manufacturing hub.



# MANAGEMENT DISCUSSION & ANALYSIS

## Financial Performance:

(Rs in Lacs)

Description	2012-13	2011-12
Revenue from operations	20,153.12	16,694.80
EBIDTA	3,632.67	3,321.89
Interest/Finance Charges	743.16	809.53
Depreciation & Amortization	568.43	562.09
Other Income	579.40	367.31
Profit Before Tax	2,900.48	2,317.58
Taxation	820.38	672.91
Profit After Tax	2,080.10	1,644.67
Earnings Per Share (in Rs) Basic	10.60	8.38
Earnings Per Share (in Rs) Diluted	10.59	8.38
Face value of equity share (in Rs)	10	10

## Updates on Manufacturing facilities:

- Commenced operations at Urdhwa Chemicals Company Private Limited—a 100% subsidiary of Omkar Speciality Chemicals Limited.
- Kick-started project work at Unit -V- D 27/5, M.I.D.C., Lote Parshuram Industrial Area , Chiplun, Dist. Ratnagiri, Maharashtra
- The project work to revamp API manufacturing facility at Lasa Laboratory Private Limited—a 100% subsidiary of Omkar Speciality Chemicals limited is underway.
- The project work to revamp manufacturing facility of Unit -II-F-24, MIDC, Badlapur (East) has been successfully completed.

## Human Resource:

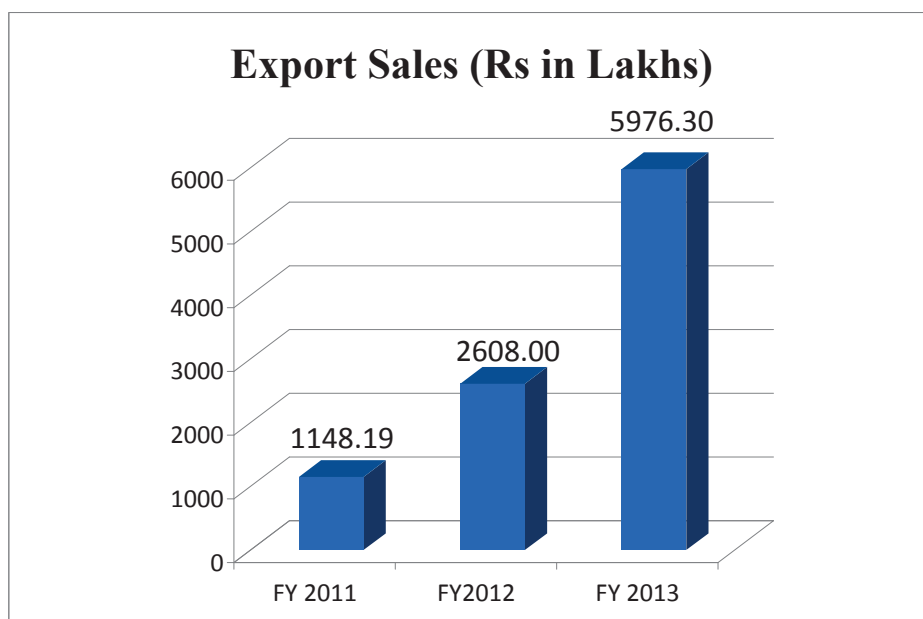
Performance measurement is a fundamental principle of the management. The measurement of performance is important because it identifies current performance gaps between current and desired performance and provides indication of progress towards closing the gaps. The Human Resource Department has carefully selected key performance indicators and has taken necessary steps to improve performance of our workforce.

Following are the steps taken:

- Appropriate steps to formulate KRA/KPIs for every department heads have been initiated.
- Initiated action to formulate Skill Matrix of every workforce.
- Appropriate trainings have been conducted in the areas of safety, ERP and quality assurance.

## Exports:

Exports have compounded from Rs 2,608.00 Lakh in FY 2011-12 to Rs 5,976.30 Lakh in FY 2012-13, recording a 129.15% jump. The export trend of the last three years is given below.



We have added China as one of our new export destinations during FY 2012-13.

## Information Technology

- Successfully commissioned ERP w.e.f 1st April, 2013.
- All units are connected through LAN.
- Installation of Wi-Fi connectivity in all units is underway.
- With a view to strengthen safety and security of assets of the Company, installation of CCTV surveillance security cameras at various units of the Company has been initiated.

## Environment Protection & Energy Conservation

- Use of CFL and LED lamps has helped in cutting down on our energy consumption by whopping 70 percent.
- Water harvesting system has been installed at Lasa Laboratory Private Limited. The same would be implemented in all our future projects.

## Internal Control System

The Company has in place internal control systems and procedures commensurate with the size and nature of its operations. Internal control processes, which consists of implementing and adopting appropriate management systems, are followed. These are aimed at giving the Audit Committee, reasonable assurance on the reliability of financial reporting, statutory and regulatory compliances, effectiveness and efficiency of the Company's operations. The internal control systems are reviewed periodically and revised to keep in tune with the challenging business environment. Internal audit focuses on control systems, optimum utilization of resources, prevention of frauds, adequacy of information system, security and control and compliance with risk management systems.

## Subsidiaries:

### Urdhwa Chemicals Company Private Limited

The manufacturing facility of Urdhwa Chemicals Company Private Limited located at Plot No C-4, MIDC, Lote Parshuram Industrial Area, Taluka Khed, District Ratnagiri, Maharashtra—the 100% subsidiary of Omkar Speciality Chemicals Limited, successfully commenced its operation during FY 2012-13.

# MANAGEMENT DISCUSSION & ANALYSIS

## **Lasa Laboratory Private Limited**

The manufacturing facility of Lasa Laboratory Private Limited, located at C-105, Mahad Industrial Area, MIDC, District Raigad is the 100% subsidiary of Omkar Speciality Chemicals Limited. Lasa Laboratory Private Limited is one of the established player in the anthelmintic/ veterinary API segment with state-of-the-art good manufacturing practices (GMP) and FDA approved API manufacturing facility. Its turnover has witnessed substantial growth during FY 2012-13 and necessary steps are being taken to mark its presence globally in the veterinary API segment.

Omkar Speciality Chemicals Limited has earmarked CAPEX of Rs. 30 crores to augment the production capacity of Lasa Laboratory Private Limited - currently from 120 MTPA to 600 MTPA. Lasa Laboratory Private Limited has commenced its exports of veterinary API's to non regulated markets in Q1 FY 2013-14. Further, there are plans to begin production of veterinary API's in the regulated markets beginning Q1 FY 2014-15. Veterinary API is likely to be game changer for Omkar Speciality Chemicals Limited in the future, as the sector has healthy growth potential. The growth will be mainly driven by the growing animal husbandry business across Australia, New Zealand, Africa and Europe, which is estimated to be above Rs 2,500 crore market by FY 2013-14.

## **Rishichem Research Limited**

Rishichem Research Limited located at W-83 (C), MIDC, Badlapur (East), District Thane--the 99% subsidiary of Omkar Speciality Chemicals Limited, continues to be the dedicated facility for scale up operations for product development.

## **Desh Chemicals Private Limited**

Desh Chemicals Private Limited is a 100% subsidiary of Omkar Speciality Chemicals Limited. The manufacturing facility of Desh Chemicals Private Limited, located at W-93 (A) MIDC, Badlapur (East) is situated adjacent to Omkar Speciality Chemicals Limited's Unit No 1. As a measure of augmenting activities at Unit No 1 spread over a large area, it was proposed to amalgamate Desh Chemicals Private Limited with Omkar Speciality Chemicals Limited. However, due to, too much delay in the said process and involvement of multiple regulations, the Board of Directors have approved cancellation and calling off the process of amalgamation. Further, the Board of Directors have approved the acquisition of assets of Desh Chemicals Private Limited comprising of Land, Building and Machinery for operational benefits of Omkar Speciality Chemicals Limited.

## **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.*

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

Place: Mumbai

Date: 20th May, 2013

**Pravin S. Herlekar**  
Chairman & Managing Director

**Omkar P. Herlekar**  
Whole Time Director



## COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices that enable an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders. It is based on the principles of conducting the business with all integrity and fairness, being transparent with regard to all transactions, making all necessary disclosures and decisions, complying with all the laws of the land, accountability and responsibility towards the stakeholders and commitment to conducting the business in an ethical manner.

The philosophy of the Company on Corporate Governance envisages working towards high levels of transparency, professionalism, accountability, consistent value systems, delegation across all facets of its operations leading to sharply focused and operationally efficient growth. The Company tries to work by these principles in all its interactions with stakeholders, including shareholders, employees, customers, suppliers and statutory authorities.

The management of the Company is taking efforts to review its corporate governance parameters from time to time in the context of the recommendations under the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India.

A report on compliances with the Code of Corporate Governance as prescribed by Securities and Exchange Board of India and incorporated in the Listing Agreement is given below:

### I. BOARD OF DIRECTORS AND PROCEDURES

#### A. Profile of Board of Directors

**Mr. Pravin S. Herlekar** is the Chairman and Managing Director and one of the Promoters of 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 around 40 years 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. Omkar P. Herlekar** is the Whole Time Director and one of the Promoter of the Company. He is a Bachelor of Science and Master of Science (By Research) in Chemistry from the University of Mumbai. He has an overall experience of 5 years. He spearheads the Research & Development activities of OSCL and supervises the entire factory operations. He is also actively involved in the setting up and implementation of new manufacturing units of the Group. He has the ability to sequester a project within a vertical and then analyze it threadbare on various dimensions with élan, including strategic, financial, marketing, R&D and branding.

**Mr. Amit A. Pandit** is an Independent Director of the Company. He is a Fellow member of the Institute of Chartered Accountants of India (ICAI), holds a Diploma in Business Finance (DBF) from The Institute of Chartered Financial Analysts of India (ICFAI) and is a commerce graduate from University of Bombay. He has an overall experience of more than 20 years in the field of finance & banking, business valuations, business restructuring, investment banking, internal audits, and corporate advisory services. He has earlier worked with BON Consultants, Mafatlal Finance Company Limited, Global Tele Systems Limited and Darashaw & Company Private Limited. He was also in independent practice for some years. He joined Contractor, Nayak & Kishnadwala, Chartered Accountants in the year 2004 as Head of Internal Audit and was elevated to a partner in 2007. He is currently incharge of the Risk Assurance Practice of the firm. In addition to this, he is on the Board of The Saraswat Co-operative Bank Limited and Saraswat Infotech Limited. He is a member of the Audit Committee of The Saraswat Co-operative Bank Limited. He is also Chairman of the Audit Committee & Acquisition Committee of Saraswat Infotech Limited. He is also a visiting faculty at various management institutes for corporate finance & other finance related subjects.

# CORPORATE GOVERNANCE REPORT

**Prof. (Dr.) Suhas M. Rane** is an Independent Director of the Company. He is BE (Mechanical), Diploma in Management Studies (DMS) and Master of Financial Management (MFM), all from the University of Mumbai. Later he completed his PH.D in Supply Chain Management from the University of Pune. He has an overall experience of 40 years. Earlier, he has worked with Mahindra & Mahindra, Tata Motors, Pidilite Industries, Soji Group, PROCONS Consultants in their various operations functions. Later he moved to academics from the year 2000. He was Asso. Dean of ICFAI Business School and thereafter become the Director - Planning of Narsee Monjee Institute of Management Studies. Presently, he is a Management Consultant and Visiting Faculty to several leading B-Schools like: NMIMS, S. P. Jain Centres - Singapore & Dubai, Indo-German Chamber of Commerce, CII. He has to his credit- several Research Papers published in the national & inter-national journals and conferences. His special interest and research lies in RFID technology applications.

**Mr. Subhash P. Mali** is an Independent Director of the Company. He is a Bachelor of Chemical Engineering from University of Bombay. He has an overall experience of about 35 years. During his tenure, he has worked with Asian Paints Limited, Ranbaxy Laboratories Limited, Unichem Laboratories Limited and Kopran Limited as Director Technical. Since 2003, he is working with Arch Pharmalabs Limited, Mumbai as Technical Director.

**Dr. Vikas N. Telvekar** is an Independent Director of the Company. He holds two Bachelor's Degrees in Science - one in Chemistry and other in Technology from University of Mumbai. He has done Master of Science (Technology) and Doctor of Philosophy (Technology) in Pharmaceutical and Fine Chemicals from University Department of Chemical Technology (U.D.C.T.), University of Mumbai. He has an overall experience of more than 10 years in the areas of Pharmaceutical Chemistry and Research & Development. From August 2002 to April 2003 he was working as a Group Leader in the Research and Development of Gharda Chemicals Limited, Mumbai. Since 2003, he is associated with Institute of Chemical Technology (Formally UDCT), Department of Pharmaceutical Science and Technology as a permanent faculty. He specializes in Pharmaceutical Science, Medicinal Chemistry, Process Technology and Pharmaceutical Engineering. His articles have been published in various International Publications. Recently Department of Science and Technology (DST), Government of India has awarded the BOYSCAST fellowship. Under this award he has spent 6 months in St. Johns' University, NY, USA to study on design of anti-diabetic agents using glycoprotein receptor (GPR) as a target. Currently 17 students are working under his guidance for doctorate (Ph.D) in the area of anti-tuberculosis, anti-diabetic agents and hypervalent iodine reagents for functional groups transformations.

**Mr. Siddharth S. Sinkar** is a Non-Executive Non-Independent Director of the Company. He is a Fellow member of the Institute of Chartered Accountants of India (ICAI), and is a commerce graduate from University of Mumbai. He has an overall experience of 13 years in the field of Income Tax, Company Law, Banking, Finance etc. He has been practicing in Mumbai under the firm name Siddharth Sinkar & Associates.

## B. Composition of the Board

As the Chairman of the Board is an Executive Director, not less than half of the Board of Directors should comprise of Independent Directors, as required under Clause 49(1)(A)(ii) of the Listing Agreement. As at 31st March, 2013, the Company has 7 Directors on its Board, which consist of 1 Chairman and Managing Director, 1 Whole Time Director, 4 Non-Executive & Independent Directors and 1 Non-Executive and Non-Independent Director.

None of the Directors on the Board is a member of more than 10 committees and Chairman of more than 5 Committees [as specified in Clause 49(1)(C)(ii) of Listing Agreement], across the Companies in which they are Directors. The necessary disclosures regarding Directorship and Committee positions have been made by the Directors and the same forms the part of this Report. None of the Directors holds office as such for more than 15 public companies.

The Board reviews and approves the strategy and oversees the actions and results of Management to ensure that the long term objectives are achieved.

# CORPORATE GOVERNANCE REPORT

## C. Meetings of the Board

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, as also the details of the Directorship (excluding Private Limited Companies, Foreign Companies and Companies under section 25 of the Companies Act, 1956), Chairmanship and the Committee Memberships held by Directors as on 31st March, 2013, are given below:

Name of Director	Category	Attendance Particulars			No. of outside Directorships*	No. of Committee positions held (including in the Company)#	
		No. of Board Meetings held during the tenure of Director	No. of Board Meetings attended by the Director	Attended the Last AGM held on 04.08.12		Chairman	Member
Mr. Pravin S. Herlekar	Chairman & Managing Director	8	8	Yes	4	NIL	1
Mr. Omkar P. Herlekar	Whole Time Director	8	8	Yes	4	NIL	1
Mr. Amit A. Pandit	Independent Director	8	8	Yes	2	2	2
Prof. (Dr.) Suhas M. Rane	Independent Director	8	7	Yes	NIL	1	1
Mr. Subhash P. Mali	Independent Director	8	7	Yes	NIL	NIL	NIL
Dr. Vikas N. Telvekar	Independent Director	8	8	Yes	NIL	NIL	NIL
Mr. Siddharth S. Sinkar ^	Non-Executive Non- Independent Director	7	7	Yes	NIL	NIL	NIL

\*includes directorships in Banking Company registered under Banking Regulation Act, 1949.

#Chairman includes Member. Only Membership and Chairmanship of Audit Committee and Shareholders / Investors Grievances Committee are considered.

^Mr. Siddharth S. Sinkar was appointed as an Additional Director (Non-Executive and Non-Independent) on the Board w.e.f. 5th April, 2012. The Board of Directors at their meeting held on 26th June, 2012 had recommended his appointment as Director (Non-Executive and Non-Independent) and it was approved at the last Annual General meeting held on 4th August, 2012.

Eight Board Meetings were held during the year 2012-13 and the gap between any two consecutive meetings did not exceed four months at any point of time. The dates on which Board Meetings were held are as follows:

5th April, 2012	19th May, 2012	26th June, 2012	4th August, 2012
3rd November, 2012	12th January, 2013	9th February, 2013	6th March, 2013



## D. Board Procedure

The Company has a well-defined, structured Board Procedure and in Compliance with Clause 49 of Listing Agreement and the Companies Act, 1956. All the Committees are constituted in accordance with regulatory requirements. The Agenda is circulated well in advance to the Board Members. The Agenda items are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken, wherever necessary. The Chairman and Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

## II. BOARD COMMITTEES

The Board currently has three committees namely:

- 1) Audit Committee
- 2) Remuneration Committee and
- 3) Share Transfer and Investor Grievance Committee

### A. AUDIT COMMITTEE

1. The Audit Committee of the Company is constituted in line with the provisions of Clause 49(II)(A) of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. As at 31st March, 2013, the Audit Committee comprises of 3 Directors, 2 of which are Independent Directors and 1 Chairman and Managing Director of the Company.

2. **The terms of reference of the Audit Committee are broadly as under:**

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by them.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions;
  - Qualifications in the draft audit report.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing with the management the statement of uses / application of fund raised through an issue.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- 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.

# CORPORATE GOVERNANCE REPORT

- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- To approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- Oversee, monitor and review the functioning and effectiveness of Internal Audit including its strategic focus, activities and plans, staff numbers and qualifications and budget.
- Discussing with internal auditors significant audit findings and follow up actions initiated thereon.
- Reviewing the company's financial and risk management policies.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Any other matter that may be referred by the Board from time to time.

All the items listed in Clause 49 II D of the Listing Agreement are covered in the terms of reference. The Audit Committee has been granted powers as prescribed under Clause 49 II C of the Listing Agreement.

### **3. Composition of the Audit Committee and attendance:**

The Audit Committee of the Company comprises of following directors:

Name of Members	Category	No. of meeting attended during 2012-13
Mr. Amit A. Pandit – Chairman	Independent Director	5
Prof. (Dr.) Suhas M. Rane – Member	Independent Director	4
Mr. Pravin S. Herlekar – Member	Chairman and Managing Director	5

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

### **4. Meetings during the year:**

Five Audit Committee Meetings were held during the year 2012-13 and the dates on which Audit Committee Meetings were held are as follows:

19th May, 2012	26th June, 2012	4th August, 2012
3rd November, 2012	9th February, 2013	

Minutes of the Audit Committee Meeting are circulated to the members of the Board, discussed and taken note of.

### **5. Audit Committee Procedure**

The internal auditor submits their observations and recommendations to the Committee on issues having an impact on control system. The Committee reviews various aspects of internal controls, internal audit report and risk management process on regular basis. The requirements enumerated under Clause 49 of the Listing Agreement and as amended from time to time are also reviewed by the Committee.

# CORPORATE GOVERNANCE REPORT

The Chairman of Audit Committee, Mr. Amit A. Pandit, was present at the Annual General Meeting held on 4th August, 2012. The Chairman of Audit Committee briefs the Board members about the significant discussions at the Audit Committee Meetings.

## B. REMUNERATION COMMITTEE

### 1. The terms of reference of the Remuneration Committee are broadly as under:

- Establish a formal & transparent procedure for developing a Policy on Executive Remuneration and for fixing the remuneration packages of Corporate Officers and Directors.
- Overview of remuneration of Senior Management and other key personnel and ensuring that the compensation is constituent with the Corporation's culture, strategy and control environment.
- Payment of commission and sitting fees to Non-Executive Directors.
- Taking an overview of human resources & industrial relations policies of the Company.
- Recommending suggestions to the policies.

### 2. Composition of the Remuneration Committee and attendance:

The Remuneration Committee of the Company comprises of following directors:

Name of members	Category	No. of meeting attended during 2012-13
Prof.(Dr.) Suhas M. Rane – Chairman	Independent Director	1
Mr. Subhash P. Mali - Member	Independent Director	1
Dr. Vikas N. Telvekar - Member	Independent Director	2

### 3. Meetings during the year:

Two Remuneration Committee Meetings were held during the year 2012-13 and the dates on which Remuneration Committee Meetings were held are as follows:

19th May, 2012
26th June, 2012

### 4. Details of remuneration of Directors (for the year ended 31st March, 2013):

#### A. Executive Directors' Compensation

The aggregate value of salary and perquisites including commission paid for the year ended 31st March, 2013 to the Chairman & Managing Director and the Whole Time Director are as follows:

Name of the Director	Salary (Rs.)	Perquisites & allowance (Rs.)	Commission (Rs.)	Total Remuneration* (Rs.)
Mr. Pravin S. Herlekar	60,00,000	---	---	60,00,000
Mr. Omkar P. Herlekar	16,64,640	---	12,00,000	28,64,640

*\*All Inclusive of taxes*



# CORPORATE GOVERNANCE REPORT

## B. Non – Executive Directors' Compensation:

i) Non-Executive Independent Directors of the Company are entitled only to sitting fees for the meeting of Board of Directors and/or Committee meeting attended by them and Commission pursuant to the provisions of Section 309 of the Companies Act, 1956. No other payment is being made to them. The Company pays sitting fees of Rs.7,500/- per meeting to Non – Executive Directors for attending meetings of the Board and/or its Committee.

ii) Mr. Siddharth S. Sinkar, Non-Executive and Non-Independent Director of the Company, is a practicing Chartered Accountant and renders professional services to the Company.

Details of Equity Shares held, Sitting Fees, Commission and professional fees paid to the Non-Executive Directors during the year ended on 31st March, 2013 are as follows:

Sr. No.	Name of Director	Equity Shares Held	Sitting Fees* (Rs.)	Commission* (Rs.)	Professional Fees* (Rs.)
1	Mr. Amit A. Pandit	NIL	135,000	500,000	NIL
2	Prof. (Dr.) Suhas M. Rane	NIL	120,000	500,000	NIL
3	Mr. Subhash P. Mali	NIL	67,500	500,000	NIL
4	Dr. Vikas N. Telvekar	NIL	82,500	500,000	NIL
5	Mr. Siddharth S. Sinkar	11,700	NIL	NIL	11,23,600

*\*All Inclusive of taxes*

## C. SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE MEETING:

### 1. The terms of reference of the Share Transfer & Investor Grievance Committee are broadly as under:

- Redressal of Shareholder's/ Investor's complaints expeditiously.
- Approval of allotment, transfer & transmission of shares/ debentures or any other securities and issue of duplicate certificates and new certificates on split/ consolidation/ renewal etc. as may be referred to it by the Share Transfer Committee.
- The Committee also reviews the performance of Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agent and also recommends measures for overall improvement for better investor services.
- The Company has adopted the Insider Trading Policy for Prevention of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 1992. Mr. Nirav Momaya, Company Secretary has been appointed as the Compliance Officer for implementation of and overseeing compliance with the regulations and the code across the Company.

### 2. Composition of the Share Transfer & Investor Grievance Committee and attendance:

The Share Transfer & Investor Grievances Committee of the Company comprises of following Directors:

Name of members	Category	No. of meeting attended during 2012-13
Prof. (Dr.) Suhas M. Rane – Chairman	Independent Director	4
Mr. Amit A. Pandit - Member	Independent Director	4
Mr. Omkar P. Herlekar - Member	Whole Time Director	4

# CORPORATE GOVERNANCE REPORT

### 3. Meetings during the year:

Four Share Transfer & Investor Grievances Committee Meetings were held during the year 2012-13 and the dates on which Share Transfer & Investor Grievances Committee Meetings were held are as follows:

19th May, 2012	4th August, 2012
3rd November, 2012	9th February, 2013

### Name, designation and address of the Compliance Officer:

Mr. Nirav Momaya

Company Secretary

B-34, MIDC, Badlapur (East), Thane – 421 503

Tel.No.91-251-2690651

Fax No.: 91-251-2697347

Email: [cs@omkarchemicals.com](mailto:cs@omkarchemicals.com)

Shareholders may also correspond with the Company on the email address: [investor@omkarchemicals.com](mailto:investor@omkarchemicals.com)

During the Financial year 2012-13, the Bigshare Services Pvt. Ltd., Registrar and Share Transfer Agents of the Company has received one investor complaint regarding non receipt of Annual Report and the same was resolved.

### III. Subsidiary companies

The Company does not have any material non-listed Indian subsidiary company whose turnover or net worth (i.e., paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The financial statements including investments made by the unlisted subsidiaries were placed before and reviewed by the Audit Committee of the Company. The Board of Directors of the Company, reviewed periodically, the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

### IV. GENERAL BODY MEETINGS

#### Location, date and time of Annual General Meetings held during the last 3 years:

Financial Year	Location	Date	Day	Time
2009-10	B-34, MIDC, Badlapur (East), Thane - 421503	9th September, 2010	Thursday	11.00 a.m.
2010-11	Sanjivani, Near Monginis cake shop, Badlapur (East), Thane – 421503	24th September, 2011	Saturday	3.30 p.m.
2011-12	Sanjivani, Near Monginis cake shop, Badlapur (East), Thane – 421503	4th August, 2012	Saturday	10.30 a.m.

# CORPORATE GOVERNANCE REPORT

## Details of Special Resolutions passed at the previous three Annual General Meetings:

Date of AGM	Details of Special Resolution passed
9th September, 2010	A special resolution was passed at 5th Annual General Meeting of the Company for revision in remuneration payable to Mr. Pravin S. Herlekar, Chairman and Managing Director from 1st October, 2010 in consideration of the performance of his duties, whereby his salary was proposed to be increased upto Rs. 5 Lakh per month.
24th September, 2011	A special resolution was passed at the 6th Annual General Meeting for payment of commission not exceeding in the aggregate one per cent (1%) p.a of the net profit of the Company for each of the five financial years of the company commencing from 1st April 2011 to be paid to Directors of the Company excluding the Managing Director and Whole Time Director.
4th August, 2012	<p>1. A special resolution was passed at the 7th Annual General Meeting for utilization of available funds generated through Initial Public Offering (IPO) for growth and expansion of the Company including various suitable acquisition(s) if any, in addition to the purposes defined in the RHP.</p> <p>2. A special resolution was passed at the 7th Annual General Meeting for revision in terms and conditions of remuneration payable to Mr. Pravin S. Herlekar, Chairman and Managing Director of the Company with effect from 1st April, 2012 for the remainder of his tenure upto 31st March, 2015 as set out in the agreement dated 26th June, 2012 between the Company and the Chairman and Managing Director of the Company.</p> <p>3. A special resolution was passed at the 7th Annual General Meeting for revision in terms and conditions of remuneration payable to Mr. Omkar P. Herlekar, Whole Time Director of the Company with effect from 1st April, 2012 for the remainder of his tenure upto 31st March, 2015 as set out in the agreement dated 26th June, 2012 between the Company and the Whole Time Director of the Company.</p>

## Details of Resolutions passed at the Extra-Ordinary General Meetings held during the last 3 years are given as follows:

Date of EGM	Details of Special Resolution passed
15th July, 2010	<p>Following Resolutions were passed in the said Extra-Ordinary General Meeting of the Company:</p> <p><b>Special Resolution</b></p> <ol style="list-style-type: none"> <li>1. Appointment of Mr. Pravin S. Herlekar as a Chairman and Managing Director of the Company and fixing his remuneration (Rs. 1.5 Lakh p.m.)</li> <li>2. Appointment of Mr. Omkar P. Herlekar as a Whole-time Director and fixing his remuneration (Rs. 1 Lakh p.m.).</li> <li>3. Fixing up remuneration of Mr. Shivdas R. Herlekar (Rs. 0.10 lakh p.m).</li> <li>4. Fixing up remuneration of Mrs. Anjali P. Herlekar (Rs. 0.25 lakh p.m).</li> </ol> <p><b>Ordinary Resolution #</b></p> <ol style="list-style-type: none"> <li>1. Appointment of Mr. Amit A. Pandit as a Director (Non-Executive and Independent )</li> <li>2. Appointment of Dr. Vikas N. Telvekar as a Director (Non-Executive and Independent )</li> <li>3. Appointment of Prof.(Dr.) Suhas M. Rane as a Director (Non-Executive and Independent )</li> <li>4. Appointment of Mr. Subhash P. Mali as a Director (Non-Executive and Independent )</li> </ol> <p># All the above Non-executive and Independent Director were appointed as an Additional Director (Non-executive and Independent) w.e.f 25th March 2010.</p>

# CORPORATE GOVERNANCE REPORT

Date of EGM	Details of Special Resolution passed
14th February, 2013	<p>Following Resolutions were passed in the said Extra-Ordinary General Meeting of the Company:</p> <p><b>Special Resolution</b></p> <p>1. Alteration in the Articles of Association by inserting Article No. 84, 85, 86 and 87 after existing Article No. 83.</p> <p>2. Issue of Warrants convertible into Equity Shares of the company on Preferential basis under section 81(1A) of the Companies Act, 1956.</p>

## **Postal Ballot Resolution:**

During the Financial year 2012-2013, the Company has not passed any special resolution by postal ballot process and as of now the Company does not propose to pass any special resolution through the Postal Ballot process.

## **V. DISCLOSURES**

### **i) Related Party Transaction**

The Board has received Disclosures from key managerial personnel relating to material, financial and commercial transactions where they and / or their relatives have personal interest. There are no materially significant related party transactions which have potential conflict with the interest of the Company at large. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at 31st March, 2013.

### **ii) Statutory Compliance, Penalties and Strictures**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to Capital Market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchange(s), SEBI or other statutory authorities relating to the above.

### **iii) Code of Conduct**

To promote ethical conduct and maintain high standards in carrying out business transactions of the Company, a Code of Conduct has been laid down for procedures to be followed by Board members and the senior management employees. This Code of conduct is also posted on the Company's website ([www.omkarchemicals.com](http://www.omkarchemicals.com)). All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year ended 31st March, 2013.

### **iv) Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed all the applicable Accounting Standards laid down by the Institute of Chartered Accountants of India.

### **v) Disclosures on Risk Management**

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.



# CORPORATE GOVERNANCE REPORT

## **vi) CEO/CFO Certification**

The Chairman & Managing Director of the Company has certified to the Board in accordance with clause 49(V) of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2013.

## **vii) Management Discussion and Analysis Report**

The Management Discussion & Analysis Report forms a part of the Annual Report. All matters pertaining to industry structure and development, opportunity and threats, risks and concerns, internal control and systems etc. are discussed in the said report.

## **viii) Shareholders**

a) The information as required under Clause 49 of the Listing Agreement, relating to the Directors proposed to be appointed / re-appointed, is furnished as a part of the Notice convening the Annual General Meeting.

b) The mandatory as well as various additional information of interest to the shareholders is furnished in other sections of the Annual Report.

## **ix) Whistle Blower Policy**

The Board has adopted a Whistle Blower Policy to promote reporting of any unethical or improper practice or violation of the company's Code of Conduct or complaints regarding accounting, auditing, internal controls or disclosure practices of the Company. It gives a platform to the whistle blower to report any unethical or improper practice (not necessarily violation of law) and to define processes for receiving and investigating complaints.

## **x) Non- Mandatory Requirements**

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure – ID to Clause 49 of the Listing Agreement with the Stock Exchanges:

- The Company has set up a Remuneration Committee.
- The Financial Statements of the Company are unqualified.
- The Company has adopted a Whistle Blower Policy, which has been widely disseminated to all employees in the Company.
- No specific tenure has been specified for the Independent Directors. However, they are liable to retire by rotation and seek re-appointment by the Members.

## **VI. MEANS OF COMMUNICATION:**

The Company's corporate website [www.omkarchemicals.com](http://www.omkarchemicals.com) provides comprehensive information about its portfolio of businesses. The section on "Investors" serves to inform and service the shareholders allowing them to assess information at their convenience. The entire report and accounts are available in downloadable formats.

Quarterly and Annual Results are published in prominent daily newspapers viz. The Economic Times and The Maharashtra Times.

Official news releases, presentations etc. made to Institutional Investors are displayed on the "Media" section of Company's website [www.omkarchemicals.com](http://www.omkarchemicals.com)

## **VII. GENERAL SHAREHOLDER INFORMATION**

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24110MH2005PLC151589.

### **Annual General Meeting**

# CORPORATE GOVERNANCE REPORT

Day, Date and Time : Tuesday, 13th August, 2013 at 10:30 am

Venue: Sanjeevani Hall, near Monginis cake shop, Badlapur (E), Thane – 421503.

## Financial Year

The Company follows April – March as its financial year. The results for every quarter are published within 45 days except for the quarter January – March, for which the audited results are published in the month of May as permitted under Clause 41 of the Listing Agreement.

## Listing of Equity Shares on the Stock Exchanges

Stock Exchanges	Stock Code(s)/ symbols	ISIN
Bombay Stock Exchange Limited P.J. Towers, 1st Floor, Dalal Street, Mumbai – 400001	OMKARSPC, (533317)	INE474L01016
National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	OMKARCHEM	INE474L01016

## Listing fees to stock exchanges

The Company has paid the listing fees for the year 2013-14 to the above Stock Exchanges.

## Custodial fees to Depositories

The Company has paid custodial fees for the year 2013-14 to National Securities Depository Limited and Central Depository Services (India) Limited.

## Book closure & Dividend

- The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 6th August, 2013 to Tuesday, 13th August, 2013 (both days inclusive).
- If the final dividend as recommended by the Board of Directors is approved at the Annual General Meeting, the payment of such dividend will be made on 26th August, 2013 as under:
  - To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited and Central Depository Services (India) Limited as of the close of business hours on 5th August, 2013;
  - To all members in respect of shares held in physical form after giving effect to valid transfers in respect of the transfer request lodged with the Company on or before the close of business hours on 5th August, 2013.

## Bank details for dividend payment

- The Securities and Exchange Board of India (SEBI), vide its circular dated 21st March, 2013, has mandated that all the cash payments to the investors, Companies whose securities are listed on the Stock Exchanges shall use any Reserve Bank of India (RBI) approved electronic mode of payment such as ECS (Local ECS/Regional ECS/National ECS), NEFT etc. for credit of dividend directly to the bank account of Members. Members are requested to register their Bank Account details (Core Banking Solutions enabled account number, 9 digit MICR and 11 digit IFS code), in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.
- Members holding shares in physical form are requested to advise any change of address immediately to Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company. Members holding shares in dematerialized form must send the advice about the change in address to the respective Depository Participant only and not to Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.
- Members, who have not encashed their Dividend Warrants for the financial year ended 31st March, 2011 and 31st March, 2012 may approach the Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company/ to the Company for issuance of demand draft upon completion of necessary formalities in the said behalf in lieu of such Dividend warrants.
- 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 ID to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details and email ID to the Company or Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.

## Nomination Facility

Shareholders, holding shares in physical form and desirous of submitting/ changing nomination in respect of their shareholding in the Company may submit Form 2B (in duplicate) as per the provisions of section 109A of the Companies Act, 1956 to the Company's Registrar and Transfer Agent.

## Reconciliation of Share Capital

A qualified Company Secretary in practice has carried out a Share Capital audit to reconcile the total admitted Capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that the total Issued/Paid-Up Capital is in agreement with the total number of shares in physical form and the total number of Dematerialized Shares held with NSDL and CDSL.

## Code for Prevention of Insider Trading:

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 1992, the Company has adopted a Code for Prevention of Insider Trading. The objective of the code is to restrict an insider from dealing in the shares of the Company either directly or indirectly when in possession of unpublished price sensitive information. The code is applicable to the directors and designated employees/persons associated with the company. The code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the trading window is announced closed.

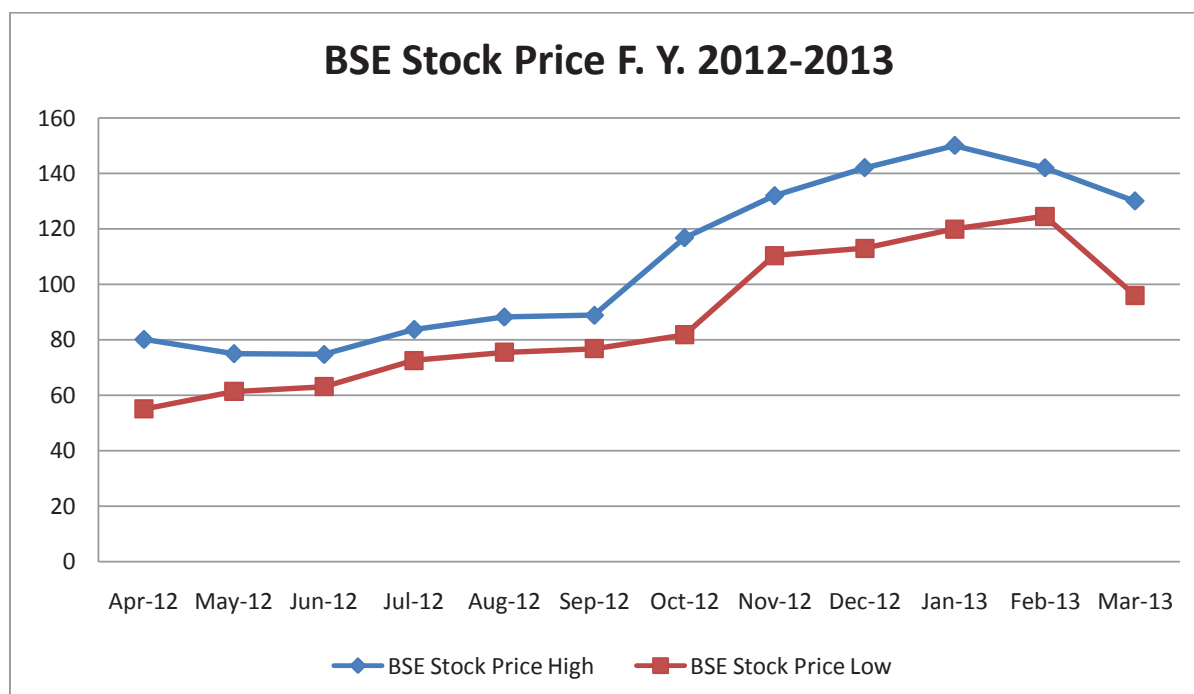
Mr. Nirav K. Momaya, Company Secretary, has been designated as the Compliance officer.

# CORPORATE GOVERNANCE REPORT

## Stock Price Data (Monthly High/Low prices for the year 2012-2013)

Month	Bombay Stock Exchange Ltd		National Stock Exchange of India Ltd	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2012	80.10	55.00	80.15	54.75
May 2012	75.00	61.40	74.95	61.05
June 2012	74.70	63.00	74.60	58.50
July 2012	83.70	72.50	83.75	73.00
August 2012	88.20	75.50	88.20	75.85
September 2012	88.80	76.75	89.00	76.50
October 2012	116.75	81.75	116.80	81.10
November 2012	131.90	110.40	132.20	110.00
December 2012	142.00	113.00	142.30	113.00
January 2013	150.00	120.00	150.00	137.20
February 2013	141.95	124.50	142.50	124.00
March 2013	130.00	96.05	128.95	96.00

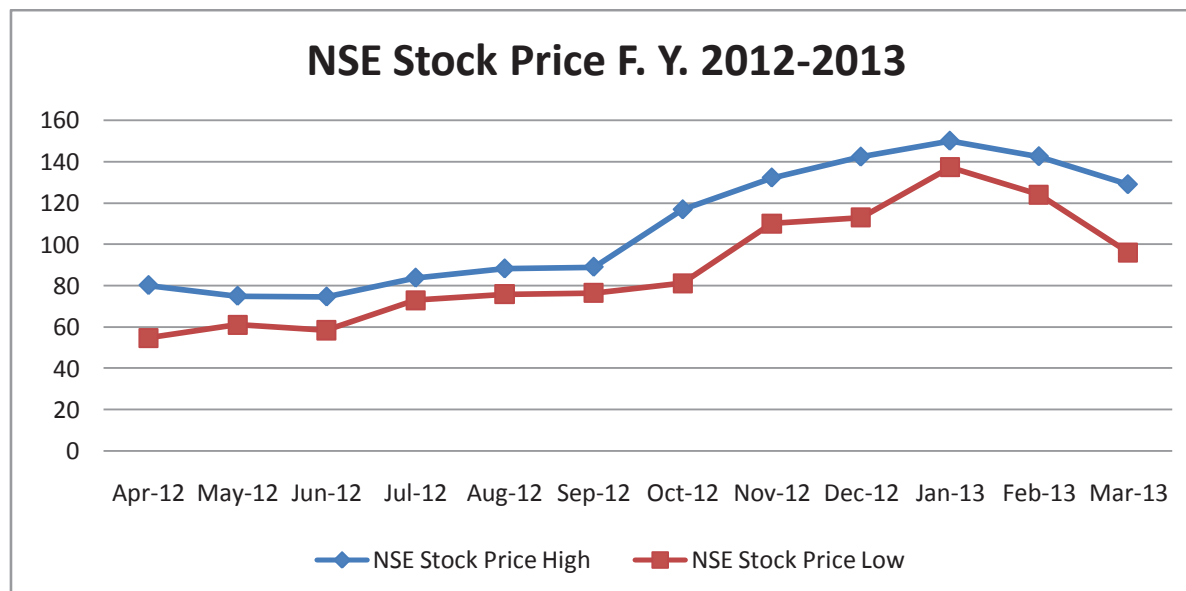
## Stock Price Data: Bombay Stock Exchange





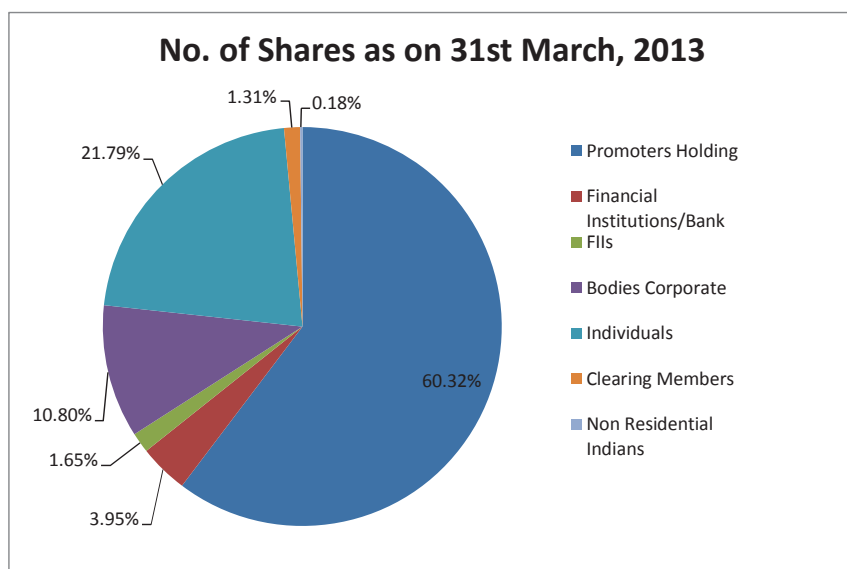
# CORPORATE GOVERNANCE REPORT

## Stock Price Data: National Stock Exchange



## Distribution of Shareholding as on 31st March, 2013:

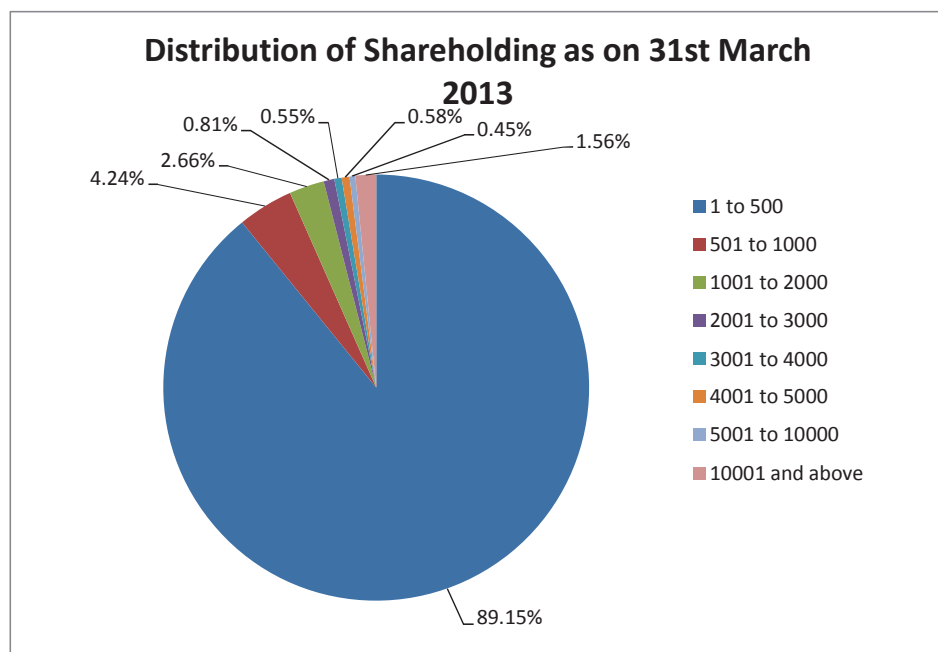
No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 to 500	4732	89.15	552549	2.82
501 to 1000	225	4.24	183255	0.93
1001 to 2000	141	2.66	211162	1.08
2001 to 3000	43	0.81	107585	0.55
3001 to 4000	29	0.55	104880	0.53
4001 to 5000	31	0.58	146071	0.74
5001 to 10000	24	0.45	173707	0.89
10001 and above	83	1.56	18148795	92.46
<b>TOTAL</b>	<b>5308</b>	<b>100.00</b>	<b>19628004</b>	<b>100.00</b>



# CORPORATE GOVERNANCE REPORT

## Shareholding Pattern of the Company:

Category	As on 31st March, 2013		As on 31st March, 2012	
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
<b>PROMOTERS HOLDING (including Promoter Group)</b>				
1. Indian Promoters				
- Individual Promoters	11839928	60.32	11795836	60.10
- Bodies Corporate	-	-	-	-
<b>Sub Total (1)</b>	<b>11839928</b>	<b>60.32</b>	<b>11795836</b>	<b>60.10</b>
2. Foreign Promoters	-	-	-	-
<b>Sub Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NON-PROMOTER HOLDING</b>				
3. Institutional Investors				
a. Mutual Funds/UTI	-	-	-	-
b. Financial Institutions/Bank	775040	3.95	1020360	5.20
c. FIIs	323569	1.65	1158817	5.90
<b>Sub Total (3)</b>	<b>1098609</b>	<b>5.60</b>	<b>2179177</b>	<b>11.10</b>
4. Non-Institutional Investors				
a. Bodies Corporate	2120063	10.80	2039348	10.39
b. Individuals	4277218	21.79	3538196	18.03
c. Qualified Foreign Investors	-	-	-	-
d. Any other(s)				
- Clearing Members	256480	1.31	4829	0.02
- Non Residential Indians	35706	0.18	70618	0.36
<b>Sub Total (4)</b>	<b>6689467</b>	<b>34.08</b>	<b>5652991</b>	<b>28.80</b>
<b>Grand Total (1+2+3+4)</b>	<b>19628004</b>	<b>100.00</b>	<b>19628004</b>	<b>100.00</b>



# CORPORATE GOVERNANCE REPORT

## Shareholders holding more than 1% of the total No. of Shares (Public) (as at 31st March, 2013)

Sr. No.	Category	Folio No/ Client ID	Shareholder's Name	Shares	% of holding
1.	Public	1204450000296236	Rohinton Soli Screwvala	1000000	5.09
2.	Non Nationalised Banks	IN30048410820757	Axis Bank Limited	700000	3.57
3.	Corporate Bodies	1202700000144422	Celestial Tradechem Pvt. Ltd.	520951	2.65
4.	Foreign Institutional Investor	IN30317320000220	Premier Investment Fund Ltd.	323569	1.65
5.	Public	1203330000322611	Ajay Upadhyaya	300000	1.53
6.	Corporate Bodies	IN30216410410931	Vivid Finance & Holdings Pvt. Ltd.	258000	1.31
7.	Public	IN30021410811660	Ranjit H. Bhavnani	231466	1.18
<b>Total</b>				<b>3333986</b>	<b>16.99</b>

## Details of Warrants issued during the financial year

(950,000 Warrants convertible into 950,000 Equity Shares of Rs. 10/- each)

Sr. No.	Name of Warrant holders	No. of Warrants allotted	Last date for exercising the option of conversion of warrants	Category
1.	Mr. Pravin S. Herlekar	190,000	5th September, 2014	Promoter
2.	Mr. Omkar P. Herlekar	190,000	5th September, 2014	Promoter
3.	Mr. Rishikesh P. Herlekar	190,000	5th September, 2014	Promoter Group
4.	M/s Svaks Biotech India Pvt. Ltd.	380,000	5th September, 2014	Promoter Group
<b>TOTAL</b>		<b>950,000</b>		

## Effect on the shareholding post conversion of Warrants

(Assuming the conversion in full)

Sr. No.	Name of Warrant holders	Shareholding as on 31st March, 2013		After Preferential issue of shares upon conversion of warrants	
		No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
1.	Mr. Pravin S. Herlekar	9351810	47.65%	9541810	46.37%
2.	Mr. Omkar P. Herlekar	680928	3.47%	870928	4.23%
3.	Mr. Rishikesh P. Herlekar	576510	2.94%	766510	3.72%
4.	M/s Svaks Biotech India Pvt. Ltd.	Nil	Nil	380000	1.85%
<b>TOTAL</b>		<b>10609248</b>	<b>54.06%</b>	<b>11559248</b>	<b>56.17%</b>

# CORPORATE GOVERNANCE REPORT

**Shareholding of Directors in the Company as at 31st March, 2013 in their personal capacity and either as sole or first or joint holder:**

<b>Name of the Director</b>	<b>No. of Equity Shares Held</b>
Mr. Pravin S. Herlekar (Chairman & Managing Director)#	9351810
Mr. Omkar P. Herlekar (Whole Time Director)^	680928
Mr. Amit A. Pandit	NIL
Relative of Mr. Amit A. Pandit:	
Mr. Anil S. Pandit	200
Prof. (Dr.) Suhas M. Rane	NIL
Relatives of Prof. (Dr.) Suhas M. Rane:	
Mrs. Meena Suhas Rane	4007
Mr. Ashay Suhas Rane	859
Mrs. Indumati Maruti Rane	837
Suhas M. Rane HUF	300
Mr. Subhash P. Mali	NIL
Dr. Vikas N. Telvekar	NIL
Mr. Siddharth S. Sinkar	11700
Relative of Mr. Siddharth S. Sinkar:	
Mrs. Shraddha S. Sinkar	13000
<b>Total</b>	<b>10063641</b>

# Mr. Pravin S. Herlekar has acquired 2276 equity shares on 22nd March, 2013. However, the same is not reflected in the beneficial position received from the depositories as on 30th March, 2013. After considering the same, his total shareholding is 9354086 shares.

^ Mr. Omkar P. Herlekar has acquired 1771 equity shares on 26th March, 2013. However, the same is not reflected in the beneficial position received from the depositories as on 30th March, 2013. After considering the same, his total shareholding is 682699 shares.

## **Plant Locations:**

<b>Plant</b>	<b>Activities</b>	<b>Address</b>
Unit I	Inorganic Chemicals	W-92(A), W-94(A) & W-95(A), MIDC, Badlapur, Dist Thane, Maharashtra
Unit II	Organic synthesis	F-24, MIDC, Badlapur, Dist Thane, Maharashtra
Unit III	Selenium Sulphide	B-34, MIDC, Badlapur, Dist Thane, Maharashtra
Unit IV	Existing ware house. Proposed for new facility for organic chemicals.	F-9 & F-10/1, MIDC, Badlapur, Dist Thane, Maharashtra
Unit V	Facility under progress for organic chemicals	D 27/5, MIDC, Lote Parshuram Industrial Area , Chiplun, Dist. Ratnagiri, Maharashtra



# CORPORATE GOVERNANCE REPORT

## Address for Correspondence

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

To Company:	To: Registrar and Share Transfer Agent
Omkar Speciality Chemicals Limited B-34, MIDC, Badlapur (East), Thane - 421503 Tel No. +91 (0251) 2697340/2690651, Fax: +91(0251) 2697347/2691572 E-mail address: <a href="mailto:investor@omkarchemicals.com">investor@omkarchemicals.com</a> Website: <a href="http://www.omkarchemicals.com">www.omkarchemicals.com</a>	Bigshare Services Pvt. Ltd. E-2&3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka, Andheri (E), Mumbai - 400072. Tel No.:+91-22-40430200 Fax: +91-22-2847 5207

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

Place: Mumbai  
Date: 20th May, 2013

**Pravin S. Herlekar**  
**Chairman & Managing Director**

**Omkar P. Herlekar**  
**Whole Time Director**

# CERTIFICATION BY CHAIRMAN AND MANAGING DIRECTOR

To

**The Board of Directors**

**Omkar Speciality Chemicals Limited**

I, **Pravin S. Herlekar**, Chairman and Managing Director of Omkar Speciality Chemicals Limited certify that:

I have reviewed the Financial Statements, read with Cash Flow Statement of Omkar Speciality Chemicals Limited for the year ended 31st March, 2013 and to the best of my knowledge and belief, I state that:

- (a) i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading;
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the year, which are fraudulent, illegal or in violation with the Company's code of conduct.
- (c) I accept the responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness of internal control systems of the Company with respect to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or propose to be taken for rectifying these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee that:
  - i) There were no significant changes in internal control and/or of accounting policies during the year;
  - ii) There were no instances of any fraud involving management or employees having a significant role in the Company's internal systems, of which I have become aware;
- (e) I have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct)
- (f) I further declare that all the Members of Board of Directors and Senior Managerial Personnel have affirmed compliance with the Code of Conduct, as applicable to them and as laid down by the Board of Directors in terms of Clause 49(1)(D)(II) of the Listing Agreement entered into with the Stock Exchange(s), for the year ended 31st March, 2013.

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

Place: Mumbai

Date: 20th May, 2013

**Pravin S. Herlekar  
Chairman and Managing Director**

# AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

## TO THE MEMBERS OF OMKAR SPECIALITY CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by OMKAR SPECIALITY CHEMICALS LIMITED for the year ended on 31st March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

**For J.P.J. ASSOCIATES**

**Chartered Accountants**

**Firm Registration No.113012W**

**CA Pravin Deshpande**

**Partner**

**M.No.045249**

Place: Mumbai

Date: 20th May, 2013

# AUDITORS' REPORT

## To the Members of Omkar Speciality Chemicals Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of Omkar Speciality Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance forming an Opinion and Reporting on Financial Statements of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure A statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



# AUDITORS' REPORT

c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st, March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For J.P.J. ASSOCIATES**

**Chartered Accountants**

**Firm's Registration Number : 113012W**

**CA Pravin Deshpande**

**Partner**

**Membership Number : 045249**

Place: Mumbai

Date: 20th May, 2013

## ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our Report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets except for certain items of Fixed Assets, the quantitative details of which, we were informed, are in the process of being compiled.
- (b) The fixed assets have been physically verified by the management during the year and in our opinion the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) The company has not disposed of a substantial part of its fixed asset during the year and the going concern status of the company is not affected.
- ii. (a) As explained to us and on the basis of verification of relevant records, the inventories have been physically verified by the Management at regular intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - (a) The Company has granted unsecured loans to its three subsidiaries, the maximum amount outstanding at any time during the year was Rs.3,357.56 Lacs (Previous Year Rs.1,276.83 Lacs) and the year end balance Rs.2,716.32 Lacs (Previous Year Rs.973.95 Lacs.) This includes interest free loan of Rs.47.39 Lacs. (Previous year Rs.43.84 Lacs).
  - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans given by the Company, are not prima facie prejudicial to the interest of the Company.
  - (c) According to the information and explanations given to us, the principal amounts are repayable over a period of five years and the interest is recovered at the discretion of the Company.
  - (d) In respect of the said loans and interest thereon, there are no overdue amounts.
  - (e) The Company has not taken any secured or unsecured loans from Company registered under Section 301 of the Companies Act 1956. Hence, sub clauses (f) and (g), of clause 3 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that Section.
- (b) In our opinion, and according to the information and explanation given to us, these transactions made in pursuance of such contracts and arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding Rs.5 Lacs in respect of each party have been made at prices which are reasonable having regards to the prevailing market prices at the relevant time.
- vi. According to the information and explanation given to us the Company has not accepted any deposits from public to which the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 apply.
- vii. In our opinion, the Company has an internal audit system commensurate with the nature of its business and size of the Company.
- viii. We have broadly reviewed cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules,

# AUDITORS' REPORT

2011 prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and are of the opinion that prima facie the prescribed records have been maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

- ix. (a) According to the records of the Company and as per the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax, Custom Duty, and other material statutory dues applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as on 31st March, 2013 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and records examined by us, there are no disputed dues of Sales Tax, Income Tax, Wealth tax, Service tax, Customs duty, Excise duty and cess outstanding as on 31st March, 2013..
- x. The Company has no accumulated losses as on 31st March, 2013 and has not incurred cash losses during the financial year covered by our audit as also during the immediate preceding financial year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institutions or banks. Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xii. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiii. The Company is not dealing or trading in shares, securities, debentures and other investments, hence, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xiv. The Company has given guarantees for loans taken by Others from banks and financial institutions. According to the information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
- xv. In our opinion, the term loans have been applied for the purpose for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act.
- xix. The Company has not issued any debentures during the financial year and therefore the question of creating securities or charge in respect thereof does not arise.
- xx. The Company has not made any public issue during the year.
- xxi. Based upon the audit procedure performed and according to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year .

**For J.P.J. ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No. : 113012W**

**CA PRAVIN DESHPANDE**  
**PARTNER**  
**Membership No. : 045249**

Place: Mumbai  
Date: 20th May, 2013

# STANDALONE BALANCE SHEET

## BALANCE SHEET AS AT 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,962.80	1,962.80
Reserves and surplus	2	10,358.61	8,620.69
Money Received Against Warrants		356.25	-
		12,677.66	10,583.49
<b>Non Current Liabilities</b>			
Long-term borrowings	3	2,990.05	467.66
Deferred tax liabilities (Net)	4	112.67	122.76
Long - term provisions	5	113.23	102.59
		3,215.95	693.01
<b>Current Liabilities</b>			
Short-term borrowings	3	8,648.91	6,916.70
Trade payables	6	2,765.93	2,526.30
Other current liabilities	7	391.97	658.11
Short-term provisions	8	554.18	289.01
		12,360.99	10,390.12
<b>TOTAL</b>		<b>28,254.60</b>	<b>21,666.62</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	9	4,393.34	3,625.38
Intangible Assets	9	53.11	3.49
Capital Work-in-Progress	9	4,017.97	3,047.55
Intangible Assets under Development	9	1.50	17.71
Non Current Investments	10	1,086.39	212.08
Long -term Loans and Advances	11	2,740.67	998.29
		12,292.98	7,904.50
<b>Current Assets</b>			
Inventories	12	6,356.05	5,266.25
Trade Receivables	13	6,147.11	3,848.52
Cash and Cash Equivalents	14	2,157.47	3,140.36
Short- term Loans and Advances	15	43.10	408.01
Other Current Assets	16	1,257.89	1,098.98
		15,961.62	13,762.12
<b>TOTAL</b>		<b>28,254.60</b>	<b>21,666.62</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 29		

As per our report of even date

For and on behalf of the Board of Directors

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

Nirav Momaya  
(Company Secretary)

# STANDALONE STATEMENT OF PROFIT AND LOSS

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

	Note No.	For the year ended 31st March 2013	For the year ended 31st March 2012
<b>INCOME</b>			
Revenue from Operation	17	20,153.12	16,694.80
Other income	18	579.40	369.86
<b>Total Revenue</b>		<b>20,732.52</b>	<b>17,064.66</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	19	11,935.71	10,773.33
Purchase of stock in trade		3,509.26	1,817.96
Changes in inventories of Finished Goods, Work in progress and Stock in Trade	20	(1,808.51)	(1,157.10)
Employee benefits expense	21	800.54	638.34
Finance Costs	22	743.16	809.53
Depreciation and Amortization expense	9	568.43	562.09
Other Expenses	23	2,083.45	1,302.93
<b>Total Expenditure</b>		<b>17,832.04</b>	<b>14,747.08</b>
<b>Profit before tax</b>		<b>2,900.48</b>	<b>2,317.58</b>
<b>Tax Expenses</b>			
Previous year adjustments		27.59	2.44
Current Tax		802.91	612.70
Deferred Tax		(10.12)	57.77
<b>Profit for the period</b>		<b>2,080.10</b>	<b>1,644.67</b>
<b>Earnings per equity share (in Rs.)</b>			
Basic		<b>10.60</b>	8.38
Diluted		<b>10.59</b>	8.38
Face Value of Equity Shares (in Rs.)		<b>10</b>	10
Significant Accounting Policies			
Notes on Financial Statements	1 to 29		

As per our report of even date

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

For and on behalf of the Board of Directors

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

Nirav Momaya  
(Company Secretary)



# STANDALONE CASH FLOW STATEMENT

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	2,900.48	2,317.58
Adjustments for :		
Depreciation	568.43	562.09
Finance expenses	743.16	809.53
Interest Income	(421.57)	(317.75)
Increase/Dimution in Value of Investment	(0.19)	2.55
Unrealised Foreign exchange gain	43.07	(25.59)
<b>Operating Profit before working capital changes</b>	<b>3,833.38</b>	<b>3,348.41</b>
Adjustments for :		
Trade and Other Receivables	(2,298.59)	(1,127.08)
Long -term Loans and Advances	(1,742.38)	(896.28)
Short- term Loans and Advances	364.92	1,919.55
Other Current Assets	(158.91)	(82.64)
Inventories	(1,089.80)	(2,258.50)
Trade and Other Payables	(71.62)	(341.34)
	<b>(4,996.38)</b>	<b>(2,786.30)</b>
Taxes Paid	(567.07)	(598.27)
<b>Cash Generated from Operations</b>	<b>(1,730.07)</b>	<b>(36.16)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets(refer note 9)	(2,340.22)	(3,441.66)
Investments in shares of subsidiary companies	(874.12)	(75.55)
Income from Interest received	421.57	317.75
<b>Net Cash used in Investing Activities</b>	<b>(2,792.77)</b>	<b>(3,199.46)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Short term Borrowings	1,732.21	3,626.82
Proceeds from Long term Borrowings	2,522.39	(359.63)
Issue of Warrants	356.25	-
Interest paid	(743.16)	(809.53)
Dividend paid (including Dividend Distribution Tax)	(284.67)	(228.69)
<b>Net Cash from Financing Activities</b>	<b>3,583.02</b>	<b>2,228.97</b>
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(939.82)	(1,006.65)
Cash and Cash equivalents at the beginning of the year	3,140.36	4,121.41
Exchange difference on translation of foreign currency cash and cash equivalents	(43.07)	25.59
<b>Cash and Cash equivalents at the end of the year</b>	<b>2,157.47</b>	<b>3,140.36</b>

### Notes:

- Figures in brackets indicate outflows.
- Purchase of fixed assets includes payments for items in capital work in progress.
- Cash and Cash equivalents represent Cash and Bank balances
- Cash and Cash equivalents includes Rs 628.46 lakhs held as Margin money pledged with the bank.  
(Previous year Rs 386.88 lakhs)

As per our report of even date

For and on behalf of the Board of Directors

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

Nirav Momaya  
(Company Secretary)

## SIGNIFICANT ACCOUNTING POLICIES

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

### 2. USE OF ESTIMATES:

The preparation of financial statements requires estimates and assumptions that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the same are known/materialized.

### 3. FIXED ASSETS:

1. Fixed Assets are stated at cost of acquisition or construction ( net of CENVAT/VAT credit availed) less accumulated depreciation/ amortization and impairment loss, if any.
2. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

### 4. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION:

Foreign currency transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the Profit & Loss account.

Monetary items denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date. The Exchange differences, if any, are recognized in the profit & loss account. Non monetary foreign currency items are carried at cost.

The premium in respect of forward exchange contract is amortized over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognized in the Profit & Loss Account in the reporting period.

### 5. INVENTORIES :

#### 1. Raw Material

The company is valuing raw material, packing material and stores stock by taking costs of purchase which consists of the 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 the stock of raw materials. In determining the cost the First In First Out (FIFO) method is used.

#### 2. 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.

### 6. REVENUE RECOGNITION:

1. Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred by the company.
2. Revenue from product sale is stated net of returns, sales tax/VAT and applicable trade discounts and allowances.
3. Interest income is recognized on time accrual basis.

# STANDALONE FINANCIAL STATEMENTS

## 7. INVESTMENTS:

1. Investments that are readily realisable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as long-term investments.
2. Current investments are carried at the lower of cost and realisable value, determined on an individual investment basis.
3. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately in respect of each category of investment.

## 8. 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.

## 9. EXCISE DUTY/CUSTOM DUTY:

Excise duty / Customs duty has been accounted on the basis of payments made in respect of goods cleared. Cenvat credit on raw materials and capital goods has been accounted for, by reducing the purchase cost of raw materials and capital goods respectively.

## 10. DEPRECIATION/AMORTIZATION :

### 1. Intangible Assets :

The intangible assets (other than computer software) are amortized over a period of 10 years.

Computer Software is depreciated at the rate specified in Schedule XIV of the Companies Act, 1956.

### 2. Tangible Assets :

Depreciation on all fixed assets is provided as per the provisions of Companies Act, 1956 on Written Down Value Method.

Depreciation is calculated on pro-rata basis from month of installation till the month of the assets are sold/ disposed off.

Cost of leasehold land is amortized over the period of lease.

## 11. EMPLOYEE BENEFITS:

### 1. Short Term Employee Benefits:

All short- term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within twelve months of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognized on an undiscounted basis charged to the Profit and Loss account.

### 2. Provision for Gratuity is made and provided on actuarial valuation basis.

Other retirement benefits are accounted as per company's policy.

## 12. TAXES ON INCOME

Income Taxes are accounted for in accordance with Accounting Standard 22 (AS 22) "Accounting for Taxes on Income". Tax expense comprises of Current Tax and Deferred Tax:

1. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.
2. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to Timing Differences, between the taxable income and accounting income, that originate in one period and are capable of reversal in one or more periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

## **13. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

## **14. BORROWING COST:**

Borrowing cost attributable to acquisitions and construction of capital goods are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and all other borrowing costs are charged to Profit & Loss Account.

## **15. IMPAIRMENT OF ASSETS:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## **16. RESEARCH AND DEVELOPMENT COSTS:**

Revenue expenditure on research and development is expensed out under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Profit and Loss account as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Fixed assets used for research and development are depreciated in accordance with the Company's policy.

## **17. LOANS AND ADVANCES:**

Loans and advances are stated net of provision for bad and doubtful items if any and recoveries are written back to the profit and loss account when received.

## **18. SECURITY PREMIUM ACCOUNT:**

Any expensed incurred for raising of funds from securities are adjusted against security premium account.

## **19. CHANGES IN ACCOUNTING POLICIES :**

There are no changes in the accounting policies during the reported period.

# STANDALONE FINANCIAL STATEMENTS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

The previous year figures have been regrouped / reclassified, wherever necessary to confirm to the current year presentation.

(Rupees in Lakhs, except for share data if otherwise stated)

Note No		As at 31st March, 2013		As at 31st March, 2012	
1	SHARE CAPITAL				
	AUTHORISED CAPITAL				
	25000000 Equity Shares of Rs.10/- each.		2,500.00		2,500.00
	Issue, Subscribed and Paid up:				
	19628004 Equity Shares of Rs 10/- each, Fully paid Up		1,962.80		1,962.80
	Total		1,962.80		1,962.80
The Movements of Share capital is set out below:					
		As at 31st March, 2013		As at 31st March, 2012	
	Authorised	No. of Shares	Amount	No. of Shares	Amount
	Authorised Share Capital at the beginning of the Year	25000000	2,500.00	25000000	2,500.00
	Authorised Share Capital at the end of the year	25000000	2,500.00	25000000	2,500.00
	Issued, Subscribed and Paid up capital				
	At the beginning of the Year	19628004	1,962.80	19628004	1,962.80
	At the end of the Year	19628004	1,962.80	19628004	1,962.80
Details of shareholders holding more than 5% shares in the company					
		As at 31st March, 2013		As at 31st March, 2012	
	Name of Shareholder	No. of Shares	Amount	No. of Shares	Amount
	Pravin Herlekar*	9351810	935.18	9335294	933.53
	Anjali Herlekar	1208240	120.82	1208240	120.82
	Rohinton Soli Screwvala	1000000	100.00	-	-
	TAIB Securities Mauritius Limited	-	-	1158817	115.88
	Axis Bank Limited**	-	-	1020360	102.04
	Total	11560050	1,156.00	12722711	1,272.27

### Notes:

of the above equity shares:-

1) Nominal value of Rs 100/- per Equity Share sub-divided into Rs 10/- per Equity Share, during the Financial Year 2010-2011.

2) During the financial year 2009-2010, 1126600 Equity shares of Rs. 100/- each have been allotted as fully paid-up by way of bonus shares by way of capitalization of Profits & Security Premium A/c.

3) During the financial year 2010-2011, 8100004 Equity shares of Rs. 10/- each were issued at premium of Rs. 88/- each by public offer.

\*4) Mr. Pravin S. Herlekar has acquired 2276 equity shares on 22nd March, 2013. However, the same is not reflected in the beneficial position received from the depositories as on 30th March, 2013.

\*\*5) Shares held less than 5% as on 31st March, 2013.



# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs, except for share data if otherwise stated)

Note No		As at 31st March, 2013	As at 31st March, 2012
<b>2</b>	<b>RESERVE AND SURPLUS</b>		
	<b>Security Premium Account</b>		
	Opening Balance	6,040.69	6,040.69
	Add: Additions during the year	-	-
	Closing Balance	<b>6,040.69</b>	<b>6,040.69</b>
	<b>General Reserve</b>		
	Opening Balance	430.40	280.40
	Add: Transfer from Profit and Loss Account	150.00	150.00
	Closing Balance	<b>580.40</b>	<b>430.40</b>
	<b>Profit &amp; Loss Account</b>		
	Opening Balance	2,149.60	940.08
	Add : Profit for the year	2,080.10	1,644.67
		<b>4,229.70</b>	<b>2,584.75</b>
	<b>Less : Appropriations</b>		
	Proposed Dividend on Equity Shares (Rs. 1.50 per share) (Previous Year Rs 1.25 per share)	294.42	245.35
	Tax on Dividend	47.76	39.80
	Transferred to General Reserve	150.00	150.00
	Closing Balance	<b>3,737.52</b>	<b>2,149.60</b>
		<b>10,358.61</b>	<b>8,620.69</b>

Note No		As at 31st March, 2013				As at 31st March, 2012			
		Long Term	Current maturities of Long term *	Short Term	Total	Long Term	Current maturities of Long term *	Short Term	Total
<b>3</b>	<b>BORROWINGS</b>								
	<b>Secured Borrowings</b>								
	(a) Bonds / Debentures	-	-	-	-	-	-	-	-
	(b) Term Loans								
	1) From Banks	2,990.05	185.00	-	3,175.05	467.66	387.50	-	855.16
	2) From Financial Institutions & Others	-	-	-	-	-	-	-	-
	(c) Repayable on Demand								
	1) From Banks	-	-	7,108.68	7,108.68	-	-	6,916.70	6,916.70
	2) From Financial Institutions & Others	-	-	-	-	-	-	-	-
	<b>TOTAL SECURED BORROWINGS</b>	<b>2,990.05</b>	<b>185.00</b>	<b>7,108.68</b>	<b>10,283.73</b>	<b>467.66</b>	<b>387.50</b>	<b>6,916.70</b>	<b>7,771.86</b>
	<b>Unsecured Borrowings</b>								
	(a) Short Term Loan from Financial Institutions	-	-	68.79	68.79	-	30.39	-	30.39
	(b) Loans from Banks	-	-	1,471.44	1,471.44	-	-	-	-
	<b>TOTAL UNSECURED BORROWINGS</b>	<b>-</b>	<b>-</b>	<b>1,540.23</b>	<b>1,540.23</b>	<b>-</b>	<b>30.39</b>	<b>-</b>	<b>30.39</b>
	<b>TOTAL</b>	<b>2,990.05</b>	<b>185.00</b>	<b>8,648.91</b>	<b>11,823.96</b>	<b>467.66</b>	<b>417.89</b>	<b>6,916.70</b>	<b>7,802.25</b>

# STANDALONE FINANCIAL STATEMENTS

## Note:

### 1) Term loans /ECB loan

a)from Banks were secured by way of hypothecation of stock, spare parts and book debts and first charge on land, building and plant and machinery present and future situated at Plot No. F-24, Plot No. W-92(A), W-94(A), W-95(A), Plot No. F-10/1 Plot No. F-9, Plot No. B-34, MIDC, Badlapur, Dist : Thane and Plot No. D 27/5, Lote Parshuram Industrial Area, Taluka - Khed , Ratnagiri in Maharashtra

b)Personal guarantee of the promoter directors of the company

### 2) Working Capital Loans

a) From Banks were secured by way of hypothecation of stock, spare parts and book debts and first charge on land building and plant and machinery present and future situated at Plot No. F-24, Plot No. W-92A,W-94A,W-95A, Plot No B-34, Plot No. F -10/1, Plot No. F-9, MIDC, Badlapur, Dist : Thane and Plot No. D 27/5, Lote Parshuram Industrial Area, Taluka - Khed , Ratnagiri in Maharashtra

b)Personal guarantee of the promoter directors of the company

3) Secured Borrowings from banks, repayable on demand, includes Buyers Credit of Rs 1,972.16 lakhs ( Previous year : Rs 2,795.73 lakhs)

4) Other loans are repayable on demand.

5) \*Current maturities of long term borrowings are considered in note no. 7- Other Current liabilities

### 6) Term Loan Repayment Schedule

(Rupees in Lakhs)

Repayable within	Term Loan	ECB	Total
1 Year	185.00	-	185.00
1-2 Years	185.00	675.00	860.00
2-3 Years	63.82	900.00	963.82
After 3 years	-	1,166.23	1,166.23
<b>Total</b>	<b>433.82</b>	<b>2,741.23</b>	<b>3,175.05</b>

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	As at 31st March, 2013	As at 31st March, 2012
4	<b>DEFERRED TAX</b>		
	<b>Deferred Tax Assets/Liability</b>		
	<b>Deferred Tax Liabilities:</b>		
	On account of difference between net book value of the capital assets as per books vis-à-vis written down value as per Income Tax Act	357.91	439.53
	<b>Deferred Tax Assets:</b>		
	On account of gratuity	10.64	61.18
	<b>Net Difference</b>	<b>347.27</b>	<b>378.35</b>
	Tax Rate in %	32.45	32.45
	<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>112.67</b>	<b>122.76</b>
5	<b>LONG TERM PROVISIONS</b>		
	Provision for Gratuity	113.23	102.59
	<b>Total</b>	<b>113.23</b>	<b>102.59</b>
6	<b>TRADE PAYABLES</b>		
	Creditors for goods	2,228.30	2,403.87
	Creditors for expenses	537.63	122.43
	<b>Total</b>	<b>2,765.93</b>	<b>2,526.30</b>
7	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of long-term debt (Refer Note 3)	185.00	417.89
	Interest accrued but not due on borrowings	152.74	17.41
	Advances received from customers	22.39	24.69
	Unclaimed dividend	0.33	0.19
	Creditors for capital goods	20.34	182.21
	Statutory liabilities	11.17	15.73
	<b>Total</b>	<b>391.97</b>	<b>658.11</b>
	1)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 VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest paid/ payable, etc., have not been made.		
	2)The Company has not received the required information from suppliers regarding their status under the Small Scale Industries Act and hence disclosures as required under Schedule VI of the Companies Act, 1956 relating to amounts unpaid as at the year end together with interest paid/ payable, etc., have not been made.		
8	<b>SHORT TERM PROVISIONS</b>		
	<b>Provision for Employee Benefits</b>		
	Provision for Provident fund	-	3.86
	<b>Others Provisions</b>		
	Proposed Dividend	294.42	245.35
	Tax on Proposed Dividend	47.76	39.80
	Provision for Taxation (Net)	212.00	-
	<b>Total</b>	<b>554.18</b>	<b>289.01</b>

# STANDALONE FINANCIAL STATEMENTS

## NOTE 09 - FIXED ASSETS

(Rupees in Lakhs)

Sr. No	Description of the Assets	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			Cost as on 01.04.12 Rs.	Additions during the year Rs.	Deduction during the year Rs.	Cost as on 31.03.13 Rs.	Upto 01.04.12 Rs.	For the year Rs.	Deduction Rs.	Upto 31.03.13 Rs.	WDV as on 31.03.13 Rs.	WDV as on 31.03.12 Rs.
	<b>Tangible Assets</b>											
1	Leasehold Land	-----	494.72	561.96	-	1,056.68	27.07	4.21	-	31.28	1,025.40	467.65
2	Factory Building	10.00%	1,038.69	159.68	-	1,198.37	219.21	85.67	-	304.87	893.50	819.49
3	Residential Premises	5.00%	53.17	-	-	53.17	1.17	2.60	-	3.77	49.40	52.00
4	Plant & Machinery (R&D)	13.91%	506.61	30.76	-	537.37	85.40	60.19	-	145.59	391.78	421.21
5	Plant & Machinery	20.87%	2,159.40	490.81	-	2,650.21	592.04	352.90	-	944.95	1,705.26	1,567.36
6	Electrical Installation	13.91%	233.95	29.03	-	262.98	41.52	28.17	-	69.69	193.29	192.43
7	Furniture & Fixture	18.10%	72.57	27.57	-	100.14	18.93	11.21	-	30.14	69.99	53.64
8	Office Equipments	13.91%	38.65	11.97	-	50.62	9.41	4.88	-	14.29	36.33	29.23
9	Computer	40.00%	36.23	16.55	-	52.78	22.03	9.54	-	31.58	21.21	14.20
10	Motor Car and Cycle	25.89%	20.72	1.34	-	22.06	12.55	2.35	-	14.90	7.17	8.17
11	Assets less than Rs 5,000/-	100.00%	1.34	2.81	-	4.15	1.34	2.81	-	4.15	-	-
	<b>Sub Total (A)</b>		<b>4,656.05</b>	<b>1,332.50</b>	<b>-</b>	<b>5,988.54</b>	<b>1,030.66</b>	<b>564.54</b>	<b>-</b>	<b>1,595.20</b>	<b>4,393.34</b>	<b>3,625.38</b>
	<b>Intangible Assets</b>											
12	Patent Fees		4.30	-	-	4.30	0.81	0.35	-	1.16	3.14	3.49
13	Intangible Assets		-	53.51	-	53.51	-	3.54	-	3.54	49.97	-
	<b>Sub Total (B)</b>		<b>4.30</b>	<b>53.51</b>	<b>-</b>	<b>57.81</b>	<b>0.81</b>	<b>3.89</b>	<b>-</b>	<b>4.70</b>	<b>53.11</b>	<b>3.49</b>
	<b>Capital Work in Progress</b>											
14	Intangible		17.71	3.10	19.31	1.50	-	-	-	-	1.50	17.71
15	Tangible		3,047.55	1,953.83	983.41	4,017.97	-	-	-	-	4,017.97	3,047.55
	<b>Sub Total (C)</b>		<b>3,065.26</b>	<b>1,956.93</b>	<b>1,002.72</b>	<b>4,019.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,019.47</b>	<b>3,065.26</b>
	<b>GRAND TOTAL (A+B+C)</b>		<b>7,725.61</b>	<b>3,342.94</b>	<b>1,002.72</b>	<b>10,065.82</b>	<b>1,031.47</b>	<b>568.43</b>	<b>-</b>	<b>1,599.90</b>	<b>8,465.92</b>	<b>6,694.13</b>
	Previous Year		<b>(4,283.95)</b>	<b>(5,138.05)</b>	<b>(1,696.39)</b>	<b>(7,725.61)</b>	<b>(469.38)</b>	<b>(562.09)</b>	<b>-</b>	<b>(1,031.47)</b>	<b>(6,694.13)</b>	<b>(3,814.57)</b>

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No.	Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>10</b>	<b>NON CURRENT INVESTMENTS</b>		
	<b>Investments in subsidiaries (Fully paid up, Trade, Unquoted)</b>	<b>No of Shares</b>	<b>Rs.</b>
		<b>2012-13</b>	<b>2011-12</b>
	Rishichem Research Ltd ( Face Value Rs 10/- per equity share)	53994	53994
	Desh Chemicals Pvt Ltd ( Face Value Rs 100/- per equity share)	4950	4950
	Urdhwa Chemicals Company Pvt Ltd( Face Value Rs 100/- per equity share)	354440	4440
	Lasa Laboratory Pvt Ltd( Face Value Rs 10/- per equity share)	2010000	NIL
	Lasa Laboratory Pvt Ltd( Face Value Rs 10/- per preference share)	2740000	NIL
	<b>Sub total (a)</b>		<b>1,079.77</b>
	<b>Investment in Mutual Fund (Fully paid up, Non Trade, Quoted)</b>	<b>No of Units</b>	<b>Rs.</b>
	Baroda Pioneer Mutual fund ( Face Value Rs 10/- per unit)	100000	10.00
	Less : Dimunition in Value of Investment		3.38
	(Market Value as on 31st March 2013 Rs 6.62 Lakhs) (Previous year Rs 6.43 Lakhs)		3.57
	<b>Sub total (b)</b>		<b>6.62</b>
	<b>Total (a+b)</b>		<b>212.08</b>
<b>11</b>	<b>LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
	Deposits	24.34	24.34
	<b>Loans and Advances to Subsidiaries</b>		
	Urdhwa Chemicals Co Private Limited	2,330.99	930.11
	Lasa Laboratory Private Limited	337.94	-
	Desh Chemicals Private Limited	47.40	43.84
	<b>Total</b>	<b>2,740.67</b>	<b>998.29</b>
<b>12</b>	<b>INVENTORIES</b>		
	Stores and spare parts	4.43	5.07
	Raw materials	1,368.99	1,303.29
	Raw materials in transit	-	783.77
	Work-in-progress	4,689.31	2,831.42
	Finished products	293.32	342.70
	<b>Total</b>	<b>6,356.05</b>	<b>5,266.25</b>
	The value of the closing stock of raw materials, packing materials, stores, work in progress and finished goods has been arrived at on the basis of the records maintained and certified by the management.		



# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>13</b>	<b>TRADE RECEIVABLES (Unsecured and Considered Good)</b>		
	More than six months	221.24	181.00
	Others	5,925.87	3,667.52
	<b>Total</b>	<b>6,147.11</b>	<b>3,848.52</b>
<b>14</b>	<b>CASH AND BANK BALANCES</b>		
	Cash and Cash Equivalents		
	Balance with Banks	1526.45	241.59
	Cash on hand	2.23	2.30
	In Earmarked Accounts *	0.33	0.19
	Held as Margin Money	628.46	386.88
	Fixed deposits with Banks	-	2,509.42
	<b>Total</b>	<b>2,157.47</b>	<b>3,140.36</b>
* Earmarked balance with banks is for unclaimed dividend of the previous years.			
<b>15</b>	<b>SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
	Staff Advance	0.14	0.11
	Advances to suppliers	42.46	57.40
	Deposits	0.50	0.50
	Share Application Money	-	350.00
	<b>Total</b>	<b>43.10</b>	<b>408.01</b>
<b>16</b>	<b>OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
	Prepaid Expenses	31.03	85.00
	Income Tax (Net)	-	24.59
	Interest accrued but not due	167.33	-
	Other Taxes and Duties	1,059.53	989.40
	<b>Total</b>	<b>1,257.89</b>	<b>1,098.98</b>
Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>17</b>	<b>REVENUE FROM OPERATION</b>		
	<b>Sale of Products</b>		
	Domestic Sales	15,464.96	14,707.94
	Exports Sales	5,976.30	2,608.00
	<b>Sales (Gross)</b>	<b>21,441.26</b>	<b>17,315.94</b>
	Less : Excise Duties	1,391.62	999.85
	<b>Sales (Net)</b>	<b>20,049.64</b>	<b>16,316.09</b>
	<b>Sale of Services</b>		
	Job work Charges	103.48	378.71
	<b>Net Sales &amp; Services</b>	<b>20,153.12</b>	<b>16,694.80</b>
<b>Segment Reporting</b> "The Principal business of the company is manufacturing and sale of chemicals. All other activities of the company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Accounting Standard -17 as notified by the Companies (Accounting Standards ) Rules,2006."			

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>18</b>	<b>OTHER INCOME</b>		
	Interest income	421.57	317.75
	Duty Drawback receivable	63.53	35.59
	Sale of sample	1.32	0.98
	Miscellaneous receipts	20.65	15.54
	Forex gain	72.14	-
	Increase in Value of Investment	0.19	-
	<b>Total</b>	<b>579.40</b>	<b>369.86</b>
<b>19</b>	<b>COST OF MATERIAL CONSUMED</b>		
	Opening Stock of Raw materials	2,087.06	986.20
	Add : Purchases	11,217.64	11,874.19
	Less : Closing Stock of Raw Materials	1,368.99	2,087.06
	<b>Total</b>	<b>11,935.71</b>	<b>10,773.33</b>
<b>20</b>	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	Opening Inventories :		
	Finished products	342.70	194.84
	Work- in-progress	2,831.42	1,822.18
	<b>Sub Total (A)</b>	<b>3,174.12</b>	<b>2,017.02</b>
	Closing Inventories :		
	Finished products	293.32	342.70
	Work- in-progress	4,689.31	2,831.42
	<b>Sub Total (B)</b>	<b>4,982.63</b>	<b>3,174.12</b>
	<b>Total (A-B)</b>	<b>(1,808.51)</b>	<b>(1,157.10)</b>
<b>21</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages & Other Benefits (Note I)	743.53	595.17
	Contribution to Provident and Other Funds	29.29	23.29
	Workmen and staff welfare expenses	27.72	19.88
	<b>Total</b>	<b>800.54</b>	<b>638.34</b>
	Note I: Salaries, Wages & Other Benefits, recognised as expense for the year is as under :		
	Salaries and Wages	374.18	237.86
	Directors Remuneration	108.64	88.00
	Bonus, Gratuity and other incentives	41.59	74.14
	Employers Contribution to ESIC	4.60	2.83
	Contribution to Labour Welfare Fund	0.11	0.07
	Contract Labour Charges	226.32	206.49
	<b>Gross Total</b>	<b>755.44</b>	<b>609.39</b>
	Less: Project Development Expenditure Capitalised	11.91	14.22
	<b>Net Total</b>	<b>743.53</b>	<b>595.17</b>

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	<b>Employee benefits</b>		
	The following tables set out the disclosures relating to gratuity benefits unfunded as required by Accounting Standard -15 Employee Benefits:		
<b>21.1</b>	<b>Past Service Cost Recognised</b>		
	Past Service Cost-(non vested benefits)	-	-
	Past Service Cost-(vested benefits)	-	-
	Average remaining future service till vesting of benefits	-	-
	Recognized Past Service Cost-non vested benefits	0.50	0.50
	Recognized Past Service Cost –vested benefits	-	-
	Unrecognised Past Service Cost –non vested benefits	-	-
<b>21.2</b>	<b>Actuarial Gain/(loss) Recognised</b>		
	Actuarial Gain/(Loss) for the period (Obligation)	22.59	(23.82)
	Actuarial Gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	22.59	(23.82)
	Actuarial Gain/(Loss) recognized for the period	22.59	(23.82)
	Unrecognised Actuarial Gain/(Loss) at the end of the period	-	-
<b>21.3</b>	<b>Changes in the present value of obligation:</b>		
	Present value of obligation at beginning of period	103.10	42.42
	Add : Interest Cost	7.90	3.40
	Add: Current Service Cost	33.47	33.46
	Add; Past Service Cost	-	-
	Less: Benefits paid	(8.64)	-
	Add: Actuarial (gain)/loss on obligation	(22.59)	23.82
	Present value of obligation at end of period	113.23	103.10
<b>21.4</b>	<b>Changes in the Fair value of Plan Assets:</b>		
	Fair value of Plan Assets at beginning of period	-	-
	Add: Actual return on Plan Assets	-	-
	Add: Contributions	8.64	-
	Less: Benefits Paid	(8.64)	-
	Add: Actuarial Gain/(loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
<b>21.5</b>	<b>Amounts recognized in the balance sheet</b>		
	Present value of obligation at the end of the period	113.23	103.10
	Less: Fair Value of Plan Assets at end of period	-	(103.10)
	Funded Status	(113.23)	-
	Unrecognized Past Service Cost	-	0.50
	Net Asset/(Liability) recognized in the Balance Sheet	(113.23)	(102.60)

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>21.6</b>	<b>Expenses recognized in the profit and Loss account</b>		
	Current Service Cost	33.47	33.46
	Add: Interest Cost	7.90	3.39
	Add: Past Service Cost	0.50	0.51
	Add: Net Actuarial (Gain)/Loss recognised	(31.23)	23.82
	Expenses recognized in the Profit and loss Account	10.64	61.18
<b>21.7</b>	<b>The following table sets out the assumptions used in actuarial valuation of gratuity:</b>		
	Interest/Discount Rate	0.08	0.08
	Rate of increase in compensation	0.15	0.20
	Rate of return (expected) on plan assets	N.A.	N.A.
	Employee Attrition Rate (Past Service )	0 to 3 : 2.85%	0 to 40 : 5%
<b>22</b>	<b>FINANCE COST</b>		
	Interest Expenses (Note II)	956.08	756.27
	Other Borrowing Costs	4.42	45.83
	Applicable net gain/loss on foreign currency transactions and translation	-	42.42
	<b>Gross Total</b>	<b>960.50</b>	<b>844.52</b>
	Less: Interest Capitalised	217.34	34.99
	<b>Net Total</b>	<b>743.16</b>	<b>809.53</b>
	<b>Note II: Interest Expenses includes :</b>		
	On loans for fixed periods from banks	90.51	142.58
	On cash credit and other facilities from banks	865.57	613.69
	<b>Total</b>	<b>956.08</b>	<b>756.27</b>
<b>23</b>	<b>OTHER EXPENSES</b>		
	<b>Other Manufacturing Expenses</b>		
	Factory Electricity charge	93.33	82.75
	Water Charges	9.36	11.99
	Packing & Testing Charges	3.61	0.67
	Laboratory Expenses	187.37	58.64
	Consumable Stores	277.32	236.15
	Processing Charges	582.65	250.07
	Repairs & Maintenance- Building	74.80	63.65
	Repairs & Maintenance - Machinery	43.01	34.92
	Central Excise Duty	6.66	3.81
	Freight Inward	114.77	94.80
	Sundry Factory Expenses	13.45	7.12
	<b>Sub Total (A)</b>	<b>1,406.33</b>	<b>844.56</b>

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	<b>Administrative, Selling and Distribution Expenses</b>		
	Sales Promotion Expenses	69.88	41.56
	Commission on Sales	109.22	75.32
	Conveyance & Travelling Expenses	23.10	12.18
	Freight & Transportation - Sales	92.14	43.13
	Misc. Expenses	64.08	43.52
	Telephone/Telegram/Internet Charges	27.87	12.26
	Diminution in Value of Investment	-	2.55
	Repairs & Maintenance- Others	27.91	23.41
	Insurance	37.97	17.25
	Printing & Stationery	14.88	10.17
	Professional Charges	94.33	152.43
	Rates & Taxes	13.92	19.09
	Annual Maintenance Charges	1.69	-
	Corporate Social Responsibility	3.58	-
	Bad Debts	88.56	-
	Payments to Auditors	7.99	5.51
	<b>Sub Total (B)</b>	<b>677.12</b>	<b>458.37</b>
	<b>Total (A+B)</b>	<b>2,083.45</b>	<b>1,302.93</b>
<b>23.1</b>	<b>Payments to Auditors</b>		
	(a) As Auditor	6.00	2.50
	(b) For Taxation matter	1.20	1.20
	(c) For Company law matters	-	-
	(d) For management services	-	1.20
	(e) For other services	0.79	0.60
	(f) For reimbursement of expenses	-	0.01
	<b>Total</b>	<b>7.99</b>	<b>5.51</b>
<b>23.2</b>	<b>Value of Imported raw materials &amp; Stores Consumed and percentage of consumption:</b>		
	<b>Raw Material</b>		
	Imported	7,542.72	6432.66
	Percentage	63.19%	59.71%
	Indigenous	4,392.99	4340.67
	Percentage	36.81%	40.29%
	<b>TOTAL</b>	<b>11,935.71</b>	<b>10,773.33</b>
	Percentage	100.00%	100.00%



# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	<b>Consumable Stores</b>		
	Imported	-	-
	Percentage	-	-
	Indigenous	277.32	236.15
	Percentage	100.00%	100.00%
	<b>TOTAL</b>	<b>277.32</b>	<b>236.15</b>
	Percentage	100.00%	100.00%
<b>23.3</b>	<b>Earnings and Expenditure in Foreign Currency :</b>		
	Earnings in Foreign Exchange		
	Value of Export (FOB)	5815.97	2,575.76
	Expenditure in Foreign Currency		
	Purchase of Raw Material	6454.42	5,234.71
	Capital Expenditure	43.29	24.38
	Other Expenses	45.03	22.62
	Interest	233.67	-
	Dividend remitted in foreign currency	14.49	11.59
	Value of Import on CIF Basis		
	Raw Material	6513.18	7,410.04
	Capital Goods	43.29	24.19
<b>23.4</b>	The Company has incurred the following expenses on research and development activity:		
	On tangible fixed assets	30.76	238.05
	On items which have been expensed during the year*	255.09	58.64
	<b>Total</b>	<b>285.85</b>	<b>296.69</b>
* Includes amount of Rs. 7.76 lakhs paid to an external agency in current year [ previous year Rs.29.50 lakhs]			
<b>24</b>	<b>Basic and Diluted Earnings Per Share is calculated as under:</b>	<b>As at 31st March, 2013</b>	<b>As at 31st March, 2012</b>
	Profit attributable to Equity Shareholders	2,080.10	1,644.67
	Weighted average number of Equity Shares:		
	-Basic	19628004	19628004
	-Diluted	19634804	19628004
	Earnings per Share (in Rs.)		
	-Basic	10.60	8.38
	-Diluted	10.59	8.38

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

<b>25.1</b>	<b>Particulars of Sales and Stock of Finished goods:</b>			
	<b>Particulars</b>	<b>Opening Stock (Rs.)</b>	<b>Sales (Rs.)</b>	<b>Closing Stock (Rs.)</b>
	<b>Iodine Compounds</b>	<b>254.75</b>	<b>10,852.09</b>	<b>55.00</b>
		<i>138.76</i>	<i>9,256.95</i>	<i>254.75</i>
	<b>Selenium Compounds</b>	<b>69.12</b>	<b>1,445.79</b>	<b>209.56</b>
		<i>30.79</i>	<i>3,068.15</i>	<i>69.12</i>
	<b>Molybdenium Compounds</b>	<b>0.86</b>	<b>817.42</b>	<b>2.20</b>
		<i>4.85</i>	<i>794.64</i>	<i>0.86</i>
	<b>Others</b>	<b>17.97</b>	<b>2,943.53</b>	<b>26.56</b>
		<i>20.44</i>	<i>1,032.80</i>	<i>17.97</i>
	<b>Total</b>	<b>342.70</b>	<b>16,058.83</b>	<b>293.32</b>
		<i>194.84</i>	<i>14,152.54</i>	<i>342.70</i>
	The figures in italics pertains to previous year			

<b>25.2</b>	<b>Particulars of Goods Traded and Job work charges received:</b>		
	<b>Particulars</b>	<b>Goods Traded (Rs.)</b>	<b>Job work Charges (Rs.)</b>
	<b>Iodine Compounds</b>	<b>3,191.04</b>	<b>-</b>
		<i>329.19</i>	<i>-</i>
	<b>Selenium Compounds</b>	<b>-</b>	<b>83.00</b>
		<i>-</i>	<i>258.58</i>
	<b>Others</b>	<b>799.77</b>	<b>20.48</b>
		<i>1,834.37</i>	<i>120.12</i>
	<b>Total</b>	<b>3,990.81</b>	<b>103.48</b>
		<i>2,163.56</i>	<i>378.70</i>
	The figures in italics pertains to previous year		

<b>25.3</b>	<b>Particulars of Work in Progress:</b>		
	<b>Particulars</b>	<b>Opening Stock (Rs.)</b>	<b>Closing Stock (Rs.)</b>
	<b>Iodine Compounds</b>	<b>452.09</b>	<b>2,668.27</b>
		<i>298.71</i>	<i>452.09</i>
	<b>Selenium Compounds</b>	<b>2,236.55</b>	<b>1,140.80</b>
		<i>1,258.86</i>	<i>2,236.55</i>
	<b>Molybdenium Compounds</b>	<b>47.49</b>	<b>43.83</b>
		<i>90.05</i>	<i>47.49</i>
	<b>Others</b>	<b>95.29</b>	<b>836.42</b>
		<i>174.56</i>	<i>95.29</i>
	<b>Total</b>	<b>2,831.42</b>	<b>4,689.31</b>
		<i>1,822.18</i>	<i>2,831.42</i>
	The figures in italics pertains to previous year		

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

25.4	Particulars of purchases, consumption and stock of materials: *				
	Particulars	Opening Stock (Rs.)	Purchases (Rs.)	Consumption (Rs.)	Closing Stock (Rs.)
	Crude Iodine	913.02	6,649.21	7,323.33	238.90
		103.51	7,330.45	6,520.94	913.02
	Selenium Metal Powder	375.88	931.90	1,149.72	158.06
		624.03	1,881.47	2,129.62	375.88
	Others	798.16	7,145.80	6,971.93	972.03
		258.66	4,480.23	3,940.73	798.16
	Total	2,087.06	14,726.90	15,444.97	1,368.99
		986.20	13,692.15	12,591.29	2,087.06
	The figures in italics pertains to previous year				
	* above consumptions also includes cost of goods traded				

Note No	Particulars	
26	Related party transactions	
	Party	Relationship
	Mr. Pravin S. Herlekar	Director – Key Management Personnel
	Mr. Omkar P. Herlekar	Director – Key Management Personnel
	Mr Siddharth S. Sinkar	Director – Key Management Personnel
	Mr Rishikesh P.Herlekar	Relative – Key Management Personnel
	Rishichem Research Limited	Subsidiary - Common Control Exists
	Desh Chemicals Private Limited	
	Lasa Laboratory Private Limited	
	Urdhwa Chemicals Company Private Limited	
	Svaks Biotech India Private Limited	Company owned by Key Management Personnel

Sr. No	Nature of Transaction	Relationship	As on 31st March, 2013	As on 31st March, 2012
1	Directors Remuneration/Salary	Key Management Personnel	76.65	72.00
2	Commision to Directors	Key Management Personnel	12.00	-
3	Management Consultancy Fees	Key Management Personnel	11.24	-
4	Processing Charges paid	Subsidiary		
A	Rishichem Research Limited	Opening Balance Receivable (Payable)	(34.27)	(23.89)
		Processing Charges payable	(129.62)	(57.78)
		Received during the year	-	Nil
		Paid during the year	121.56	47.40
		Receivable/(Payable) during the year	(42.33)	(34.27)
B	Urdhwa Chemicals Company Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Processing Charges payable	49.80	Nil
		Received during the year	Nil	Nil
		Paid during the year	Nil	Nil
		Receivable/(Payable) during the year	49.80	Nil

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Sr. No	Nature of Transaction	Relationship	As on 31st March, 2013	As on 31st March, 2012
5	Purchase of Goods			
A	Urdhwa Chemicals Company Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Purchase of Goods	73.72	Nil
		Paid during the year	51.00	Nil
		Receivable/(Payable) during the year	35.74	Nil
B	Desh Chemicals Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Purchase of Goods	Nil	(0.56)
		Paid during the year	Nil	0.56
		Receivable/(Payable) during the year	Nil	Nil
C	Lasa Laboratory Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Purchase of Goods	3.77	Nil
		Paid during the year	0.93	Nil
		Receivable/(Payable) during the year	2.84	Nil
6	Purchase of Fixed Assets			
	Urdhwa Chemicals Company Private Limited		10.50	Nil
7	Sale of Goods			
A	Urdhwa Chemicals Company Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Sale of Goods	66.64	Nil
		Received during the year	64.79	Nil
		Receivable/(Payable) during the year	1.85	Nil
B	Lasa Laboratory Private Limited	Opening Balance Receivable (Payable)	Nil	Nil
		Sale of Goods	310.72	Nil
		Received during the year	125.53	Nil
		Receivable/(Payable) during the year	185.19	Nil
8	Loans and Advances Given during the year			
A	Desh Chemicals Private Limited	Opening Balance	43.83	Nil
		Given During the year	3.55	43.83
		Received During the year	Nil	Nil
		Closing Balance	47.38	43.83
B	Urdhwa Chemicals Company Private Limited	Opening Balance	877.76	Nil
		Given During the year	1,625.35	877.76
		Received During the year	172.12	Nil
		Closing Balance	2330.99	877.76
C	Lasa Laboratory Private Limited	Opening Balance	-	Nil
		Given During the year	337.94	Nil
		Received During the year	-	Nil
		Closing Balance	337.94	Nil

# STANDALONE FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Nature of Transaction	Relationship	As on 31st March, 2013	As on 31st March, 2012
9	Share Application Money			
	Urdhwa Chemicals Company Private Limited	Opening Balance	350.00	Nil
		Given during the year	Nil	350.00
		Shares acquired	350.00	Nil
		Closing Balance	Nil	350.00
10	Loan Interest			
	Urdhwa Chemicals Company Private Limited	Received During the year	122.05	52.35
	Lasa Laboratory Private Limited	Received During the year	58.43	Nil
11	Money Received against Warrants			
	<b>Name of Party</b>	<b>Number of Warrants</b>	<b>As on 31st March, 2013</b>	<b>As on 31st March, 2012</b>
	Mr. Pravin S. Herlekar	190000	71.25	-
	Mr. Omkar P. Herlekar	190000	71.25	-
	Mr Rishikesh P.Herlekar	190000	71.25	-
	Svaks Biotech India Private Limited	380000	142.50	-
	<b>Total</b>	<b>950000</b>	<b>356.25</b>	<b>-</b>

27	<b>CONTINGENT LIABILITIES AND COMMITMENTS :</b>		
	<b>i. Contingent Liabilities :</b> Claims against the Company not acknowledged as debt : Rs Nil (Previous year : Rs Nil) The Company has given guarantee to the bank on behalf of its Wholly Owned Subsidiary, Urdhwa Chemicals Company Private Limited of Rs 27 crores (Previous year Rs 21 Cr) and Lasa Laboratory Private Limited of Rs 23.35 Crores (Previous Year Rs Nil)		
	<b>ii. Commitments :</b>		
	<b>Particulars</b>	<b>As on 31st March, 2013</b>	<b>As on 31st March, 2012</b>
	Letter of Credit	3,589.58	2,058.29
	Estimated Amount of Contracts remaining to be executed on capital account	198.33	1,087.18
	<b>Total</b>	<b>3,787.91</b>	<b>3,145.47</b>
	<b>Note: We have examined all the contracts, claims and litigations against the Company and have analyzed the likely impact of the same as indicated above. We certify that apart from the contingent liabilities indicated above, the Company does not have any other contingent liabilities.</b>		

## STANDALONE FINANCIAL STATEMENTS

<b>28</b>	During the financial year, the Company has issued & allotted 950000 Warrants convertible into Equity Shares of the Company, on preferential basis, @ Rs. 150/- per warrant, on the receipt of 25% of the total amount as upfront money as required under Clause 77(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said Warrants were issued on 6th March, 2013 and the holders thereof can exercise the option for conversion of the same till 5th September, 2014 (i.e. the expiration of 18 months from the date of allotment) and on the payment of balance 75% of the total amount as required under the aforesaid Regulations.
<b>29</b>	The Previous year figures have been regrouped/rearranged wherever necessary to make it comparable with the current year.

**As per our report of even date**

**For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W**

**For and on behalf of the Board of Directors**

**Pravin Herlekar  
(Chairman and Managing Director)**

**Omkar Herlekar  
(Whole Time Director)**

**CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013**

**Nirav Momaya  
(Company Secretary)**



# STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

## Statement pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies

No.	Name of the Subsidiary Company	Rishichem Research Limited	Desh Chemicals Private Limited	Urdhwa Chemicals Company Private Limited	Lasa Laboratory Private Limited
1	Financial Period of the subsidiary company	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2	Date from which they became subsidiary	14.05.2010	15.6.2011	16.6.2011	09.04.2012
3	Shares of the subsidiary held by the company as on 31st March, 2013				
	a) Number & Face value	53994 equity shares of Rs.10/- each fully paid up	4950 equity shares of Rs. 100/- each fully paid up	354440 equity shares of Rs. 100/- each fully paid up	2010000 equity shares of Rs. 10/- each fully paid up
	b) Extent of holding	99.99%	100.00%	100.00%	100.00%
4	Net aggregate profit/(loss) of the subsidiary so far as it concerns to the members of the holding company				
	a) not dealt with in the accounts of holding company				
	1) for financial period ended 31st Mar, 2013	5.07 lakhs	(4.51) lakhs	6.63 lakhs	81.18 lakhs
	2) up to the previous financial years of the subsidiary since it became subsidiary	34.06 lakhs	(31.48) lakhs	(131.89) lakhs	(101.70) lakhs
	b) dealt with in the accounts of holding company				
	1) for financial period ended 31st Mar, 2013	Nil	Nil	Nil	Nil
	2) for previous financial years of the subsidiary since it became subsidiary of holding company	Nil	Nil	Nil	Nil
5	Material Changes between the end of the financial year of the subsidiary and 31st Mar.2013				
	a)Fixed Assets	N.A	N.A	N.A	N.A
	b) Money lent by subsidiary	N.A	N.A	N.A	N.A
	c) Money borrowed by subsidiary	N.A	N.A	N.A	N.A
	for any purpose other than that of meeting current liabilities				

For and on behalf of the Board of Directors

**Pravin Herlekar**  
(Chairman and Managing Director)

**Omkar Herlekar**  
(Whole Time Director)

Place : Mumbai  
Date : 20th May, 2013

**Nirav Momaya**  
(Company Secretary)

# AUDITORS' REPORT

## TO THE BOARD DIRECTORS OF OMKAR SPECIALITY CHEMICALS LIMITED

We have audited the accompanying consolidated financial statements of OMKAR SPECIALITY CHEMICALS LIMITED ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We did not audit the financial statements of subsidiaries, whose financial statements reflect total assets of Rs.8,172.04 Lacs as at 31st March, 2013, total revenue of Rs.1,605.70 Lacs and cash flows amounting to Rs.116.99 Lacs for the year then ended on 31st March, 2013. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

**For J.P.J. ASSOCIATES**  
**Chartered Accountants**  
**Firm Registration No.113012W**

**CA Pravin Deshpande**  
**Partner**  
**M.No.045249**

**Place: Mumbai**  
**Date: 20th May, 2013**

# CONSOLIDATED BALANCE SHEET

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH , 2013

(Rupees in Lakhs, except for share data if otherwise stated)

	Note No.	As at 31st March, 2013	As at 31st March, 2012
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	1,962.80	1,962.80
Reserves and surplus	2	10,387.65	8,580.00
Money Received Against Warrants		356.25	-
		<b>12,706.70</b>	<b>10,542.80</b>
<b>Non Current Liabilities</b>			
Minority Interest		0.07	0.07
Long-term borrowings	3	5,392.12	2,590.29
Deferred tax liabilities (Net)	4	186.62	108.90
Long - term provisions	5	128.02	105.93
		<b>5,706.83</b>	<b>2,805.19</b>
<b>Current Liabilities</b>			
Short-term borrowings	3	9,059.65	6,916.70
Trade payables	6	3,636.89	2,495.43
Other current liabilities	7	1,180.92	684.35
Short-term provisions	8	614.30	296.25
		<b>14,491.76</b>	<b>10,392.73</b>
<b>TOTAL</b>		<b>32,905.29</b>	<b>23,740.72</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible assets	9	8,752.65	3,656.91
Intangible Assets	9	483.62	283.04
Capital Work-in-Progress	9	4,432.41	5,951.77
Intangible Assets under Development	9	6.83	17.71
Non Current Investments	10	7.22	7.03
Long -term Loans and Advances	11	69.73	24.44
		<b>13,752.45</b>	<b>9,940.90</b>
<b>Current Assets</b>			
Inventories	12	7,275.40	5,266.25
Trade Receivables	13	6,606.82	3,863.46
Cash and Cash Equivalents	14	2,403.82	3,257.57
Short- term Loans and Advances	15	997.34	65.98
Other Current Assets	16	1,869.45	1,346.56
		<b>19,152.83</b>	<b>13,799.82</b>
<b>TOTAL</b>		<b>32,905.29</b>	<b>23,740.72</b>
Significant Accounting Policies			
Notes on Financial Statements	1 to 29		

As per our report of even date

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

For and on behalf of the Board of Directors

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

Nirav Momaya  
(Company Secretary)

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>INCOME</b>			
Revenue from Operation	17	21,169.24	16,694.80
Other income	18	404.65	317.60
<b>Total Revenue</b>		<b>21,573.89</b>	<b>17,012.40</b>
<b>EXPENDITURE</b>			
Cost of Material Consumed	19	12,461.24	10,772.43
Purchase of stock in trade		3,692.62	1,817.96
Changes in inventories of Finished Goods, Work in progress and Stock in Trade	20	(2,196.57)	(1,156.34)
Employee benefits expense	21	993.26	659.02
Finance Costs	22	752.23	809.63
Depreciation and Amortization expense	9	668.90	565.84
Other Expenses	23	2,201.75	1,282.26
<b>Total Expenditure</b>		<b>18,573.43</b>	<b>14,750.80</b>
<b>Profit before tax</b>		<b>3,000.46</b>	<b>2,261.60</b>
<b>Tax Expenses</b>			
Previous year adjustments		27.59	2.71
Current Tax		863.50	613.82
Less : MAT Credit Entitlement		(16.36)	-
Deferred Tax		70.18	45.06
<b>Profit for the year ( Before Minority Interest)</b>		<b>2,055.55</b>	<b>1,600.01</b>
Less : Share of Profit of Minority Interest		0.01	0.01
<b>Profit for the year</b>		<b>2,055.54</b>	<b>1,600.00</b>
<b>Earnings per equity share (in Rs.)</b>			
Basic		10.47	8.15
Diluted		10.46	8.15
Face Value of Equity Shares (in Rs.)		10	10
Significant Accounting Policies			
Notes on Financial Statements	1 to 29		

As per our report of even date

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

For and on behalf of the Board of Directors

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

Nirav Momaya  
(Company Secretary)

# CONSOLIDATED CASH FLOW STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

Note No	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Tax	3,000.46	2,261.60
Adjustments for :		
Depreciation for the year	668.90	565.84
Pre- acquisition Profits of subsidiary	(0.68)	(0.68)
Share of Minority Interest Post Acquisition profits	(0.01)	(0.01)
Finance expenses	752.23	809.63
Interest Income	(246.72)	(265.40)
(Increase)/Dimunition in Value of Investment	(0.19)	2.55
Unrealised Foreign exchange gain	43.07	(25.59)
<b>Operating Profit before working capital changes</b>	<b>4,217.06</b>	<b>3,347.94</b>
Adjustments for :		
Trade and Other Receivables	(2,743.36)	(1,139.76)
Long -term Loans and Advances	(45.29)	(7.10)
Short- term Loans and Advances	(931.36)	2,355.59
Other Current Assets	(522.90)	(326.19)
Inventories	(2,009.15)	(2,251.25)
Trade and Other Payables	1,730.11	(355.60)
	<b>(4,521.95)</b>	<b>(1,724.29)</b>
Taxes Paid	(567.07)	(598.27)
<b>Cash Generated from Operations</b>	<b>(871.96)</b>	<b>1,025.38</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets(refer note 9)	(4,298.75)	(6,346.36)
Goodwill arising on Consolidation	(150.82)	(182.97)
Investments	-	2.20
Income from Interest received	246.72	265.40
<b>Net Cash used in Investing Activities</b>	<b>(4,202.85)</b>	<b>(6,261.73)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Proceeds from Short term Borrowings (Net)	2,142.95	3,601.47
Proceeds from Long term Borrowings (Net)	2,801.83	1,763.00
Issue of Warrants	356.25	-
Finance Expenses	(752.23)	(809.63)
Dividend paid (including Dividend Distribution Tax)	(284.67)	(228.69)
<b>Net Cash from Financing Activities</b>	<b>4,264.13</b>	<b>4,326.15</b>

# CONSOLIDATED CASH FLOW STATEMENT

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(Rupees in Lakhs, except for share data if otherwise stated)

Note No	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>Net increase/(Decrease) in Cash and Cash equivalents (A+B+C)</b>	<b>(810.68)</b>	<b>(910.20)</b>
Cash and Cash equivalents at the beginning of the year	3,257.57	4,142.18
Exchange difference on translation of foreign currency cash and cash equivalents	(43.07)	25.59
Cash and Cash equivalents at the end of the year	<b>2,403.82</b>	<b>3,257.57</b>

### Notes:

- Figures in brackets indicate outflows.
- Purchase of fixed assets includes payments for items in capital work in progress.
- Cash and Cash equivalents represent Cash and Bank balances
- Cash and Cash equivalents includes Rs 628.46 lakhs held as Margin money pledged with the bank.  
(Previous year Rs 386.88 lakhs)

As per our report of even date

**For J.P.J. Associates**  
**Chartered Accountants**  
**Firm Registration No. 113012W**

**CA Pravin Deshpande**  
**Partner**  
**M.No. 045249**  
**Place : Mumbai**  
**Date : 20th May, 2013**

For and on behalf of the Board of Directors

**Pravin Herlekar**  
**(Chairman and Managing Director)**

**Omkar Herlekar**  
**(Whole Time Director)**

**Nirav Momaya**  
**(Company Secretary)**



# CONSOLIDATED FINANCIAL STATEMENTS

## SIGNIFICANT ACCOUNTING POLICIES

*(Rupees in lakhs, except for share data if otherwise stated)*

### 1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Consolidated financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the provisions of the Companies Act, 1956 and the applicable accounting standards. The company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

### 2. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements relate to Omkar Speciality Chemicals Limited (the Company) and its subsidiary companies Rishichem Research Limited, Desh Chemicals Private Limited, Urdhwa Chemicals Company Private Limited and Lasa Laboratory Private Limited (collectively referred to as group). The consolidated financial statements have been prepared on the following basis:

Name of Subsidiary	Country of Incorporation	Effective Shareholding
Rishichem Research Limited	India	99.99%
Desh Chemicals Private Limited	India	100.00%
Urdhwa Chemicals Company Private Limited	India	100.00%
Lasa Laboratory Private Limited	India	100.00%

The financial statements of the parent company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transaction and unrealized profits in full. Unrealised losses, if any, resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the group. The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the parent company and its share in the relevant reserves of the subsidiary.

As far as possible, the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as the Company's separate financial statements. The difference of the cost to the company of its investment in subsidiary over its share in the equity of the investee company as at the date of acquisition of stake is recognized in financial statements as Goodwill or Capital Reserve, as the case may be.

Minority interests represent the portion of a subsidiary's profit and loss and net assets that is not held by the parent company.

### 3. USE OF ESTIMATES:

The preparation of consolidated financial statements requires estimates and assumptions that affect the reported amount of Assets and Liabilities on the date of the financial statements and the reported amount of Revenues and Expenses during the reporting period. Difference between the actual results and the estimates are recognized in the period in which the same are known/materialized.

### 4. FIXED ASSETS:

1. Fixed Assets are stated at cost of acquisition or construction ( net of CENVAT/VAT credit availed) less accumulated depreciation/ amortization and impairment loss, if any.
2. Cost comprises of purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

## 5. FOREIGN CURRENCY TRANSACTIONS/TRANSLATION:

Foreign currency transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of transaction. Exchange differences, if any, arising out of transactions settled during the year are recognized in the Profit & Loss account.

Monetary items denominated in foreign currency as at the balance sheet date are translated at the closing exchange rate on that date. The Exchange differences, if any, are recognized in the profit & loss account. Non monetary foreign currency items are carried at cost.

The premium in respect of forward exchange contract is amortized over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognized in the Profit & Loss Account in the reporting period.

## 6. INVENTORIES :

### 1. Raw Material

The company is valuing raw material, packing material and stores stock by taking costs of purchase which consist of the 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 the stock of raw materials. In determining the cost the First In First Out (FIFO) method is used.

### 2. Finished Goods and Work in Progress

Finished Goods and Work in Progress 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.

## 7. REVENUE RECOGNITION:

1. Revenue from sale of goods is recognized when the significant risks and rewards in respect of ownership of products are transferred by the company.
2. Revenue from product sale is stated net of returns, sales tax/VAT and applicable trade discounts and allowances.
3. Interest income is recognized on time accrual basis.

## 8. INVESTMENTS:

1. Investments that are readily realisable and intended to be held for not more than one year from the date of investment are classified as current investments. All other investments are classified as long-term investments.
2. Current investments are carried at the lower of cost and realisable value, determined on an individual investment basis.
3. Long-term investments are carried at cost less any other-than-temporary diminution in value, determined separately in respect of each category of investment.

## 9. 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.

## 10. EXCISE DUTY/CUSTOM DUTY:

Excise duty / Customs duty has been accounted on the basis of payments made in respect of goods cleared. Cenvat credit on raw materials and capital goods has been accounted for, by reducing the purchase cost of raw materials and capital goods respectively.

# CONSOLIDATED FINANCIAL STATEMENTS

## 11. DEPRECIATION/AMORTIZATION :

### 1. Intangible Assets :

The intangible assets (Other than computer software) are amortized over a period of 10 years.

Computer Software is depreciated at the rate specified in Schedule XIV of the Companies Act, 1956.

### 2. Tangible Assets :

Depreciation on all fixed assets is provided as per the provisions of Companies Act, 1956 on Written Down Value Method. Depreciation is calculated on pro-rata basis from month of installation till the month of the assets are sold/ disposed off.

Cost of leasehold land is amortized over the period of lease.

## 12. EMPLOYEE BENEFITS:

### 1. Short Term Employee Benefits:

All short- term employee benefits such as salaries, wages, bonus, special awards, medical benefits which fall due within twelve months of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences are recognized on an undiscounted basis charged to the profit and loss account.

2. Provision for Gratuity is made and provided on actuarial valuation basis.

Other retirement benefits are accounted as per company's policy.

## 13. TAXES ON INCOME

Income Taxes are accounted for in accordance with Accounting Standard 22 (AS 22) "Accounting for Taxes on Income". Tax expense comprises of Current Tax and Deferred Tax:

1. Current Tax is determined as the amount of tax payable in respect of taxable income for the year.

2. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to Timing Differences, between the taxable income and accounting income, that originate in one period and are capable of reversal in one or more periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in the future, however when there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

## 14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the Notes to Accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

## 15. BORROWING COST:

Borrowing cost attributable to acquisitions and construction of capital goods are capitalized as a part of cost of such assets up to the date when such assets are ready for its intended use and all other borrowing costs are charged to Profit & Loss Account.

# CONSOLIDATED FINANCIAL STATEMENTS

## 16. IMPAIRMENT OF ASSETS:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

## 17. RESEARCH AND DEVELOPMENT COSTS:

Revenue expenditure on research and development is expensed out under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the Profit and Loss account as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. Fixed assets used for research and development are depreciated in accordance with the Company's policy.

## 18. LOANS AND ADVANCES:

Loans and advances are stated net of provision for bad and doubtful items if any and recoveries are written back to the profit and loss account when received.

## 19. SECURITY PREMIUM ACCOUNT:

Any expensed incurred for raising of funds from securities are adjusted against security premium account.

## 20. CHANGES IN ACCOUNTING POLICIES :

There are no changes in the accounting policies during the reported period.

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(Rupees in Lakhs, except for share data if otherwise stated)

Note No		As at 31st March, 2013		As at 31st March, 2012	
1	SHARE CAPITAL				
	AUTHORISED CAPITAL				
	25000000 Equity Shares of Rs.10/- each.		2,500.00		2,500.00
	Issues, Subscribed and Paid up:				
	19628004 Equity Shares of Rs 10/- each, Fully paid Up		1,962.80		1,962.80
	Total		1,962.80		1,962.80
The Movements of Share capital is set out below:					
		As at 31st March, 2013		As at 31st March, 2012	
	Authorised	No. of Share	Amount	No. of Share	Amount
	Authorised Share Capital at the beginning of the Year	25000000	2,500.00	25000000	2,500.00
	Authorised Share Capital at the end of the year	25000000	2,500.00	25000000	2,500.00
	Issued, Subscribed and Paid up capital				
	At the beginning of the Year	19628004	1,962.80	19628004	1,962.80
	At the end of the Year	19628004	1,962.80	19628004	1,962.80
	Details of shareholders holding more than 5% shares in the company				
		As at 31st March, 2013		As at 31st March, 2012	
	Name of Shareholder	No. of Share	Amount	No. of Share	Amount
	Pravin Herlekar*	9351810	935.18	9335294	933.53
	Anjali Herlekar	1208240	120.82	1208240	120.82
Rohinton Soli Screwvala	1000000	100.00	-	-	
TAIB Securities Mauritius Limited	-	-	1158817	115.88	
Axis Bank Limited**	-	-	1020360	102.04	
Total	11560050	1,156.01	12722711	1,272.27	

### Notes:

of the above equity shares:-

1) Nominal value of Rs 100/- per Equity Share sub-divided into Rs 10/- per Equity Share, during the Financial Year 2010-2011.

2) During the financial year 2009-2010, 1126600 Equity shares of Rs. 100/- each have been allotted as fully paid-up by way of bonus shares by way of capitalization of Profits & Security Premium A/c.

3) During the financial year 2010-2011, 8100004 Equity shares of Rs. 10/- each were issued at premium of Rs. 88/- each by public offer.

\*4) Mr. Pravin S. Herlekar has acquired 2276 equity shares on 22nd March, 2013. However, the same is not reflected in the beneficial position received from the depositories as on 30th March, 2013.

\*\*5) Shares held less than 5% as on 31st March, 2013.

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No		As at 31st March, 2013	As at 31st March, 2012
2	<b>RESERVE AND SURPLUS</b>		
	<b>Security Premium Account</b>		
	Opening Balance	6,040.69	6,040.69
	Add: Additions during the year	-	-
	Closing Balance	<b>6,040.69</b>	<b>6,040.69</b>
	<b>Capital Reserve</b>		
	Opening Balance	-	-
	Add: Addition During the year	94.29	-
	Closing Balance	<b>94.29</b>	-
	<b>General Reserve</b>		
	Opening Balance	430.40	280.40
	Add: Transfer from Profit and Loss Account	150.00	150.00
	Closing Balance	<b>580.40</b>	<b>430.40</b>
	<b>Profit &amp; Loss Account</b>		
	Opening Balance	2,108.91	943.85
	Add : Profit for the year	2,055.54	1,600.21
		<b>4,164.45</b>	<b>2,544.06</b>
	<b>Less : Appropriations</b>		
	Proposed Dividend (Rs. 1.50 per share) (Previous Year Rs 1.25 per share)	294.42	245.35
	Tax on Dividend	47.76	39.80
	Transfer to General Reserve	150.00	150.00
	Closing Balance	<b>3,672.27</b>	<b>2,108.91</b>
	<b>Total</b>	<b>10,387.65</b>	<b>8,580.00</b>

Note No		As at 31st March, 2013				As at 31st March, 2012			
		Long Term	Current maturities of Long term *	Short Term	Total	Long Term	Current maturities of Long term *	Short Term	Total
3	<b>BORROWINGS</b>								
	<b>Secured Borrowings</b>								
	(a) Bonds / Debentures	-	-	-	-	-	-	-	-
	(b) Term Loans								
	1) From Banks	5,320.72	632.03	-	5,952.75	467.66	387.50	-	855.16
	2) From Financial Institutions & Others	-	-	-	-	-	-	-	-
	c) Repayable on Demand								
	1) From Banks	-	-	7,519.42	7,519.42	-	-	6,916.70	6,916.70
	2) From Financial Institutions & Others	-	-	-	-	2,102.28	-	-	2,102.28
	<b>TOTAL SECURED BORROWINGS</b>	<b>5,320.72</b>	<b>632.03</b>	<b>7,519.42</b>	<b>13,472.17</b>	<b>2,569.94</b>	<b>387.50</b>	<b>6,916.70</b>	<b>9,874.14</b>



# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No		As at 31st March, 2013				As at 31st March, 2012			
		Long Term	Current maturities of Long term *	Short Term	Total	Long Term	Current maturities of Long term *	Short Term	Total
	<b>Unsecured Borrowings</b>								
	a) Short Term Loan from Financial Institutions	-	-	68.79	68.79	-	30.39	-	30.39
	b) Loans from Banks	-	-	1,471.44	1,471.44	-	-	-	-
	c) Loans from Directors	18.83	-	-	18.83	20.35	-	-	20.35
	d) Term Loan From Financial Institutions & Others	-	-	-	-	-	-	-	-
	e) Intercompany Loan	52.57	-	-	52.57	-	-	-	-
	<b>TOTAL UNSECURED BORROWINGS</b>	<b>71.40</b>	<b>-</b>	<b>1,540.23</b>	<b>1,611.63</b>	<b>20.35</b>	<b>30.39</b>	<b>-</b>	<b>50.74</b>
	<b>TOTAL BORROWINGS</b>	<b>5,392.12</b>	<b>632.03</b>	<b>9,059.65</b>	<b>15,083.80</b>	<b>2,590.29</b>	<b>417.89</b>	<b>6,916.70</b>	<b>9,924.88</b>

Note:

1)Term loans/ ECB loan

a)from Banks were secured by way of hypothecation of stock and book debts and first charge on land, building and plant and machinery situated at Plot No. F-24, Plot No. W -92(A), W-94(A), W-95(A) Plot No. F -10/1, Plot No. F-9, Plot No. B-34, MIDC, Badlapur, Dist : Thane and Plot No. D 27/5, Lote Parshuram Industrial Area, Taluka - Khed , Ratnagiri in Maharashtra

b) From Banks were secured by way of hypothecation of stock and book debts and first charge on land, building and plant and machinery situated at Plot No. C-105, Mahad, MIDC, Dist - Raigad.

c) Form banks were secured by way of hypothecation of stock and book debts and first charge on land, building and plant and machinery situated at Plot No C-4, MIDC, Lote Parshuram, Dist.Ratnagiri

d) Personal guarantee of the promoter directors of the company

2) Working Capital Loans

a) From Banks were secured by way of hypothecation of stock and book debts and first charge on land, building and plant and machinery situated at Plot No. F-24, Plot No. W -92(A),W-94(A),W-95(A), Plot No B-34, Plot No. F -10/1, Plot No. F-9, MIDC, Badlapur, Dist : Thane and Plot No. D 27/5, Lote Parshuram Industrial Area, Taluka - Khed , Ratnagiri in Maharashtra

b) From Banks were secured by way of hypothecation of stock and book debts and first charge on land, building and plant and machinery situated at plot No. C-105, Mahad, MIDC, Dist - Raigad.

c)Personal guarantee of the promoter directors of the company

3) Secured Borrowings from banks, repayable on demand, includes Buyers Credit of Rs 1,972.16 lakhs ( Previous year : Rs 2,795.73 lakhs)

4) Other loans are repayable on demand.

5) \* Current maturities of long term borrowings are considered in note no. 7- Other Current liabilities

6) Term Loan Repayment Schedule

(Rupees in Lakhs)

Repayable within	Term Loan	ECB	Total
1 Year	185.00	447.03	632.03
1-2 Years	466.00	1,867.07	2,333.07
2-3 Years	325.39	1,496.03	1,821.42
After 3 years	-	1,166.23	1,166.23
<b>Total</b>	<b>976.39</b>	<b>4,976.36</b>	<b>5,952.75</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>4</b>	<b>DEFERRED TAX</b>		
	<b>Deferred Tax Assets/Liability</b>		
	<b>Deferred Tax Liabilities:</b>		
	On account of difference between net book value of the capital assets as per books vis-à-vis written down value as per Income Tax Act	606.45	447.03
	<b>Deferred Tax Assets:</b>		
	Interest payment to OSCL by Urdhwa	-	52.35
	On account of gratuity	22.93	61.18
	Net Difference	583.52	333.50
	<b>Net Deferred Tax (Assets)/Liabilities</b>	<b>186.62</b>	<b>108.90</b>
<b>5</b>	<b>LONG TERM PROVISIONS</b>		
	Provision for Gratuity	128.02	102.59
	Provision for Taxation	-	3.34
	<b>Total</b>	<b>128.02</b>	<b>105.93</b>
<b>6</b>	<b>TRADE PAYABLES</b>		
	Creditors for Goods	3,082.71	2,407.27
	Creditors for Expenses	554.19	88.16
	<b>Total</b>	<b>3,636.89</b>	<b>2,495.43</b>
<b>7</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of long-term debt (Refer Note 3)	632.03	417.89
	Interest accrued but not due on borrowings	163.07	17.41
	Advances received from customers	22.39	24.69
	Unclaimed dividend	0.33	0.19
	Creditors for capital goods	272.09	206.75
	Other Payables	13.84	-
	Statutory liabilities	77.18	17.43
	<b>Total</b>	<b>1,180.92</b>	<b>684.35</b>
<b>8</b>	<b>SHORT TERM PROVISIONS</b>		
	<b>Provision for Employee Benefits</b>		
	Provision for Provident fund	-	3.86
	<b>Others Provisions</b>		
	Proposed Dividend	294.42	245.35
	Tax on proposed Dividend	47.76	39.80
	Provision for Taxation (Net)	248.63	0.17
	Other expenses	8.65	7.07
	Provision for Taxation (Net)(MAT)	14.84	-
	<b>Total</b>	<b>614.30</b>	<b>296.25</b>

# CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 09 - FIXED ASSETS

(Rupees in Lakhs)

Sr. No	Description of the Assets	Rate of Depreciation	GROSS BLOCK				DEPRECIATION				NET BLOCK	
			Cost as on 01.04.12 Rs.	Additions/ Adjustments during the year Rs.	Deduction Rs.	Cost as on 31.03.13 Rs.	Upto 01.04.12 Rs.	Additions/ Adjustments during the year Rs.	Deduction Rs.	Upto 31.03.13 Rs.	WDV as on 31.03.13 Rs.	WDV as on 31.03.12 Rs.
	<b>Tangible Assets</b>											
1	Leasehold Land	-----	496.48	794.56	-	1,291.04	27.07	10.72	-	37.79	1,253.25	469.41
2	Factory Building	10.00%	1,055.77	1,292.28	-	2,348.05	223.06	118.30	-	341.36	2,006.69	832.72
3	Residential Premises	5.00%	53.17	-	-	53.17	1.17	2.60	-	3.77	49.40	52.00
4	Plant & Machinery (R&D)	13.91%	511.32	48.73	-	560.05	86.51	61.95	-	148.46	411.59	424.82
5	Plant & Machinery	20.87%	2,162.85	3,313.73	-	5,476.58	593.20	413.69	-	1,006.89	4,469.69	1,569.65
6	Electrical Installation	13.91%	244.17	239.69	-	483.86	41.65	39.09	-	80.74	403.12	202.52
7	Furniture & Fixture	18.10%	73.04	41.10	-	114.14	19.09	11.90	-	30.99	83.15	53.95
8	Office Equipments	13.91%	38.87	13.50	-	52.37	9.47	5.00	-	14.47	37.90	29.40
9	Computer	40.00%	36.30	23.72	-	60.02	22.07	10.56	-	32.63	27.39	14.23
10	Motor Car and Cycle	25.89%	20.78	5.22	-	26.00	12.56	2.96	-	15.52	10.48	8.22
11	Assets less than Rs 5,000/-	100.00%	1.34	2.81	-	4.15	1.34	2.81	-	4.15	-	-
	<b>Sub Total (A)</b>		<b>4,694.09</b>	<b>5,775.34</b>	-	<b>10,469.43</b>	<b>1,037.18</b>	<b>679.59</b>	-	<b>1,716.77</b>	<b>8,752.65</b>	<b>3,656.91</b>
	<b>Intangible Assets</b>											
12	Patent Fees		4.30	-	-	4.30	0.81	0.35	-	1.16	3.14	3.49
13	Goodwill		279.55	150.82	-	430.37	-	-	-	-	430.37	279.55
14	Intangible Assets		-	53.65	-	53.65	-	3.54	-	3.54	50.11	-
	<b>Sub Total (B)</b>		<b>283.85</b>	<b>204.47</b>	-	<b>488.32</b>	<b>0.81</b>	<b>3.89</b>	-	<b>4.70</b>	<b>483.62</b>	<b>283.04</b>
	<b>Capital Work in Progress</b>											
15	Intangible		17.71	8.43	19.31	6.83	-	-	-	-	6.83	17.71
16	Tangible		5,951.77	3,470.65	4,990.01	4,432.41	-	-	-	-	4,432.41	5,951.77
	<b>Sub Total (C)</b>		<b>5,969.48</b>	<b>3,479.08</b>	<b>5,009.32</b>	<b>4,439.24</b>	-	-	-	-	<b>4,439.24</b>	<b>5,969.48</b>
	<b>GRAND TOTAL (A+B+C)</b>		<b>10,947.42</b>	<b>9,458.89</b>	<b>5,009.32</b>	<b>15,396.99</b>	<b>1,037.99</b>	<b>683.48</b>	-	<b>1,721.47</b>	<b>13,675.52</b>	<b>9,909.43</b>
	Previous Year		(4,418.09)	(8,225.72)	(1,696.39)	(10,947.42)	(472.16)	(565.84)	-	(1,037.99)	(9,909.43)	(3,936.17)

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	No of Units	As at 31st March, 2013	As at 31st March, 2012
<b>10</b>	<b>NON CURRENT INVESTMENTS</b>			
	<b>Investments in Mutual Funds (Fully paid up, Trade, Unquoted)</b>			
	Baroda Pioneer Mutual fund ( Face Value Rs 10/- per unit)	100000	10.00	10.00
	Less : Dimunition in Value of Investment		3.38	3.57
	(Market Value as on 31st March 2013 Rs 6.62 lakhs) (Previous year Rs 6.43 Lakhs)			
	<b>Sub total (a)</b>		<b>6.62</b>	<b>6.43</b>
	Investment in Equity Shares of Saraswat Co-Op Bank Ltd	6000	0.60	0.60
	<b>Sub total (b)</b>		<b>0.60</b>	<b>0.60</b>
	<b>Total (a+b)</b>		<b>7.22</b>	<b>7.03</b>

Note No	Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>11</b>	<b>LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
	Deposits	69.73	24.44
	<b>Total</b>	<b>69.73</b>	<b>24.44</b>
<b>12</b>	<b>INVENTORIES</b>		
	Stores and spare parts	4.43	5.07
	Raw materials	1,770.38	1,303.29
	Raw materials in transit	96.23	783.77
	Packing Material	3.24	-
	Work-in-progress	4,953.41	2,831.42
	Finished products	447.72	342.70
	<b>Total</b>	<b>7,275.40</b>	<b>5,266.25</b>
	The value of the closing stock of raw materials, packing material, stores, work in progress and finished goods has been arrived at on the basis of the records maintained and certified by the Management.		
<b>13</b>	<b>TRADE RECEIVABLES (Unsecured and Considered Good)</b>		
	More than six months	540.97	195.94
	Others	6,065.85	3,667.52
	<b>Net Trade Receivables</b>	<b>6,606.82</b>	<b>3,863.46</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	As at 31st March, 2013	As at 31st March, 2012
<b>14</b>	<b>CASH AND BANK BALANCES</b>		
	Cash and Cash Equivalents		
	Balance with Banks	1,643.18	358.06
	Cash on hand	3.01	3.02
	In Earmarked Accounts *	0.33	0.19
	Held as Margin Money	628.46	386.88
	Fixed deposits with Banks	128.85	2,509.42
	<b>Total</b>	<b>2,403.82</b>	<b>3,257.57</b>
	* Earmarked balance with banks is for unclaimed dividend of the previous years.		
<b>15</b>	<b>SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)</b>		
	Staff Advance	0.14	0.11
	Advances to suppliers	333.60	65.25
	Deposits	2.97	0.50
	Intercompany Debt	259.68	-
	Capital Advance	400.96	-
	Other Loans and Advances	-	0.12
	<b>Total</b>	<b>997.34</b>	<b>65.98</b>
<b>16</b>	<b>OTHER CURRENT ASSETS (Unsecured, Considered Good)</b>		
	Prepaid Expenses	34.93	85.17
	Vat Refund	81.45	-
	Advance Payment of Custom Duty	0.84	-
	Balance with Custom & Excise	23.39	-
	Other Assets	0.85	-
	Interest Accrued but not due	167.33	-
	Income Tax (Net)	-	24.59
	MAT Credit Receivable	16.36	-
	Other Taxes and Duties	1,544.30	1,236.80
	<b>Total</b>	<b>1,869.45</b>	<b>1,346.56</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
17	<b>REVENUE FROM OPERATION</b>		
	<b>Sale of Products</b>		
	Domestic Sales	17,222.99	14,708.32
	Exports Sales	5,976.30	2,608.00
	<b>Sales (Gross)</b>	<b>22,743.95</b>	<b>17,316.32</b>
	Less : Excise Duties	1,678.19	1,000.23
	<b>Sales (Net)</b>	<b>21,065.76</b>	<b>16,316.09</b>
	<b>Sale of Services</b>		
	Job work Charges	103.48	378.71
	<b>Net Sales &amp; Services</b>	<b>21,169.24</b>	<b>16,694.80</b>
18	<b>OTHER INCOME</b>		
	Interest Income	246.72	265.40
	Duty Drawback receivable	63.53	35.59
	Sale of sample	1.32	0.99
	Miscellaneous receipts	20.65	15.54
	Dividend Income	0.10	0.08
	Forex Gain	72.14	-
	Increase in Value of Investment	0.19	-
	<b>Total</b>	<b>404.65</b>	<b>317.60</b>
19	<b>COST OF MATERIAL CONSUMED</b>		
	Opening Stock of Raw materials	2,122.30	993.45
	Add : Purchases	12,206.48	11,866.04
	Less : Closing Stock of Raw Materials	1,867.55	2,087.06
	<b>Total</b>	<b>12,461.24</b>	<b>10,772.43</b>
20	<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE</b>		
	Opening Inventories :		
	Finished products	373.13	195.60
	Work- in-progress	2,831.42	1,822.18
	<b>Sub Total (A)</b>	<b>3,204.55</b>	<b>2,017.78</b>
	Closing Inventories :		
	Finished products	447.72	342.70
	Work- in-progress	4,953.41	2,831.42
	<b>Sub Total (B)</b>	<b>5,401.12</b>	<b>3,174.12</b>
	<b>Total (A-B)</b>	<b>(2,196.57)</b>	<b>(1,156.34)</b>



# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>21</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages & Other Benefits (Note I)	919.12	615.69
	Contribution to Provident and Other Funds	29.29	23.29
	Workmen and staff welfare expenses	44.85	20.04
	<b>Total</b>	<b>993.26</b>	<b>659.02</b>
	Note I: Salaries, Wages & Other Benefits, recognised as expense for the year is as under :		
	Salaries and Wages	443.27	246.73
	Directors Remuneration	123.64	88.42
	Bonus, Gratuity and other incentives	58.43	74.14
	Employers Contribution to ESIC	4.60	2.91
	Contribution to Labour Welfare Fund	0.11	0.07
	Contract Labour Charges	300.98	217.64
	<b>Gross Total</b>	<b>931.03</b>	<b>629.91</b>
	Less: Project Development Expenditure Capitalised	11.91	14.22
	<b>Net Total</b>	<b>919.12</b>	<b>615.69</b>
	<b>Employee benefits</b>		
	The following tables sets out the disclosures relating to gratuity benefits unfunded as required by Accounting Standard -15 Employee Benefits:		
<b>21.1</b>	<b>Past Service Cost Recognised</b>		
	Past Service Cost-(non vested benefits)	-	-
	Past Service Cost-(vested benefits)	-	-
	Average remaining future service till vesting of benefits	-	-
	Recognized Past Service Cost-non vested benefits	0.50	0.50
	Recognized Past Service Cost –vested benefits	-	-
	Unrecognised Past Service Cost –non vested benefits	-	-
<b>21.2</b>	<b>Actuarial Gain/(loss) Recognised</b>		
	Actuarial gain/(Loss) for the period (Obligation)	16.83	(23.82)
	Actuarial gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	16.83	(23.82)
	Actuarial Gain/(Loss) recognized for the period	16.83	(23.82)
	Unrecognised Actuarial Gain/(Loss) at the end of the period	-	-
<b>21.3</b>	<b>Changes in the present value of obligation:</b>		
	Present value of obligation at beginning of period	103.10	42.42
	Add : Interest Cost	7.90	3.40
	Add: Current Service Cost	40.52	33.46
	Add; Past Service Cost	-	-
	Less: Benefits paid	(8.64)	-
	Add: Actuarial (gain)/loss on obligation	(16.83)	23.82
	Present value of obligation at end of period	126.03	103.10

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>21.4</b>	<b>Changes in the Fair value of Plan Assets:</b>		
	Fair value of Plan Assets at beginning of period	-	-
	Add: Actual return on Plan Assets	-	-
	Add: Contributions	8.64	-
	Less: Benefits Paid	(8.64)	-
	Add: Actuarial Gain/(loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
<b>21.5</b>	<b>Amounts recognized in the balance sheet</b>		
	Present value of obligation at the end of the period	126.03	103.10
	Less: Fair Value of Plan Assets at end of period	-	(103.10)
	Funded Status	(126.03)	-
	Unrecognized Past Service Cost	-	0.50
	Net Asset/(Liability) recognized in the Balance Sheet	(126.03)	(102.60)
<b>21.6</b>	<b>Expenses recognized in the profit and Loss account</b>		
	Current Service Cost	40.52	33.46
	Add: Interest Cost	7.90	3.39
	Add: Past Service Cost	0.50	0.51
	Add: Net Actuarial (Gain)/Loss recognised	(25.47)	23.82
	Expenses recognized in the Profit and loss Account	23.44	61.18
<b>21.7</b>	<b>The following table sets out the assumptions used in actuarial valuation of gratuity:</b>		
	Interest/Discount Rate	0.08	0.08
	Rate of increase in compensation	0.15	0.20
	Rate of return (expected) on plan assets	N.A.	N.A.
	Employee Attrition Rate (Past Service )	0 to 3 : 2.85%	0 to 40 : 5 %
<b>22</b>	<b>FINANCE COST</b>		
	Interest Expenses (Note II)	1,078.38	756.27
	Other Borrowing Costs	6.70	45.93
	Applicable net gain/loss on foreign currency transactions and translation	-	42.42
	<b>Gross Total</b>	<b>1,085.08</b>	<b>844.62</b>
	Less: Interest Capitalised	332.85	34.99
	<b>Net Total</b>	<b>752.23</b>	<b>809.63</b>
	Note II: Interest Expenses includes :		
	On loans for fixed periods from banks	152.89	142.58
	On cash credit and other facilities from banks	868.50	613.69
	On loans from holding companies	56.99	-
	<b>Total</b>	<b>1,078.38</b>	<b>756.27</b>

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
23	<b>OTHER EXPENSES</b>		
	<b>Other Manufacturing Expenses</b>		
	Factory Electricity charge	174.74	87.95
	Water Charges	14.18	12.37
	Packing & Testing Charges	3.63	0.67
	Laboratory Expenses	199.36	62.92
	Consumable Stores	301.37	237.98
	Stores & spares	4.84	-
	Diminution in Value of Investment	-	2.55
	Processing Charges	461.04	200.16
	Repairs & Maintenance- Factory	77.59	67.88
	Repairs & Maintenance - Machinery	48.57	34.92
	Central Excise Duty	6.66	3.81
	Freight Inward	128.61	94.80
	Regulatory Expenses	1.15	-
	Sundry Factory Expenses	27.71	7.85
	<b>Sub Total (A)</b>	<b>1,449.45</b>	<b>813.85</b>
	<b>Administrative, Selling and Distribution Expenses</b>		
	Sales Promotion Expenses	87.08	41.56
	Commission on Sales	119.24	75.32
	Conveyance & Travelling Expenses	26.25	12.44
	Freight & Transportation - Sales	94.35	43.13
	Misc. Expenses	67.52	-
	Telephone/Telegram/Internet Charges	29.76	12.44
	Repairs & Maintenance- Others	28.43	23.41
	Insurance	42.55	17.44
	Printing & Stationery	17.45	10.32
	Professional Charges	100.36	153.94
	Rates & Taxes	17.14	21.77
	Corporate Social Responsibility	3.58	-
	ROC Charges	5.63	-
	MVAT	-	1.48
	MISC Expenses	0.74	44.41
	MIDC Charges	-	3.33
	Service Tax	1.22	-
	Forex gain/Loss	1.92	-
	Rent Charges	0.53	-
	Security Charges	5.55	1.35
	Subscription and Membership	1.23	-
	Donation	0.05	-

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Annual Maintenance Charges	1.69	-
	Bad Debts	90.82	-
	Payments to Auditors	9.21	6.06
	<b>Sub Total (B)</b>	<b>752.30</b>	<b>468.40</b>
	<b>Total (A+B)</b>	<b>2,201.75</b>	<b>1,282.26</b>
<b>23.1</b>	<b>Payments to Auditors</b>		
	(a) As Auditor	7.22	3.05
	(b) For Taxation matter	1.20	1.20
	(c) For Company law matters	-	-
	(d) For management services	-	1.20
	(e) For other services	0.79	0.60
	(f) For reimbursement of expenses	-	0.01
	<b>Total</b>	<b>9.21</b>	<b>6.06</b>
<b>23.2</b>	<b>Value of Imported raw materials &amp; Stores Consumed and percentage of consumption:</b>		
	<b>Raw Material</b>		
	Imported	7,900.16	6,432.66
	Percentage	63.40%	59.71%
	Indigenous	4,561.08	4,340.00
	Percentage	36.60%	40.29%
	<b>TOTAL</b>	<b>12,461.24</b>	<b>10,773.77</b>
	Percentage	100.00%	100.00%
	<b>Consumable Stores</b>		
	Imported	-	-
	Percentage	-	-
	Indigenous	301.37	237.98
	Percentage	100.00%	100.00%
	<b>TOTAL</b>	<b>301.37</b>	<b>237.98</b>
	Percentage	100.00%	100.00%
<b>23.3</b>	<b>Earnings and Expenditure in Foreign Currency :</b>		
	<b>Earnings in Foreign Exchange</b>		
	Value of Export (FOB)	5,815.97	2,575.76
	<b>Expenditure in Foreign Currency</b>		
	I) Purchase of Raw Material	6,473.56	5,234.71
	II) Capital Expenditure	133.52	32.23
	III) Other Expenses	61.89	31.59
	IV) Interest	233.67	-
	V) Dividend remitted in foreign currency	14.49	11.59
	Value of Import on CIF Basis	-	-
	Raw Material	6,947.62	7,410.04
	Capital Goods	47.86	24.19

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>23.4</b>	<b>The Company has incurred the following expenses on research and development activity:</b>		
	On tangible fixed assets	30.76	238.05
	On items which have been expensed during the year*	255.09	58.64
	<b>Total</b>	<b>285.85</b>	<b>296.69</b>
* Includes amount of Rs. 7.76 lakhs paid to an external agency in current year [ previous year Rs.29.50 lakhs]			

Note No	Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
<b>24</b>	<b>Basic and Diluted Earnings Per Share is calculated as under:</b>		
	Profit attributable to Equity Shareholders	2,055.54	1,600.00
	Weighted average number of Equity Shares:		
	-Basic	19628004	19628004
	-Diluted	19634804	19628004
	Earnings per Share (in Rs.)		
	-Basic	10.47	8.15
	-Diluted	10.46	8.15

<b>25.1</b>	<b>Particulars of Sales and Stock of Finished goods:</b>			
	<b>Particulars</b>	<b>Opening Stock (Rs.)</b>	<b>Sales (Rs)</b>	<b>Closing Stock (Rs.)</b>
	<b>Iodine Compounds</b>	<b>254.75</b>	<b>10852.09</b>	<b>55.00</b>
		<i>138.76</i>	<i>9,256.95</i>	<i>254.75</i>
	<b>Selenium Compounds</b>	<b>69.12</b>	<b>1445.79</b>	<b>209.56</b>
		<i>30.79</i>	<i>3,068.15</i>	<i>69.12</i>
	<b>Molybdenum Compounds</b>	<b>0.86</b>	<b>817.42</b>	<b>2.20</b>
		<i>4.85</i>	<i>794.64</i>	<i>0.86</i>
	<b>Others</b>	<b>48.40</b>	<b>3835.24</b>	<b>180.96</b>
		<i>20.42</i>	<i>1032.80</i>	<i>17.97</i>
	<b>Total</b>	<b>373.13</b>	<b>16950.54</b>	<b>447.72</b>
		<i>194.82</i>	<i>14152.54</i>	<i>342.70</i>

The figures in italics pertains to previous year

<b>25.2</b>	<b>Particulars of Goods Traded and Job work charges received:</b>		
	<b>Particulars</b>	<b>Goods Traded (Rs.)</b>	<b>Job work Charges (Rs.)</b>
	<b>Iodine Compounds</b>	<b>3,191.04</b>	<b>-</b>
		<i>329.19</i>	<b>-</b>
	<b>Selenium Compounds</b>	<b>-</b>	<b>83.00</b>
		<b>-</b>	<i>258.58</i>
	<b>Others</b>	<b>924.18</b>	<b>20.48</b>
		<i>1,834.37</i>	<i>177.53</i>
	<b>Total</b>	<b>4,115.22</b>	<b>103.48</b>
		<i>2,163.56</i>	<i>378.70</i>

The figures in italics pertains to previous year

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs)

25.3	Particulars of Work in Progress:		
	Particulars	Opening Stock (Rs)	Closing Stock (Rs)
	Iodine Compounds	452.09	2,668.27
		298.71	452.09
	Selenium Compounds	2,236.55	1,140.80
		1,258.86	2,236.55
	Molybdenum Compounds	47.49	43.83
		90.05	47.49
	Others	95.29	1,100.52
		174.56	95.29
	Total	2,831.42	4,953.41
		1,822.18	2,831.42

The figures in italics pertains to previous year

25.4	Particulars of purchases, consumption and stock of materials: *				
	Particulars	Opening Stock (Rs)	Purchases (Rs)	Consumption (Rs)	Closing Stock (Rs)
	Crude iodine	913.02	6,649.21	7,323.33	238.90
		103.51	7,330.45	6,520.94	913.02
	Selenium Metal Powder	375.88	931.90	1,149.72	158.06
		631.28	1,874.22	2,129.62	375.88
	Others	833.40	8,318.00	7,680.81	1,470.59
		258.66	4,480.23	3,940.73	798.16
	Total	2,122.30	15,899.10	16,153.85	1,867.55
		993.45	13,684.90	12,591.29	2,087.06

The figures in italics pertains to previous year

\* above consumptions also includes cost of goods traded

(Rupees in Lakhs, except for share data if otherwise stated)

Note No	Particulars	
26	Related party Transactions	
	Party	Relationship
	Mr. Pravin S. Herlekar	Director – Key Management Personnel
	Mr. Omkar P. Herlekar	Director – Key Management Personnel
	Mr. Siddharth S. Sinkar	Director – Key Management Personnel
	Mr. Shivanand G. Hegde	Director – Key Management Personnel
	Mr. Rishikesh P. Herlekar	Director – Key Management Personnel
	M/S Svaks Biotech India Private Limited	Company owned by Key Management Personnel

Sr No	Nature of Transaction	Relationship	As on 31st March, 2013	As on 31st March, 2012
1	Directors Remuneration/Salary	Key Management Personnel	91.65	72.00
2	Commission to Directors	Key Management Personnel	12.00	-
3	Management Consultancy Fees	Key Management Personnel	11.24	-

# CONSOLIDATED FINANCIAL STATEMENTS

(Rupees in Lakhs, except for share data if otherwise stated)

4	Money Received against Warrants			
	<b>Name of Party</b>	<b>Number of Warrants</b>	<b>As on 31st March, 2013</b>	<b>As on 31st March, 2012</b>
	Mr. Pravin.S. Herlekar	190000	71.25	-
	Mr. Omkar P. Herlekar	190000	71.25	-
	Mr. Rishikesh.P. Herlekar	190000	71.25	-
	M/S Svaks Biotech India Private Limited	380000	142.50	-
	<b>Total</b>	<b>950000</b>	<b>356.25</b>	<b>-</b>
27	<b>CONTINGENT LIABILITIES AND COMMITMENTS :</b>			
	<b>i. Contingent Liabilities :</b>			
	Claims against the company not acknowledged as debt : Rs Nil			
	(Previous year : Rs Nil)			
	The company has given guarantee to the bank on behalf of its Wholly Owned Subsidiary, Urdhwa Chemicals Company Private Limited of Rs 27 crores (Previous year Rs 21 Cr) and Lasa Laboratory Private Limited of Rs 23.35 Crores (Previous Year Rs Nil)			
	<b>ii. Commitments :</b>			
	<b>Particulars</b>		<b>As on 31st March, 2013</b>	<b>As on 31st March, 2012</b>
	Letter of Credit		3,622.65	2,058.29
	Estimated Amount of Contracts remaining to be executed on capital account		228.33	1,212.18
	<b>Total</b>		<b>3,850.98</b>	<b>3,270.47</b>
	Note: We have examined all the contracts, claims and litigations against the Company and have analyzed the likely impact of the same as indicated above. We certify that apart from the contingent liabilities indicated above, the Company does not have any other contingent liabilities.			
28	During the financial year, the Company has issued & allotted 950000 Warrants convertible into Equity Shares of the Company, on preferential basis, @ Rs. 150/- per warrant, on the receipt of 25% of the total amount as upfront money as required under Clause 77(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said Warrants were issued on 6th March, 2013 and the holders thereof can exercise the option for conversion of the same till 5th September, 2014 (i.e. the expiration of 18 months from the date of allotment) and on the payment of balance 75% of the total amount as required under the aforesaid Regulations.			
29	The Previous year figures have been regrouped/rearranged wherever necessary to make it comparable with the current year.			

As per our report of even date

For and on behalf of the Board of Directors

For J.P.J. Associates  
Chartered Accountants  
Firm Registration No. 113012W

Pravin Herlekar  
(Chairman and Managing Director)

Omkar Herlekar  
(Whole Time Director)

CA Pravin Deshpande  
Partner  
M.No. 045249  
Place : Mumbai  
Date : 20th May, 2013

Nirav Momaya  
(Company Secretary)



# STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

## Summary of Financial Information Of Subsidiary Companies

Pursuant to Sec 212(8) of Companies Act 1956

(Rupees in Lakhs)

Name Of The Company	Rishichem Research Limited	Desh Chemicals Private Limited	Urdhwa Chemicals Company Private Limited	Lasa Laboratory Private Limited
Capital	5.40	4.95	354.44	475.00
Reserves	39.13	58.29	(125.26)	(20.52)
Total Assets	72.82	111.21	5,787.51	2,200.50
Total Liabilities	28.29	47.97	5,558.33	1,746.02
Investments (including investments in subsidiaries)	0.25	0.25	0.10	6.95
Turnover	78.62	-	439.83	1,081.43
Profit before Taxation	7.11	(5.37)	85.86	125.28
Provision for Taxation	2.04	(0.85)	79.23	44.11
Profit after Taxation	5.07	(4.51)	6.63	81.18
Proposed Dividend	-	-	-	-

For and on behalf of the Board of Directors

**Pravin Herlekar**  
(Chairman and Managing Director)

**Omkar Herlekar**  
(Whole Time Director)

Place : Mumbai  
Date : 20th May, 2013

**Nirav Momaya**  
(Company Secretary)

# CERTIFICATE FOR UTILISATION OF IPO PROCEEDS

## CERTIFICATE

**Name of the client: Omkar Speciality Chemicals Limited**

**Statement of utilisation of proceeds of IPO are summarised as under**

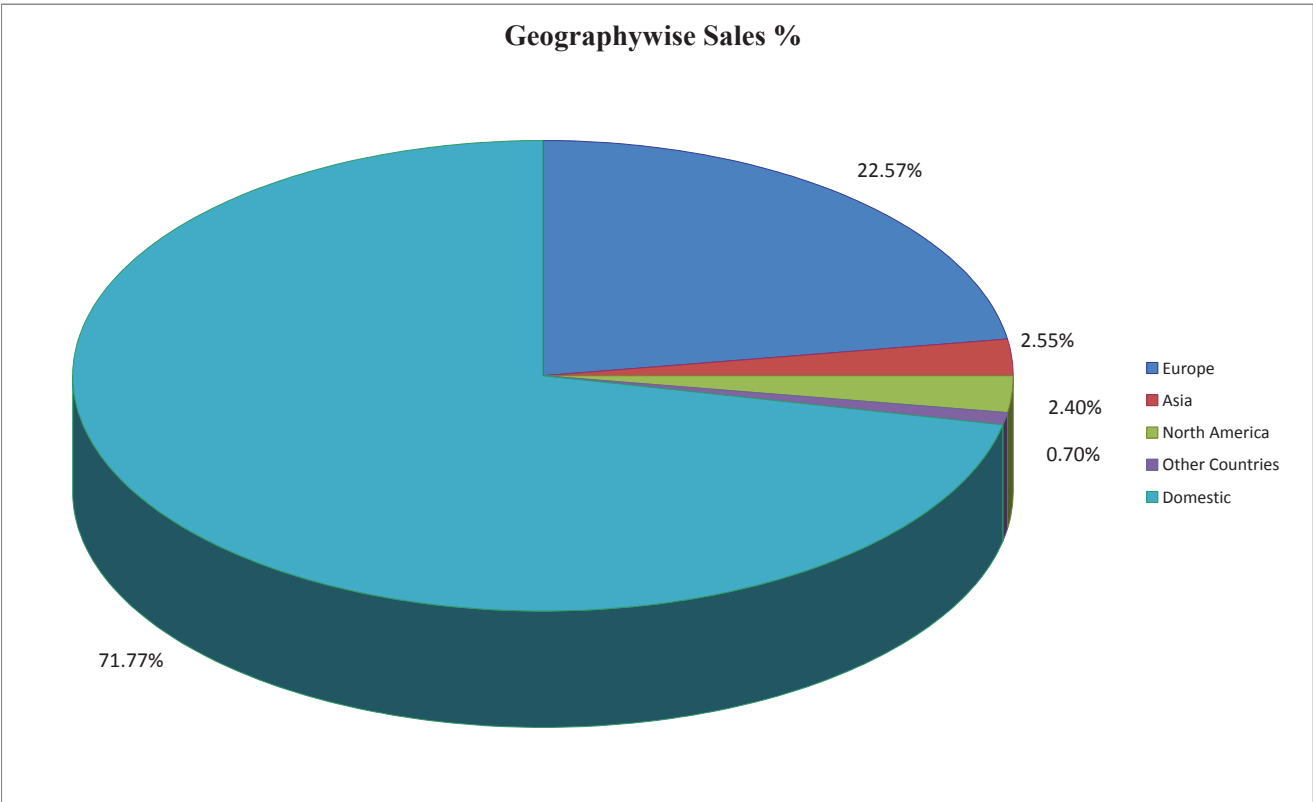
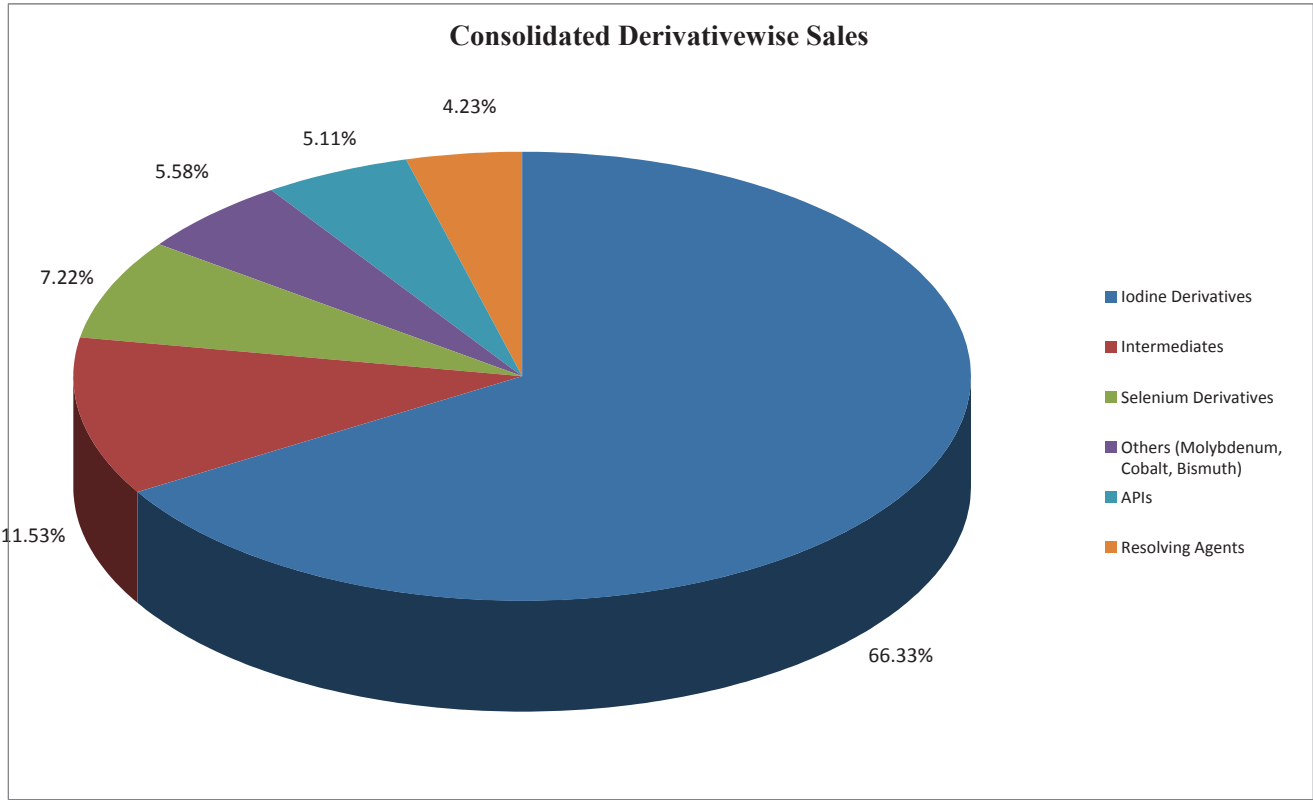
<b>Sr. No.</b>	<b>Particulars</b>	<b>As on 31st March, 2013 Amount (Rs. In lakhs)</b>	
1	Funds Collected From IPO		7938.00
2	Capital Expenditure incurred including advances given	4616.26 *	
3	Working Capital	884.32	
4	General Corporate Purpose including advance given for office premises	1350.11	
5	IPO Issue Expenses	1087.31	
	<b>Total</b>	<b>7938.00</b>	<b>7938.00</b>
	<b>Unutilised IPO proceeds</b>		<b>0.00</b>

\* Capital Expenditure include advances paid to subsidiaries as approved by the Share Holders in the Annual General Meeting of the Company on held 4th August, 2012

**For J.P.J. ASSOCIATES  
Chartered Accountants  
Firm Registration No. : 113012W**

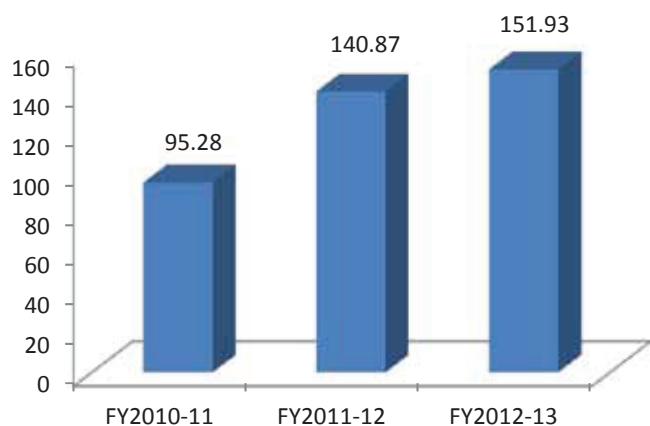
**Place:-Mumbai  
Date:- 20th May, 2013**

**CA PRAVIN DESHPANDE  
PARTNER  
Membership No. : 045249**

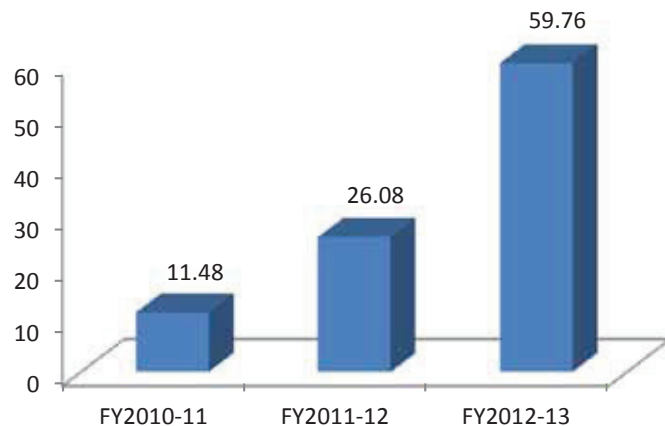


## FINANCIAL HIGHLIGHTS

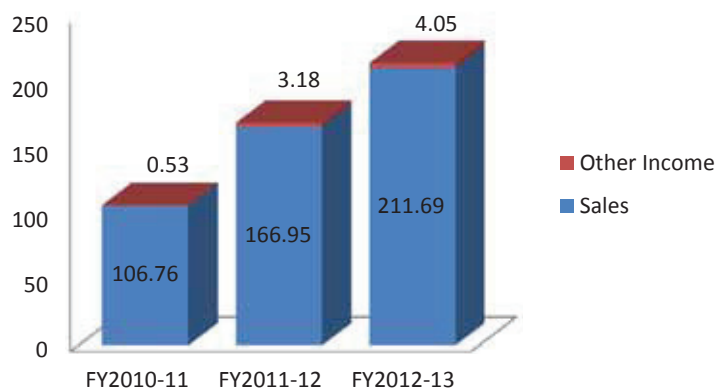
### Domestic Sales (Rs in Crs)



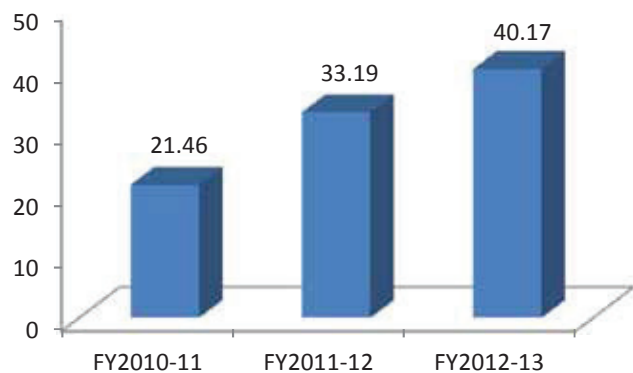
### Export Sales (Rs in Crs)



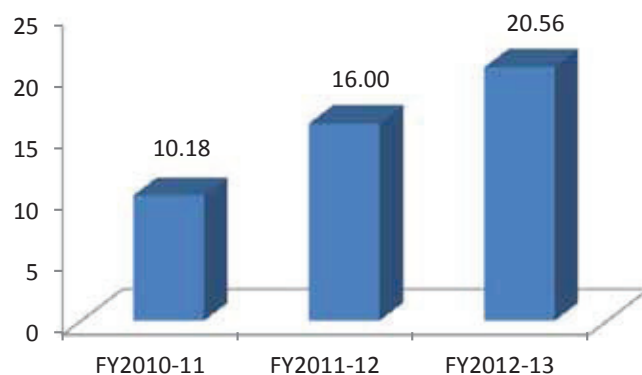
### Revenue Breakup (Rs in Crs)



### EBITDA (Rs in Crs)



### PAT (Rs in Crs)



## NOTES

This image shows a full page of blank handwriting practice paper. It features multiple sets of horizontal lines, each set consisting of three dashed lines to define the height of capital letters and a single solid line at the bottom of each set. The entire page is filled with these repeating patterns from top to bottom, providing ample space for practicing letter formation and alignment.

## NOTES

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## NOTES

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## OMKAR SPECIALITY CHEMICALS LIMITED

Registered Office: B-34, MIDC, Badlapur (E), Thane-421503

### ATTENDANCE SLIP

**PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.**

Joint shareholders may obtain additional Slip on request.

\*Client ID No. \_\_\_\_\_ \*DP ID No. \_\_\_\_\_ Ledger Folio No. \_\_\_\_\_

NAME AND ADDRESS OF THE SHAREHOLDER: \_\_\_\_\_

No. of Share(s) held: \_\_\_\_\_

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company held on Tuesday, the 13th day of August, 2013 at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane – 421503.

\_\_\_\_\_  
Signature of the shareholder or proxy

\* Applicable for investors holding shares in electronic form

## OMKAR SPECIALITY CHEMICALS LIMITED

Registered Office: B-34, MIDC, Badlapur (E), Thane-421503

### FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ in the District of \_\_\_\_\_  
being a member/ members of the above named Company hereby appoint \_\_\_\_\_ of  
\_\_\_\_\_ in the District of \_\_\_\_\_ or failing him/her \_\_\_\_\_ of  
\_\_\_\_\_ in the district of \_\_\_\_\_ as my /our proxy to vote for me /us on my/our behalf at the ANNUAL  
GENERAL MEETING of the Members of the Company to be held on Tuesday, the 13th day of August, 2013 at Sanjeevani Hall, next  
to Monginis Cake Shop, Badlapur (East), Thane – 421503 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\*Client ID No. \_\_\_\_\_ \*DP ID No. \_\_\_\_\_ Ledger Folio No. \_\_\_\_\_

\_\_\_\_\_  
Signature of the shareholder

\* Applicable for investors holding shares in electronic form

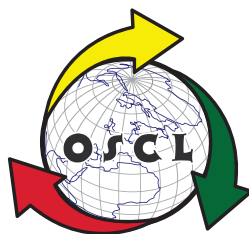
AFFIX  
REVENUE  
STAMP



## BOARD OF DIRECTORS



*From left to right: Dr. Vikas N. Telvekar, Mr. Amit A. Pandit, Mr. Subhash P. Mali, Mr. Pravin S. Herlekar, Prof. (Dr.) Suhas M. Rane, Mr. Omkar P. Herlekar, Mr. Siddharth S. Sinkar.*



**OMKAR**

Always the leaders

## **Omkar Speciality Chemicals Limited**

Address: B-34, M.I.D.C. Badlapur (E), Dist - Thane, Maharashtra, Pin Code : 421503, India

Tel No.: +91 - 251 - 2690651 / 2697340 Fax : +91 - 251 - 2697347 / 2691572

E-mail: [info@omkarchemicals.com](mailto:info@omkarchemicals.com)









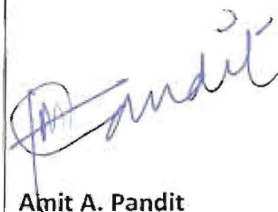
**OMKAR**  
Always the leaders

# OMKAR SPECIALITY CHEMICALS LIMITED

Regd. & Corporate Office : Unit - III, B-34, M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India  
Tel. : +91 (0251) 2697340, 2690651, Fax : +91 (0251) 2697347, 2691572  
Email : omkarchem@vsnl.com / info@omkarchemicals.com, Web. : www.omkarchemicals.com

## FORM A

[Format of Covering Letter of the Annual audit Report to be filed with the Stock Exchanges]

1.	Name of the Company:	Omkar Speciality Chemicals Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Unqualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	Chairman & Managing Director	 Pravin S. Herlekar 
	Chief Financial Officer	 Pravin S. Herlekar 
	Auditor of the company	 CA Pravin Deshpande Partner, J.P.J Associates Chartered Accountants Firm Registration No. 113012W 
	Audit Committee Chairman	 Amit A. Pandit (Non-Executive Independent Director) 