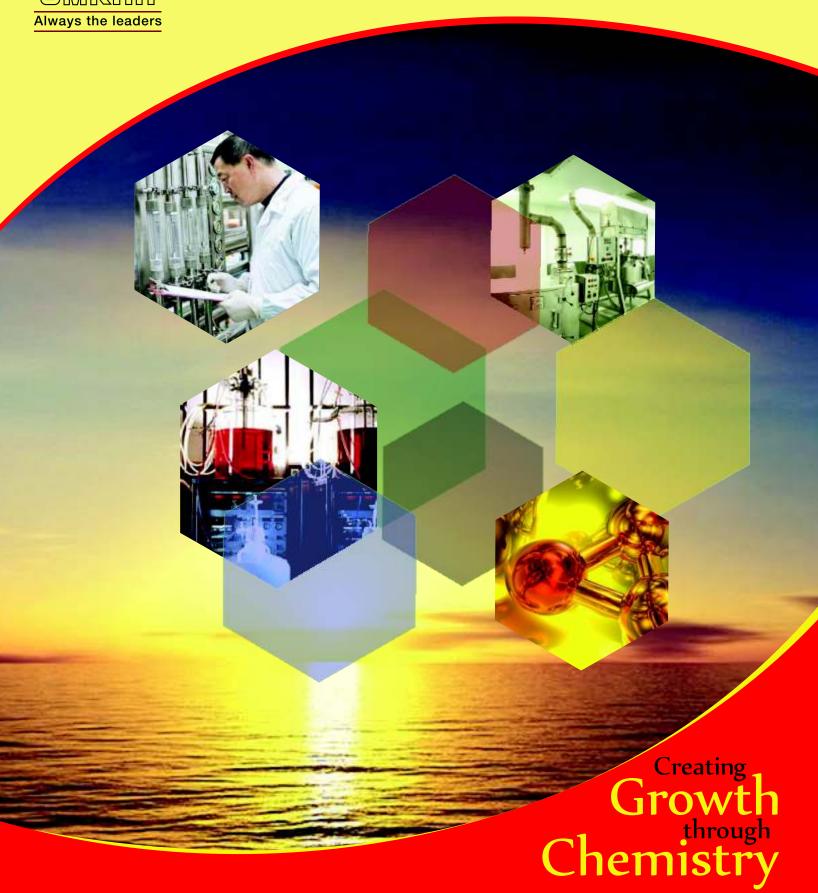


OMKAR SPECIALITY CHEMICALS LIMITED

ANNUAL REPORT 2013-14



BOARD OF DIRECTORS



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

AWARD FOR "BEST EMERGING SME OF THE YEAR- 2013"



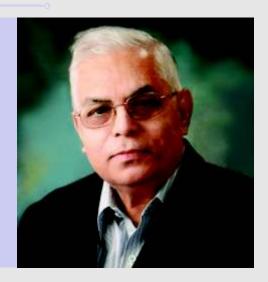
Mr. Omkar P. Herlekar & Mr. Rishikesh P. Herlekar receiving the award



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CHAIRMAN'S MESSAGE

Strength and growth come only through continuous effort and struggle



Dear Shareholders,

It gives me immense pleasure that Omkar Speciality Chemicals Limited has reported another year of steady performance, in spite of a challenging macroeconomic environment in India and globally. However, things appear about to change. Economic growth is expected to pick up in India during FY 2014-15. As The Indian Chemical Council (ICC; Mumbai) and analysts say, the disposable surplus income is rising in India, and the increasing standard of living will lead to growth in consumption of consumer goods. Since the chemicals form a necessary ingredient in all types of modern goods and amenities, this will result in greater demand for the chemical industry. Therefore, global economic growth and chemical output growth should accelerate hand in hand in the years to come. The strongest growth will continue to be in the developing nations of Asia, the Middle East, and Latin America.

The demand for chemical products is growing steadily to address the global issues of population growth and expansion of the middle class, food and water shortages, rising energy costs and climate change. The chemical firms, which are innovative enough to come out with distinct solutions for such problems, will witness limitless growth. With this growth potential in mind we have continued our focus on R&D-led niche innovative products which add great value to the end consumer.

The FY 2013-14 proved extraordinary in more than one way, unfortunately for all the negative reasons. The increase in the sales volume of Iodine Derivatives didn't reflect in the topline growth as there was a sharp fall in the iodine prices. Further, the volatility in the foreign exchange led to increase in the hedging cost due to which the Company curtailed the usage of foreign currency loan and restored the rupee loan, that increased the interest burden. On the other hand, the capacity expansions planned by the Company faced delays of couple of quarters.

For the Company, the lodine Derivatives continue to maintain the leading position with its contribution of 54% in net sales of FY 2013-14. It is followed by Advanced Intermediates and API's representing 32% and 14% of the sales, respectively. Our exports have marginally increased from Rs. 60 Crores in FY 2012-13 to Rs. 62 Crores in FY 2013-14.

Strength and growth come only through continuous effort and struggle. We believe FY 2013-14 was a test of our ability to take continuous efforts and struggle while facing multiple challenges. Having seen the worst, the Company is now looking at future with a renewed optimism and confidence, as its major facilities will be taking shape in the current financial year. I am extremely hopeful for completion & streamlining of the ongoing projects at Unit No. V and VI at Chiplun, and expansion & upgradation of the existing facilities of the subsidiaries viz., Urdhwa and Lasa. The Company is also in the process of developing new

products in all the major segments like, lodine, API, Advanced Intermediates etc. Growth is never by mere chance; it is the result of a number of forces working together towards a common goal. I am very confident that, the Company will improve upon its profitability margins with the commencement of upcoming facilities and introduction of new products.

We are specifically targeting the exports and exploring new geographies primarily for the following reasons: Firstly there is so much of untapped potential for Company's products across world wide, which needs to be capitalized. During FY 2013-14, we started exporting to new geographies such as Latin America, South-East Asia and North America and now we are exploring the opportunities to enter countries like South Africa, Australia and New Zealand. The Management sees ample opportunity to expand business in exports front. Secondly, the focus on exports is also expected to ease the stress on our working capital cycle, since export realizations are much quicker unlike domestic markets. Thirdly, the exports will provide a natural hedge for Company's imports, in mitigating foreign exchange risk.

The Management is continuously reviewing the status of stressed working capital cycle of the Company and necessary steps are being taken for optimizing the cycle by maintaining minimum inventories, bringing down the receivables by focusing more on the exports etc.

As the Company is into the expansion phase and on a growing path, it has maintained its CRISIL BBB+ rating for its long term debt (Term loans) and CRISIL A2 rating for its short term facilities for tenure up to one year.

The task ahead for OSCL is to get its expanded capacities commissioned at the earliest to cater to the ever growing demand for its products and establish a global footprint to drive growth and expand margins. In a constantly changing and difficult business environment, we need to push the bar of our capabilities to tackle unprecedented challenges. We have to continue visualizing and identifying ways of continual improvement, for enduring our sustainable performance and with your support, I look forward to another successful year with many more milestones.

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

Since rely

Pravin S. Herlekar Chairman & Managing Director

WHOLE TIME DIRECTOR'S MESSAGE

Cautious optimism
seems to be
the mantra for the
chemical industry
in 2014-15



Dear Shareholders,

I write this letter to you against the backdrop of a challenging economic environment. Despite the challenging macro-economic environment, we remained positive on growth prospects. We believe India's economic slowdown will soon reverse direction. The strong government at the centre and its promise for reforms have improved sentiments. The Company's fundamentals remain strong and the opportunities at hand point to a strong growth path, supporting the positive outlook.

The Speciality chemicals industry has immense growth potential driven by high growing end-use industries. Technology & innovation will play vital role in growth of this industry where India has a natural advantage of large pool of technical man-power as well as scientists and researchers. Speciality chemical segment in India is poised for substantial growth and offers immense potential for investment as well as employment generation.

While chemical industry addresses growing needs of different sectors, the industry employs highly complex manufacturing processes that involve handling of often toxic and hazardous chemicals. The process being energy intensive, the importance of safety, security and environmental protection can't be underestimated. The changing demand-supply landscape and global ambitions of Asian and Middle Eastern chemical companies will necessitate the structural realignment of the industry. More and more European and US companies are increasingly outsourcing the speciality chemicals from India.

The results of the FY 2013-14, are a pointer that we are on the right strategy with well-defined objectives and goals. We have initiated the projects for capacity expansion, diversification of products and integration, which will enable the Company to achieve sustainable growth and development. We are focusing on strengthening of our synergies, which will help us significantly in the long term.

In today's intellectual era, India has shown a considerable growth in its research and development. By setting up new technology, incubation centers in various parts of the country and providing financial aids to the technologist, the Research & Development (R&D) status of the country has been boosted up.

The pharmaceuticals industry, which is the biggest customer segment for OSCL, is undergoing a significant change. Many drugs were discovered in the late 1990s, with patent expiration date between 2014 and 2019. This phenomenon, which has been referred to as 'patent cliff' is set to expand the industry's boundaries multifold as many more companies would start manufacturing drugs that were a monopoly of a few. Naturally, they will need low-cost intermediate suppliers, expanding scope for OSCL.

The Company is driven by its R&D and has employed over 30 scientists in its R&D centre. It carries out the research on an ongoing basis to improve quality of the existing products and develop new processes for existing and newer products. Recently, The Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology extended the recognition to the Company's In-house R&D centre upto 31st March, 2017. Thanks to its continuous R&D, the Company has filed 15 Process Patents besides 6 DMF's filed till date.

I am happy to share with you that your Company has received prestigious award "BEST EMERGING SME OF THE YEAR- 2013" from Citibank in association with CNBC TV 18 in their event – "Thought Leadership conclave-2013" held on 7th October 2013.

We will continue our journey of value creation for all our stakeholders over the long run with your continuous support and faith in us. I thank you for putting your trust on me and providing me the opportunity to lead your Company in this very dynamic industry.

Yours Sincerely

Omkar P. Herlekar Whole Time Director

CORPORATE INFORMATION

COMPANY LOCATION

Board of Directors:

Mr. Pravin S. Herlekar Chairman & Managing Director

Mr. Omkar P. Herlekar Whole Time Director

Mrs. Anjali P. Herlekar Non-Executive, Promoter and Woman 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. TelvekarNon Executive - Independent Director

Mr. Siddharth S. Sinkar Non Executive - Non Independent Director

Company Secretary & Compliance Officer Mr. Nirav K. Momaya

Auditors:

Statutory Auditors
M/s J.P.J Associates
Chartered Accountants
Shop No. 16, Godavari CHS,
Shantivan, Borivali (E), Mumbai – 400066

Internal Auditors

M/s Shubhada S Sakhalkar & Co 402, Pratibha, Teen Petrol Pump, LBS Road, Thane (W) – 400601 CIN: L24110MH2005PLC151589 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

cs@omkarchemicals.com

Website: www.omkarchemicals.com

Plants:

Unit - I - W-92(A), W-93(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-27/4 and D-27/5, M.I.D.C., Lote Parshuram Industrial Area, Chiplun, Dist. Ratnagiri, Maharashtra

Unit - VI – B-15 and B-16, Lote Parshuram Industrial Area, Village Awashi, Taluka Khed, Dist. Ratnagiri, Maharashtra

Registrar & Share Transfer Agent:

M/s. Bigshare Services Pvt. Ltd., E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel: 91-22-40430200

Fax: 91-22-2847 5207

Bankers:

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





Notice is hereby given that the Ninth Annual General Meeting of the members of Omkar Speciality Chemicals Limited will be held on Saturday, the 9th Day of August, 2014 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 Financial Statements of the Company for the Financial Year ended 31st March, 2014 including Audited Statement of Profit & Loss and the Balance Sheet as at that date together with the Reports of the Board of Directors and the Auditors thereon.
- 2. To declare a final dividend on the Equity Shares for the year ended on 31st March, 2014.
- 3. To appoint a Director in place of Mr. Siddharth S. Sinkar (DIN 05154432), who retires by rotation and being eligible, offers himself for re-appointment.
- 4. Appointment of Auditors
 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 139 and other applicable provisions, if any, of the Companies Act 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. J.P.J. Associates, Chartered Accountants, Mumbai [Firm Registration No. 113012W] be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of 12th Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM) on such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. as may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

- 5. Appointment of Mrs. Anjali P. Herlekar as a Non-Executive Director in the capacity of Promoter Director and Woman Director of the Company To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT Mrs. Anjali P. Herlekar (DIN 00527420), who was appointed by the Board of Directors as an Additional Director in the capacity of Promoter Director and Woman Director of the Company with effect from 20th June, 2014, and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 be and is hereby appointed as a Director of the Company."
- 6. Appointment of Mr. Amit A. Pandit as an Independent Director of the Company To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Amit A. Pandit (DIN 02437092), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 upto 8th August, 2019."
- 7. Appointment of Prof. (Dr.) Suhas M. Rane as an Independent Director of the Company To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Prof. (Dr.) Suhas M. Rane (DIN 03126514), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 upto 8th August, 2019."
- 8. Appointment of Mr. Subhash P. Mali as an Independent Director of the Company To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
 - "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Subhash P. Mali (DIN 00034769), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 upto 8th August, 2019."



9. Appointment of Dr. Vikas N. Telvekar as an Independent Director of the Company To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Vikas N. Telvekar (DIN 03123785), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 9th August, 2014 upto 8th August, 2019."

10. Payment of Commission to Non-Executive Directors of the Company
To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act 2013 (Act), (including any statutory modification(s) or re-enactment thereof, for the time being in force), a sum not exceeding one per cent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and Whole Time Director) in such amounts or proportions and in such manner and in all respects as any be directed by the Board of Directors and such payments shall be made in respect of the profits of the Company for each year, for a period of five years commencing 1st April, 2014."

11. Appointment of Cost Auditors

To approve the remuneration of the Cost Auditors for the financial year ending 31st March 2015 and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s VV & Associates, Cost Accountants, Mumbai (Firm Registration No. 000515), be and are hereby appointed as the Cost Auditors to carry out the audit of the Company's Cost Accounting records for the Financial Year 2014-2015 at a remuneration of Rs. 200,000, plus service tax, out-of-pocket, travelling and living expenses, etc."

12. Adoption of New Articles of Association of the Company

To adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

RESOLVED FURTHER THAT Mr. Pravin S. Herlekar, Chairman and Managing Director and Mr. Omkar P. Herlekar, Whole Time Director of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 appointment/re-appointment is furnished herewith.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED, 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.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- 2. 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.
- 3. 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.
- 4. 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.



- 5. An explanatory statement pursuant to Section 102(1) of the Companies Act 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
- 6. Book closure & Dividend:
 - a) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 2nd August, 2014 to Saturday, 9th August, 2014 (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 or before 30th August 2014 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 1st August, 2014;
 - (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 1st August, 2014.
- 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, 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.
- 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, 31st March, 2012 and 31st March 2013 may approach the Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company/ the Company for completion of necessary formalities to claim the dividend. 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 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.
- 12. To support the "Green Initiative", Members are requested to register/update 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.
- 13. Instructions for e-voting

In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice. The e-voting facility is available at the link https://www.e-voting.nsdl.com

Please read the instructions below before exercising your vote:

Steps for e-voting

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/Depositories):
- 1. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- 2. Open the internet browser and type the following URL: https://www.evoting.nsdl.com.
- 3. Click on Shareholder Login.
- 4. If you are already registered with NSDL for e-voting then you can use your existing user ID and password.
- 5. If you are logging in for the first time, please enter the user ID and password provided in the PDF file attached with the e-mail as initial password.
- 6. The Password Change Menu will appear on your screen. Change to a new password of your choice, making sure that it contains a minimum of 8 digits or characters or a combination of both.



Please take utmost care to keep your password confidential.

- 7. Once the e-voting home page opens, click on e-voting > Active Voting Cycles.
- 8. Select "EVEN" (E-Voting Event Number) of Omkar Speciality Chemicals Limited. Now you are ready for e-voting as Cast Vote page opens.
- Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- 10. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 11. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.
- 12. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to cs@omkarchemicals.com, with a copy marked to evoting@nsdl.co.in.
- 13. In case of any queries, you may refer the Frequently Asked Questions (FAQs) Shareholders and e-voting user manual Shareholders, available at the downloads section of www.evoting.nsdl.com.
- B. In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
- Initial password will be provided by Bigshare Services Pvt. Ltd., Registrar & Share Transfer Agent of the Company: EVEN (E-Voting Event Number), user ID and password.
- 2. Please follow all steps from SI. No. 2 to SI. No. 13 above, to cast vote.

Other Instructions

- 1. The e-voting period commences on Sunday, 3rd August, 2014 (9:00 AM IST) and ends on Tuesday, 5th August, 2014 (6:00 PM IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 20th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.
- 2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th June, 2014.
- 3. Mr. Nilesh A. Pradhan, Practicing Company Secretary (Membership No. FCS 5445), has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Assent/Dissent Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.
- 4. The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman and Managing Director of the Company.
- 5. Members who do not have access to e-voting facility may send duly completed Assent/Dissent Form so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Mr. Nilesh A. Pradhan, Practicing Company Secretary, (Membership No. FCS 5445), at the Registered Office of the Company not later than 5th August, 2014 (6:00 PM IST).

Members have the option to request for physical copy of the Assent/Dissent Form by sending an e-mail to <u>cs@omkarchemicals.com</u> by mentioning their Folio / DP ID and Client ID No. However, the duly completed Assent/Dissent Form should reach the Registered Office of the Company not later than 5th August, 2014 (6:00 PM IST).

Assent/Dissent Form received after this date will be treated as invalid.

A Member can opt for only one mode of voting i.e. either through e-voting or by Assent/Dissent Form. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Assent/Dissent Form shall be treated as invalid.

14. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.omkarchemicals.com and on the website of NSDL www.evoting.nsdl.com within two days of the passing of the resolutions at the ninth AGM of the Company on 9th August, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

Date: 20/06/2014 Place: Mumbai Registered Office:

B-34, MIDC, Badlapur (E), Thane 421503

Tel.: +91 (0251) 2697340, 2690651, Fax: +91 (0251) 2697347, 2691572 Email: investor@omkarchemicals.com; Web: www.omkarchemicals.com;

CIN: L24110MH2005PLC151589

By Order of the Board of Directors Omkar Speciality Chemicals Limited

> Nirav Momaya Company Secretary

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Name of Director	Mrs. Anjali P. Herlekar	Mr. Amit A. Pandit
Date of Birth	3 rd May, 1960	30 th March 1971
Date of appointment	20 th June, 2014	25 th March, 2010
Expertise in specific functional	Mrs. Anjali P. Herlekar is a Non-Executive,	Mr. Amit A. Pandit is an Independent Director of the
Areas	Promoter and Woman Director of the Company. She has an overall experience of about 20 years in the field of policy matters & HR administration in addition to her teaching experience. She joined Omkar Chemicals in the year 1995 and was responsible for activities related to human resource development. She was also a Director of Omkar Speciality Chemicals Limited from its incorporation till 29th March, 2011.	Company. He has an overall experience of more than 21 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 CNK & Associates LLP (earlier it was a partnership firm named as 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 LLP. In addition to this, he is on the Board of Saraswat Co-operative Bank Limited and Saraswat Infotech Limited. He is a member of the Audit Committee of 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.
Qualifications	Mrs. Anjali P. Herlekar is a Bachelor of Science (Physics) and Master of Education from University of Mumbai.	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.
No. of shares held in the Company	12,08,240	NIL
List of other Companies in which Directorship held as on 31st March, 2014.	NA	The Saraswat Co-operative Bank Ltd. Saraswat Infotech Ltd.
Chairman / Member of the mandatory committees of the Board of the Companies on which he / she is a Director (including OSCL) as on 31st March, 2014	NA	Chairman of Audit Committee of Omkar Speciality Chemicals Ltd. Chairman of Audit Committee of Saraswat Infotech Ltd. Member of Share Transfer & Investor Grievance Committee of Omkar Speciality Chemicals Ltd. Member of Audit Committee of The Saraswat Cooperative Bank Ltd.
Name of Director	Prof. (Dr.) Suhas M. Rane	Mr. Subhash P. Mali
Date of Birth	03 rd December, 1951	29 th January, 1953
Date of appointment	25 th March, 2010	25 th March, 2010
Expertise in specific functional Areas	Prof. (Dr.) Suhas M. Rane is an Independent Directorof the Company. He has an overall experience of 41 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 became the Director - Planning of Narsee Monjee Institute of Management Studies. Presently, he is a Management Consultant and Visiting Faculty to	Mr. Subhash P. Mali is an Independent Director of the Company. He has an overall experience of about 36 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.

Qualifications	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. 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.	Mr. Subhash P. Mali is Bachelor of Chemical Engineering from University of Bombay
No. of shares held in the	NIL	NIL
Company List of other Companies in which Directorship held as on 31 st March, 2014.	NIL	Petrochem Laboratories Pvt. Ltd.
Chairman / Member of the mandatory committees of the Board of the Companies on which he / she is a director (including OSCL) as on 31st March, 2014	Chairman of Share Transfer & Investor Grievance Committee of Omkar Speciality Chemicals Ltd. Member of Audit Committee of Omkar Speciality Chemicals Ltd.	NIL
Name of Director	Dr. Vikas N. Telvekar	Mr. Siddharth S. Sinkar
Date of Birth	30 th July, 1970	27 th July 1978
Date of appointment	25 th March, 2010	5 th April, 2012
Expertise in specific functional Areas	Dr. Vikas N. Telvekar is an Independent Director of the Company. He has an overall experience of more than 12 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, 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 has an overall experience of 14 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.
Qualifications	Mr. Vikas N. Telvekar 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.	Mr. Siddharth S. Sinkar is a Fellow member of the Institute of Chartered Accountants of India (ICAI), and is a commerce graduate from University of Mumbai.



No. of shares held in the Company	NIL	11,700
List of other Companies in which Directorship held as on 31st March, 2014.	NIL	NIL
Chairman / Member of the mandatory committees of the Board of the Companies on which he / she is a director (including OSCL) as on 31st March, 2014	NIL	NIL

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 5:

Pursuant to the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company shall have Mandatorily atleast one women director. In view of this, the Board at its meeting held on 20th June, 2014, appointed Mrs. Anjali P. Herlekar (Wife of Mr. Pravin S. Herlekar, Chairman and Managing Director & Promoter) as an Additional Director in the capacity of the Promoter Director and Woman Director of the Company.

In terms of Section 161(1) of the Companies Act, 2013, Mrs. Herlekar holds office as an Additional Director upto the date of the ensuing Annual General Meeting but is eligible to be appointed as a Director.

Board recommends passing of the resolution as an Ordinary Resolution.

Mrs. Anjali P. Herlekar may be deemed to be concerned or interested, financially or otherwise, to the extent of her shareholding in respect of her appointment as a Director.

Mr. Pravin S. Herlekar, Chairman and Managing Director and Mr. Omkar P. Herlekar, Whole Time Director of the Company, being the relatives of Mrs. Anjali P. Herlekar, are concerned or interested in this resolution.

Item No. 6 to 9:

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges appointed Mr. Amit A. Pandit, Prof. (Dr.) Suhas M. Rane, Mr. Subhash P. Mali, Dr. Vikas N. Telvekar as Independent Directors.

Pursuant to the provisions of Section 149 of the Act, which came into effect on 1st April, 2014, every listed public company is required to have atleast one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board of Directors has recommended the appointment of these directors as Independent Directors from 9th August, 2014 up to 8th August, 2019.

Mr. Amit A. Pandit, Prof.(Dr.) Suhas M. Rane, Mr. Subhash P. Mali, Dr. Vikas N. Telvekar, non-executive directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the Board, each of these directors fulfil the conditions specified in the Act and the Rules framed thereunder for appointment as an Independent Director and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these Directors as Independent Directors is now being placed before the Members for their approval.

Board recommends passing of the resolutions as Ordinary Resolutions.

Mr. Amit A. Pandit, Prof. (Dr.) Suhas M. Rane, Mr. Subhash P. Mali and Dr. Vikas N. Telvekar respectively, are concerned or interested in the resolutions of the accompanying Notice relating to their own appointment.

Item No. 10:

At the Annual General Meeting of the Company held on 24th September, 2011, the members had approved the payment of commission to non-executive directors of the Company not exceeding one per cent per annum of the net profits of the Company as per the provisions of Section 198 of the



Companies Act, 1956, which has got repealed with effect from 1st April, 2014.

Under the Companies Act, 2013, directors have been entrusted with new responsibilities to make their role more objective and purposeful. Non-Executive Directors of your Company have been contributing immensely to the growth of the Company with their rich experience in their areas of expertise. Keeping in view, their contributions and the enhanced role, responsibilities and duties of Directors, it is considered appropriate that the remuneration payable to the Directors by the Company should be commensurate with their increased role, responsibilities and duties.

Pursuant to the provisions of Section 197 of the Companies Act, 2013, which came into effect on 1st April 2014, the Management of the Company intends to reward contribution of Non-Executive Directors by giving commission not exceeding one per cent (1%) per annum of the net profit of the Company computed in the manner laid down in Section 197 of the Companies Act, 2013 for each year for the period of five years commencing from 1st April, 2014. The Board of your Company has recommended the payment of above commission.

The proportion and manner of such payment and distribution would be decided by the Board from time to time.

Apart from commission proposed to be paid to the Directors in terms of the Ordinary Resolution, the Directors are also eligible to receive sitting fees for each of the Board, Audit Committee or any other Committee meetings thereof attended as the case may be.

Board recommends passing of the resolution as an Ordinary Resolution.

All the Directors of the Company except Mr. Pravin S. Herlekar, Chairman and Managing Director and Mr. Omkar P. Herlekar, Whole Time Director shall be deemed to be directly or indirectly interested in this resolution.

Item No. 11:

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s VV & Associates, Cost Accountants, Mumbai (Firm Registration No. 000515) to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2015 at a remuneration of Rs. 200.000/-.

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

Board recommends passing of the resolution as Ordinary Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 12:

The existing Articles of Association are based on the Companies Act, 1956 and several regulations in the existing Articles of Association contain references to specific sections of the Companies Act, 1956 and some regulations in the existing Articles of Association are no longer in conformity with the Companies Act 2013.

With the coming into force of the Companies Act 2013, several regulations of the existing Articles of Association of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing Articles of Association by a new set of Articles. The new Articles of Association to be substituted in place of the existing Articles of Association are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares. Consent of the shareholders is required for adoption of new set of Articles of Association.

Board recommends passing of the resolution as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in this resolution.

Date: 20/06/2014 Place: Mumbai Registered Office:

B-34, MIDC, Badlapur (E), Thane 421503

Tel.: +91 (0251) 2697340, 2690651, Fax: +91 (0251) 2697347, 2691572 Email: investor@omkarchemicals.com; Web: www.omkarchemicals.com;

CIN: L24110MH2005PLC151589

By Order of the Board of Directors Omkar Speciality Chemicals Limited

> Nirav Momaya Company Secretary



TO THE MEMBERS OF OMKAR SPECIALITY CHEMICALS LIMITED

Your Directors have pleasure in presenting their Ninth Annual Report and Audited Financial Statements for the financial year ended on 31st March, 2014.

FINANCIAL HIGHLIGHTS

The financial performance of the Company for the year ended 31st March, 2014 is summarized below:

(Rs. in Lakhs)

		(NS. III LANIIS
Particulars	Year ended 31 st March, 2014	Year ended 31 st March, 2013
INCOME		
Revenue from Operation	20,962.11	20,153.12
Other Income	574.73	579.40
TOTAL REVENUE	21,536.84	20,732.52
EXPENDITURE		
Cost of Material Consumed	9,354.11	11,935.71
Purchase of Stock in Trade	5,079.46	3,509.26
Changes in Inventories	283.38	(1,808.51)
Employee Benefits Expense	988.25	800.54
Finance Costs	1,174.63	743.16
Depreciation & Amortization Expense	610.16	568.43
Other Expenses	1,967.18	2,083.45
TOTAL EXPENDITURE	19,457.17	17,832.04
Profit before Exceptional Items & Extraordinary Items and Tax	2,079.67	2,900.48
Exceptional Items & Extraordinary Items	6.60	-
PROFIT BEFORE TAX	2,073.07	2,900.48
Tax Expenses	612.85	820.38
PROFIT AFTER TAX	1,460.22	2,080.10
Balance in Profit & Loss Account brought forward from previous year	3,737.52	2,149.60
Less: Appropriations		
Proposed Dividend	294.42	294.42
Tax on Dividend	50.04	47.76
Transfer to General Reserve	100.00	150.00
Balance carried to Balance Sheet	4,753.28	3,737.52

PERFORMANCE REVIEW

During the financial year 2013-14, against the backdrop of a challenging environment, your Company reported a top-line growth of 4%, on standalone basis, over the previous year. At standalone level, the Gross Revenue from Operations stood at Rs. 20,962.11 Lakhs as compared with Rs. 20,153.12 Lakhs in the previous year. The Profit for the financial year under consideration stood at Rs. 1,460.23 Lakhs as compared with Rs. 2,080.10 Lakhs in the previous year.

The consolidated Gross Revenue from Operations for financial year 2013-14 stood at Rs. 24,027.98 Lakhs as compared with Rs. 21,169.24 Lakhs in the previous year, registering a growth of 13.5%. The consolidated Profit for the financial year 2013-14 stood at Rs. 1,356.06 Lakhs as compared with Rs. 2,055.55 Lakhs in the previous year.

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. 1.50 per share) on the capital of 1,96,28,004 Equity Shares of Rs. 10/- each. The final dividend on equity shares as recommended above, if approved by the members would involve cash outflow of Rs. 344.46 Lakhs including dividend tax of Rs. 50.04 Lakhs [Previous years Rs. 342.18 Lakhs including dividend tax of Rs. 47.76 Lakhs].



TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 100 Lakhs to General Reserve out of the amount available for appropriations and an amount of Rs. 4,753.28 Lakhs is proposed to be retained in the Profit and Loss A/c.

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.

ACQUISITION OF RIGHTS IN THE LAND/ASSETS

During the financial year 2013-14, your Company has acquired the rights of following plots/assets:

- 1.Plot No. W-93(A) admeasuring about 720 sq.mtrs. situated at MIDC, Badlapur (E), Thane 421503 (adjacent to Unit No. I of the Company), which earlier belonged to Desh Chemicals Pvt. Ltd., wholly owned subsidiary of the Company, for the operational benefits of the Company.
- 2.Plot No. B-15 and B-16, admeasuring about 1800 sq.mtrs. each, situated at Lote Parshuram Industrial Area, Village Awashi, Taluka Khed, District Ratnagiri. The project work at this Unit has been recently completed and we have started the trial runs therein. The regular commercial production will start very shortly.
- 3. Plot No. D-27/4, admeasuring about 15030 sq.mtrs. situated at Lote Parshuram Industrial Area, Taluka Khed, District Ratnagiri. This plot is an adjacent plot to the existing Unit No. V (Plot No. D-27/5) of the Company.

UNPAID DIVIDEND

As per the information obtained from Axis Bank Ltd., it has been noted that the following amounts are lying in Unpaid Dividend Account of Omkar Speciality Chemicals Limited:

Financial Year	Amount (in Rupees)
2010-2011	14,206.25
2011-2012	17,948.00
2012-2013	29,710.50

Those Members who have not claimed their dividend are requested to contact M/s Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company / the Company for completion of necessary formalities to claim the dividend.

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 financial year 2013-14, the Company has acquired interest in 6 (six) Equity Shares of Rishichem Research Limited, so as to make it 100 % subsidiary company.

During the financial year 2013-14, the Company has acquired from Desh Chemicals Private Limited, wholly owned subsidiary of the Company, the assets like Plot No. W-93(A), situated at MIDC, Badlapur (E), Thane 421503 along with the building constructed thereon and Plant & Machinery erected therein.

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 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 Companies Act, 2013 and the Articles of Association of the Company, Mr. Siddharth S. Sinkar, Director of the Company, retires by rotation at the forthcoming Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends re-appointment of Mr. Siddharth S. Sinkar in the ensuing Annual General Meeting of the Company.

Pursuant to the provisions of Section 149(1) of the Companies Act, 2013 and amended Clause 49 of the Listing Agreement, the Company shall have Mandatorily atleast one woman director. In view of this, the Board at its meeting held on 20th June, 2014, appointed Mrs. Anjali P. Herlekar (Wife of Mr. Pravin S. Herlekar, Chairman and Managing Director & Promotor) as an Additional Director in the capacity of the Promoter Director and Woman Director of the Company. In terms of Section 161(1) of the Companies Act, 2013, Mrs. Herlekar holds office as an Additional Director upto the date of the ensuing Annual General Meeting but is eligible to be appointed as a Director. Approval of Members is being sought for her appointment as a Director at the ensuing Annual General Meeting.

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Stock Exchange(s), appointed Mr. Amit A. Pandit, Prof. (Dr.) Suhas M. Rane, Mr. Subhash P. Mali and Dr. Vikas N. Telvekar as Independent Directors of the Company. These Directors were appointed as Directors to retire by rotation under the provisions of the erstwhile Companies Act, 1956.

As per Section 149(4) of the Companies Act, 2013 (Act), which came into effect from 1st April, 2014, every listed public company is required to have at least one-third of the total number of directors as Independent Directors. Section 149(10) of Companies Act 2013 provides that Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company; and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company. Section 149(11) states that no Independent Director shall be eligible for more than two consecutive terms of five years. Pursuant to SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014, a person who has already served as an Independent Director for five years or more in a Company as on 1sth October, 2014 shall be eligible for appointment, on completion of his present term, for one more term of upto five years only. Section 149(13) states that the provisions of retirement by rotation as defined under sub-sections (6) and (7) of Section 152 of the Act shall not apply to such Independent Directors.

In accordance with the provisions of Section 149 of the Act, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company.

The information as prescribed under Clause 49 of the Listing Agreement entered with the Stock Exchange(s) such as brief description of the Directors proposed to be appointed/re-appointed, the nature of their expertise in specific functional areas and the names of the Companies in which they hold directorships and memberships/chairmanships of board committees are provided in annexure to the notice of the forthcoming Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchange(s).

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- a) In the preparation of the annual accounts for the year ended 31st March, 2014, 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, 2014 and of profit of the Company for the financial year ended 31st March, 2014;
- 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.

With regard to the comment contained in the Point (ix)(b) in the Annexure to Auditors' Report, we wish to submit that, the Company has received the scrutiny notices from Income Tax Department for A.Y 2009-10, A.Y 2010-11 and A.Y 2011-12, where in the Income Tax Department, based on information received from VAT Department, raised queries on few purchase transactions and disallowed them in the scrutiny assessments. The Company strongly contends that disallowance of the said transactions has caused hardship on the Company. Therefore, the Company has filed an appeal with CIT(appeals) for all the three Assessment Years.

With regard to the comment contained in the Point (xvii) in the Annexure to Auditors' Report, we wish to submit that, in absence of any arrangement of long term funds to finance immediate acquisition of assets of the existing factory including ready infrastructure at chiplun and other additions to the Fixed Assets, the available working capital funds got depleted, resulting in use of short term funds for long term purposes which is temporary in nature. Further, it is pertinent to take on the record that the Company has applied for and obtained the sanction of long term loan for deploying the same in the long term investments and taken appropriate steps to ensure that such transactions shall be avoided in future.

The Company's Statutory Auditors M/s. J.P.J. Associates, Chartered Accountants, Mumbai (Firm Registration No. 113012W), retires as Statutory Auditors at the ensuing Annual General Meeting. In accordance with the provisions of Section 139(1) of Companies Act, 2013 and Rule 3, sub rule (7) of Companies (Audit and Auditors) Rules 2014, the Board has recommended the appointment of M/s. J.P.J. Associates, Chartered Accountants, Mumbai as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the twelfth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM. M/s. J.P.J. Associates, Chartered Accountants, Mumbai have expressed their willingness to continue, if so appointed for a further period of three years and as required under the provisions of Section 139 of the Companies Act, 2013, the Company has obtained written consent and certificate from the Auditors, proposed to be re-appointed to the effect that their re-appointment if made, would be in conformity with the conditions specified in Rule 4 of Companies (Audit and Auditors) Rules 2014. A proposal seeking the re-appointment of Auditors and fixing their term is provided as a part of the Notice of the ensuing Annual General Meeting.

COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and the General Circular issued by Ministry of Corporate Affairs, the Board at its meeting held on 20th May, 2013 had appointed Mr. Vaibhav P. Joshi, Cost Accountants, Mumbai, as the Cost Auditors of the Company to carry out the audit of the Company's Cost Accounting records for the financial year ending on 31st March, 2014.

Mr. Vaibhav P. Joshi has joined M/s VV & Associates, Cost Accountants as a Partner in April, 2014. He has informed the Board that, he will conduct the audit of the Cost Accounts of the Company for the financial year 2014-15 as a Partner of M/s VV & Associates, Cost Accountants.

Hence, in accordance with the provisions of Section 148 of Companies Act, 2013, the Board has appointed M/s VV & Associates, Cost Accountants, Mumbai, as the Cost Auditors of the Company to carry out the audit of the Company's Cost Accounting records for the financial year 2014-2015 and has recommended a remuneration of Rs.2,00,000/- p.a. (Rupees Two Lakhs) which shall be ratified by the members in Annual General Meeting.

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 the 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, Governments of various countries, Customs & Excise Departments, Ministry of Commerce, Ministry of Finance, Ministry of External Affairs, Ministry of Corporate Affairs, Maharashtra Industrial Development Corporation and other Government Agencies for their positive support and 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.

Date: 20/06/2014 Place: Mumbai For and On behalf of the Board of Directors Omkar Speciality Chemicals Limited

Pravin S. Herlekar Chairman & Managing Director Omkar P. Herlekar Whole Time Director



[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

1. Electricity	Power and Fuel Consumption	Current Year 2013-14	Previous Year 2012-13
Unit 10,26,273 9,80,729 Total Amount (Rs) 95,14,396 84,57,105 Rate / Unit 9.27 8.62 b) Own Generation	1. Electricity		
Total Amount (Rs) 95,14,396 84,57,105 Rate / Unit 9,27 8,62 b) Own Generation ()Through diesel generator ()Through diesel generator ()Through diesel oil 16,575 16,784 Units per Itr. of diesel oil 1,25 1,20	a) Purchased		
Rate / Unit 9.27 8.62 b) Own Generation (i)Through diesel generator Unit 16,575 16,784 Units per Itr. of diesel oil 1.25 1.20 Cost / Unit 59.82 52.20 (ii)Through steam turbine/generator	Unit	10,26,273	9,80,729
Digital Digi	Total Amount (Rs)	95,14,396	84,57,105
O)Through diesel generator 16,575 16,784 Units per ltr. of diesel oil 1.25 1.20 Cost / Unit 59.82 52.20 (ii)Through steam turbine/generator	Rate / Unit	9.27	8.62
Unit 16,575 16,784 Units per ltr. of diesel oil 1.25 1.20 Cost / Unit 59.82 52.20 (ii)Through steam turbine/generator ————————————————————————————————————	b) Own Generation		
Units per ltr. of diesel oil 1.25 1.20 Cost / Unit 59.82 52.20 (ii)Through steam turbine/generator ————————————————————————————————————	(i)Through diesel generator		
Cost / Unit 59.82 52.20 (i)Through steam turbine/generator ————————————————————————————————————	Unit	16,575	16,784
(ii)Through steam turbine/generator Units - - Units per Itr. of fuel oil/gas - - Cost/unit - - 2. Coal - - Quantity (tonnes) - - Total cost - - Average rate - - 3. Light Diesel Oil - - Quantity (Itrs.) 1,31,333 3,88,754 Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil - - Quantity (Itrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - - Total cost - - -	Units per ltr. of diesel oil	1.25	1.20
Units - - Units per Itr. of fuel oil/gas - - Cost/unit - - 2. Coal - - Quantity (tonnes) - - Total cost - - Average rate - - 3. Light Diesel Oil - - Quantity (Itrs.) 1,31,333 3,88,754 Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil - - Quantity (Itrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	Cost / Unit	59.82	52.20
Units per ltr. of fuel oil/gas Cost/unit 2. Coal Quantity (tonnes) Total cost Average rate 3. Light Diesel Oil Quantity (ltrs.) Total Amount (Rs) Average Rate 4. Furnace Oil Quantity (ltrs.) Total Amount (Rs) Average Rate 5. 3.57 59.38 4. Furnace Oil Quantity (ltrs.) Total Amount (Rs) Average Rate 5. Others/internal generation (please give details) Quantity Total cost	(ii)Through steam turbine/generator		
Cost/unit - - 2. Coal - - Quantity (tonnes) - - Total cost - - Average rate - - 3. Light Diesel Oil - - Quantity (ltrs.) 1,31,333 3,88,754 Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil - - Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	Units	-	-
2. Coal Quantity (tonnes) - - - - - - - - - - - - - - - - -<	Units per ltr. of fuel oil/gas	-	-
Quantity (tonnes) -	Cost/unit	-	-
Total cost -	2. Coal		
Average rate - - 3. Light Diesel Oil - - Quantity (ltrs.) 1,31,333 3,88,754 Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil - - Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	Quantity (tonnes)	-	-
3. Light Diesel Oil 1,31,333 3,88,754 Quantity (ltrs.) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil - Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - - Total cost - - -	Total cost	-	-
Quantity (ltrs.) 1,31,333 3,88,754 Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	Average rate	-	-
Total Amount (Rs) 70,35,972 2,30,82,778 Average Rate 53.57 59.38 4. Furnace Oil 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Ouantity - - Total cost - -	3. Light Diesel Oil		
Average Rate 53.57 59.38 4. Furnace Oil Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) Quantity - Total cost -	Quantity (ltrs.)	1,31,333	3,88,754
4. Furnace Oil Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 48.76 5. Others/internal generation (please give details) Quantity - Total cost -	Total Amount (Rs)	70,35,972	2,30,82,778
Quantity (ltrs.) 1,63,523 1,890 Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	Average Rate	53.57	59.38
Total Amount (Rs) 76,39,140 92,156 Average Rate 46.72 48.76 5. Others/internal generation (please give details) - - Quantity - - Total cost - -	4. Furnace Oil		
Average Rate 46.72 48.76 5. Others/internal generation (please give details) Quantity Total cost	Quantity (ltrs.)	1,63,523	1,890
5. Others/internal generation (please give details) Quantity Total cost	Total Amount (Rs)	76,39,140	92,156
Quantity Total cost	Average Rate	46.72	48.76
Total cost	5. Others/internal generation (please give details)		
	Quantity		-
Rate/unit	Total cost		_
	Rate/unit	-	-

B. Consumption per unit of Production

Since the Company manufactures different types of pharmaceuticals 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
- Water harvesting system has been installed at all facilities viz. Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Unit No. V and Unit No. VI of Omkar Speciality Chemicals Limited.

Annual Report 2013-2014

ANNEXURE B: TECHNOLOGY ABSORPTION:

'FORM B'

(See rule 2)

Form for disclosure of particulars with respect to absorption

1. RESEARCH AND DEVELOPMENT (R&D)

R&D plays a crucial role in speciality chemicals industry. The speciality chemicals is a niche area of chemistry and the applications of the products are customized in most of the cases. In other words, the products are required to be designed as per customer's requirements. This results in specific requirements by the customers' w.r.t. quality aspects, impurity profiles and other regulatory requirements as the case may be. Hence, R&D happens to be the backbone for any company engaged in manufacturing of speciality chemicals. R&D's support helps your Company in many ways such as bringing cost effectiveness, recoveries from waste streams, by-product recoveries, quality enhancements, developing alternate routes of synthesis in case of any criticality in some raw materials, etc. apart from its basic objective of development of new molecules.

We wish to inform that the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology has accorded renewal of recognition to the In-house R&D centre of the Company located at Plot No. B-34, MIDC, Badlapur (E), Thane upto 31st March, 2017.

Needless to say that, OSCL is proud of its strength in R&D which is driving the growth of the Company.

2. SPECIFIC AREAS IN WHICH RESEARCH & DEVELOPMENT IS CARRIED OUT BY THE COMPANY.

R & D focuses on:

- · 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 ABOVE R & D:

- · Increase in sales of newly developed molecules
- Development of Intellectual Properties
- Cost Reduction
- Quality Enhancement
- Recoveries from waste streams and by-product recoveries
- · Trouble Shooting

4. FUTURE PLANS OF ACTION:

To generate adequate database for regulatory requirements

5. EXPENDITURE ON R&D:

(Rs in Lakhs)

Particulars	2013-14	2012-13
Capital Expenditure	37.92	30.76
Recurring Expenditure	297.29	255.09
Total	335.21	285.85

ANNEXURE C Foreign Exchange Earnings and Outgo

(Rs in Lakhs)

Particulars	2013-14	2012-13
Foreign Exchange Earned	5,487.33	5,815.97
Foreign Exchange Used	9,949.85	6,790.89





Industry Scenario:

Global & Indian Chemical Industry

Chemicals are an integral part of modern life. The global chemical industry consists of diverse and complicated range of products to cater to the ever changing needs of modern life. A vast majority of the consumer products that are used in the day-to-day life have some or other connection with the products of the chemical industry. There is hardly any industry where chemical substances are not used and there is no single economic sector where chemicals do not play an important role. In terms of revenues, it is one of the world's largest industries.

The chemical industry is highly regulated with major contributing regions being Europe, North America and Japan. A variety of global economic and regulatory forces have influenced changes in chemical production, transport, import, export, use and disposal over time to make them safer and more environment friendly. Chemical Industry has a significant impact not only on the employment, trade and economic growth worldwide, but also on human health and the environment.

Even though the global chemical industry is passing through a fairly challenging period, the landscape of the Indian chemical industry is promising. With Asia's growing contribution to the global chemical industry, India has emerged as one of the focus destinations for chemical companies worldwide. In terms of volume of production of chemicals, India ranks the third-largest in Asia after China and Japan and eighth-largest across the globe. Despite its large size, the Indian chemical industry represents only about three percent of the global chemical industry.

Speciality Chemical Segment

Speciality chemicals are defined as a "group of relatively high value, low volume chemicals known for their end use applications and/or performance enhancing properties." In contrast to base or commodity chemicals, speciality chemicals are recognized for 'what they do' rather than 'what they are'. Speciality chemicals provide the required 'solution' to meet the customer application needs. It is a highly knowledge driven industry with raw materials cost (measured as percentage of net sales) much lower than for commodity chemicals. In other words, the value addition in speciality chemicals is much higher. The critical success factors for the industry include understanding of customer needs and product/application development to meet the same at a favorable price-performance ratio.

With a view to proceed confidently in the area of global commerce, many speciality chemical companies are identifying more and more ways to reduce costs, streamline international trade operations and enter newer geographies. Additionally, companies are closely monitoring recent developments in trade relations, sanctions and export controls that could have a significant impact on speciality chemicals trade throughout the year.

Indian chemical industry - Growth Scenario

The Indian chemical industry is increasingly moving in line with the changes in its key consumer industries to leverage greater manufacturing competitiveness and to serve the growing demand. With rising concerns around climate change and depleting natural resources, focus on sustainability is another key trend impacting the Indian chemical industry. Chemical companies are increasingly working towards reducing energy intensity of their operations, minimizing effluent discharge and pollution, increasing the share of recyclable products in their portfolio and diversifying their raw material base to include bio-feedstock.

Indian speciality chemical segment - Growth Scenario

The speciality chemicals sector of India has potential to grow by 13-14 per cent annually over next 5-7 years. The chemical sector represents around one-eighth of India's industrial production and one-sixth of the exports of manufactured goods.

Personal care ingredients and additives, knowledge chemicals like active pharmaceutical ingredients (APIs), paints and coatings, construction, water treatment chemicals, oil drilling chemicals, speciality polymers, perfumery substrates, chemicals required for electronics & digital hardware and diagnostic reagents etc., are some of the industry verticals that are likely to perform well in the coming years. Last year, they witnessed good growth and companies in these segments have been investing and expanding.

Product customization and understanding of unique customer needs has been one of the key success levers for the Indian speciality chemical industry. In terms of production value, the speciality chemicals sector forms about 18-20 per cent of the total chemical production in India.

Although increasing regulatory requirements and raw material price fluctuations (India is dependent on imported raw materials) have posed challenges for manufacturers exports have been increasing at a rate of 8-9 per cent. The growth is likely to continue owing to an established customer base for speciality and niche products.



Financial Performance: (Rs in Lacs)

		\ ' ' ' '
Description	2013-14	2012-13
Revenue from operations	20,962.11	20,153.12
EBIDTA	3,289.73	3,632.67
Interest/Finance Charges	1,174.63	743.16
Depreciation & Amortization	610.16	568.43
Other Income	574.73	579.40
Profit Before Tax	2,073.07	2,900.48
Taxation	612.85	820.38
Profit After Tax	1,460.22	2,080.10
Earnings Per Share (in Rs)		
Basic	7.44	10.60
Diluted	7.10	10.59
Face value of equity share (in Rs)	10	10

The Company could not post higher growth and better results in FY 2013-14, with comparison to FY 2012-13, due to the following reasons:

- The company's major expansion plans during FY 2013-14 got delayed and couldn't commence commercial production due to various reasons. During the FY 2014-15, the Company hopes to commence and streamline all these different production facilities of the Company.
- During the latter part of FY 2013-14, there was a stiff fall in the iodine prices, one of the key raw materials for the Company, which led to a drag on topline growth, though there was a volume growth in sales of iodine derivatives.
- The price volatility in iodine also impacted demand for its derivatives in the second half of FY 2013-14 as consumers either postponed consumption or tried alternatives.
- Launch of a few of the Company's newly developed molecules was delayed on account of some regulatory issues pertaining to the validation and submissions of DMFs, although the products are well accepted by customers.

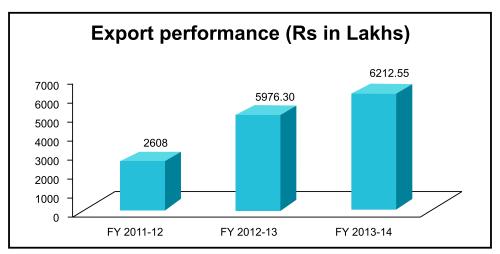
In addition to above, the following factors also had an adverse impact on the profitability of the Company during the FY 2013-14:

- The employee cost of the Company went up, since the Company is in the expansion phase and has recruited staff at various levels.
- The finance cost of the Company also shot up by over 58% during FY 2013-14 from previous year due to the volatility in the foreign exchange, which led to increase in the cost of hedging. The Company had no choice but to curtail the usage of foreign currency loan and restore the rupee loan, which carried higher rate of interest as compared to foreign currency loan.
- In spite of regular follow-ups for the debtor's collection, the Company has identified the parties whose names were appearing in the list of debtors for considerably longer period of time. As a conservative thought, the Company has decided to make a provision for doubtful debts. This has further impacted on the profitability of the Company.
- The Company had commenced production at its wholly owned subsidiary Urdhwa Chemicals towards the end of third quarter of FY 2012-13. As a result, FY 2013-14 was the first full year of operation for this unit. This led to a jump in annual depreciation cost in consolidated financials.

Exports:

The Company's exports on consolidated basis marginally increased from Rs 5,976.30 lakh in FY 2012-13 to Rs 6,212.55 lakh in FY 2013-14. The export trend of the last three years is given below.





Updates on Manufacturing Facilities:

The Company's manufacturing facilities are spread across three locations in Maharashtra — Badlapur near Mumbai, Lote Parashuram in Ratnagiri district and Mahad in Raigad district. At Badlapur the Company has four manufacturing units, its corporate headquarters and its state-of-the-art R&D centre. At Mahad is the manufacturing unit of wholly owned subsidiary Lasa Laboratory. At Lote Parshuram the Company is setting up two units beside the manufacturing unit of its wholly owned subsidiary Urdhwa Chemicals.

Progress of Expansion Work:

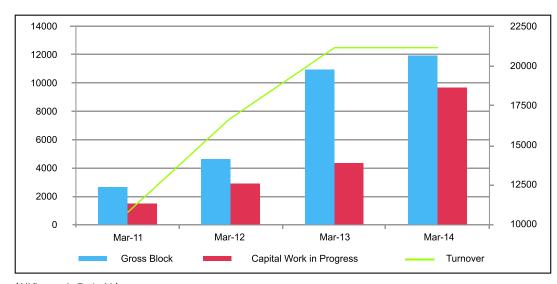
The Company is setting up two manufacturing units at Lote Parshuram Industrial Area in Ratnagiri District. One of the units – Unit VI of the Company – is ready and trial runs are currently underway. Commercial production from this unit will begin shortly. The unit will undergo a second phase of expansion to extend capacity by mid-FY 2015

The second unit being constructed at Lote Parshuram Industrial Area in Ratnagiri District – Unit V of the Company – is expected to complete and begin commercial production in the first half of FY15. The unit will undergo a second phase of expansion to extend capacity by end-FY 2015.

The manufacturing unit of wholly owned subsidiary Urdhwa Chemicals at Lote Parshuram Industrial Area in Ratnagiri District is also undergoing expansion and upgradation to be completed in phases during FY 2014-15.

The veterinary pharmaceutical API-manufacturing plant of wholly owned subsidiary Lasa Laboratory in Mahad is undergoing expansion and upgradation to be completed in phases during FY 2014-15.

Omkar Chemicals: Investing in Future Growth



(All figures in Rs Lakh)

Capacity Utilisation:

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

		In Tonne Per Annum		
Production Units	Volumetric Capacities MT p.a.	Rated Capacity	Production in FY14	Capacity Utilisation %age
Unit No. 1, Badlapur	600	300	204	68.20
Unit No. 2, Badlapur	1025	500	396	79.20
Unit No. 3, Badlapur	75	20	16	79.00
Lasa Lab, Mahad	120	90	92	102.20
Urdhwa Chemicals, Ratnagiri	2800	175	155	88.60
Total		1085	863	79.60

Volumetric capacities indicate the aggregate volumes of all the reactors installed in the respective unit. However, the rated capacity signifies the expected production in tonnage for a constant product mix which is commonly being manufactured in the respective Unit.

In OSCL's case the rated capacity may or may not match with the actual production in tonnage because the actual production will depend on the following factors:

- a) The number of stages involved in each product
- b) The reaction time cycle in each stage of the process
- c) The dilution involved in each of the process step
- d) The type of product mix produced in a given year

Other factors which influence the production tonnage include:

- (i) Processing required for recovery of solvents for reuse
- (ii) Reactor occupancy for recovery of by-products or side streams and purification thereof
- (iii) Downtime arising out of cleaning of equipment for changeover of products

The utilization of the capacity may appear to vary from time to time on account of various factors listed above.

Thanks to its unique abilities in niche chemistry, the demand for OSCL's products is always on rise, which is causing a capacity constraint and has necessitated the ongoing capacity expansions. During FY2013-14 OSCL's producing units achieved 79.6% capacity utilization level.

Raw Material Consumption:

A large chunk of OSCL's product range is based on two key raw materials viz iodine and selenium. Derivatives of these two raw materials contributed nearly 68% to OSCL's consolidated turnover of FY14. With growing demand for its products and capacity expansions, the consumption of these raw materials has increased steadily over last year.

Particulars	Consumption (in Metric Tonne)	
	FY 2012-13	FY 2013-14
Crude lodine	201.94	247.87
Selenium Metal Powder	17.40	37.18

SWOT Analysis

Strengths & Opportunities

- Our capacities are multipurpose and fungible. Hence we can switch over from one product to another at short notice and avoid idling of capacities while meeting market requirements.
- The Company works with multiplicity of products and has no excessive dependence on any one particular product. Similarly, the customer base is also quite diversified and there is no dependence on any single customer. This makes the Company much less susceptible to market volatilities.
- The Company continues to foray into niche innovative products as well as new geographies, which have the potential for sustainable growth. The inventive approach, long-term planning and a rich product pipeline will automatically help it in keeping up a positive growth trajectory and earnings prospects. We have developed and are continuously developing new products in all the major segments viz. lodine Derivatives, API's and Advanced Intermediates.



- The Company is operating its state-of-the art R&D Center, at Badlapur, which is recognized by Department of Science and Industrial Research, Government of India. Our scientists are constantly working for developing technology, scale up and its transfer to manufacturing location for commercialization.
- The Company has a rich manufacturing experience and has developed expertise in various reactions for bigger volumes of production, which is a key strength in speciality chemical industry.
- Besides various certifications for manufacturing, the Company has ISO 9001:2008, FEMI-QS approved plant for manufacturing Speciality Chemicals and FDA approved facilities for production of APIs.

Weaknesses, Risks and Concerns

- There are enormous opportunities in the speciality chemicals segment. However, along with the opportunities, this segment also faces the challenges in terms of development of new molecules & meeting quality requirements of the customers. The speciality chemicals industry is majorly driven by Research and Development activities pertaining to development of new molecules to cater to the needs of the customers. OSCL deals with these challenges with a strong R&D backbone. The said nature of speciality chemicals industry, acts as one of the entry barrier for the interns to aspire in this industry.
- The Company is exposed to health, safety, security and environmental risks, given the diversity and complexity of the industry in which the Company operates. The commitment of the Company towards employee health, safety and security extends beyond accidents and occupational health hazards to social wellbeing of employees. The Company conducts Environment, Health and Safety audit periodically to get assurance on Company's framework protocol on Environment, Health and Safety and regulatory compliances.
- Rupee-Dollar exchange rate fluctuations, as witnessed in FY 2013-14, are always a cause of concern for the company, as majority of its raw materials are imported or priced on import-parity. However, now with growing exports a significant portion of the Company's foreign exchange risk is naturally hedged.
- The evolution of the regulatory environment across the globe has resulted into increased regulatory scrutiny that raises minimum standards required by the Company necessitating growing investment in compliance. However, the Company considers the regulatory requirements as a source of competitive advantage and therefore strives to abide by the changing regulatory standards so as to strengthen its decision making process and integrate these in its business strategy.

Human Resource:

As on 31st March, 2014, 215 employees are on the Company's payroll, including its all wholly owned subsidiaries. The current workforce structure has a good mix of employees at all levels. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

The Company aims to develop the potential of every individual associated with it as a part of its objective. 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 following steps to improve performance of our workforce.

- Formulated KRA/KPIs for every department heads.
- Appropriate training sessions have been conducted in the areas of safety, ERP and quality assurance.
- Organizes medical camps for its employees and workers working at all the units and plants in order to ensure their health and wellbeing.

Information Technology

- Successfully gone live on ERP w.e.f. 1st April, 2014.
- All units are connected through LAN.
- Installation of Wi-Fi connectivity in all units is completed.
- 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

OSCL is committed to managing safety, security, health, environmental and social risks at its facilities. It is committed to conducting business in a manner that protects and promotes safety and health of its employees as well as those involved with the operations and communities around its facilities.

The manufacturing operations are conducted to ensure sensitivity towards the environment and ensure waste reduction by encouraging "Green" practices. Tree plantation activities are undertaken to create green belts at the manufacturing locations. The Green Initiative also extends to the business practices and product innovations. Continuous efforts are made for development of products that are sensitive to current environmental needs, especially water conservation.

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:

The Company has four wholly owned subsidiaries named Urdhwa Chemicals, Lasa Laboratory, Rishichem Research and Desh Chemicals.

Urdhwa Chemicals Company Private Limited

The manufacturing facility of M/s Urdhwa Chemicals Company Private Limited, is located at Plot No. C-4, MIDC, Lote Parshuram Industrial Area, in Ratnagiri district of Maharashtra. During FY 2013-14, M/s Urdhwa Chemicals Company Pvt. Ltd. has acquired the rights of following plots:

- 1. Plot No. C-4/1 admeasuring about 2660 sq mtrs, adjacent to the existing plant (Plot No. C-4) of Urdhwa Chemicals Company Pvt. Ltd situated at Lote Parshuram Industrial Area, District Ratnagiri.
- 2. Plot No. C-43 admeasuring about 75000 sq mtrs, also adjacent to the existing plant (Plot No. C-4) and acquired plot No C-4/1 at Lote Parshuram Industrial Area, District Ratnagiri.

Lasa Laboratory Private Limited

The manufacturing facility of Lasa Laboratory Private Limited, located at C-105, Mahad Industrial Area, MIDC, District Raigad. Lasa Laboratory Private Limited is one of the established players in the anthelmintics/veterinary API segment with state-of-the-art Good Manufacturing Practices (GMP) and FDA approved API manufacturing facility. Its turnover has increased from Rs. 1,081.43 lakhs in FY 2012-13 to Rs. 3,421.92 lakhs in FY 2013-14, recording a 216% jump.

Omkar Speciality Chemicals Limited has expended around Rs. 20 Crs. towards CAPEX for expanding and up-grading the facilities of Lasa Laboratory Private Limited and has earmarked further CAPEX of Rs. 10 Crs during FY 2014-15.

Rishichem Research Limited

During FY 2013-14, the Company has acquired interest in 6 (six) Equity Shares of M/s Rishichem Research Limited, so as to make it 100 % subsidiary company. M/s Rishichem Research Limited located at W-83 (C), MIDC, Badlapur (East), District Thane, continues to be the dedicated pilot plant for scale up operations for product development.

Desh Chemicals Private Limited

During FY 2013-14, the Company has acquired from M/s Desh Chemicals Private Limited, wholly owned subsidiary of the Company, the assets like Plot No. W-93(A), situated at MIDC, Badlapur (E), Thane District along with the building constructed thereon and Plant & Machinery erected therein.

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.





COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of all the stakeholders. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

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

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

The management of the Company reviews 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.

In terms of Clause 49 of the Listing Agreement executed with Stock Exchange(s), the details of compliance are as follows:

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 41 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 7 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 elan, including strategic, financial, marketing, R&D and branding.

Mrs. Anjali P. Herlekar is a Non-Executive Director in the capacity of Promoter Director and Woman Director of the Company. She is a Bachelor of Science (Physics) and Master of Education from University of Mumbai. She has an over all experience of about 20 years in the field of policy matters & HR administration in addition to her teaching experience. She joined Omkar Chemicals in the year 1995 and was responsible for activities related to human resource development. She was also a Director in the Company from its incorporation till 29th March, 2011.

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 21 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 CNK & Associates LLP (earlier it was a partnership firm named as 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 LLP. In addition to this, he is on the Board of Saraswat Cooperative Bank Limited and Saraswat Infotech Limited. He is a member of the Audit Committee of Saraswat Cooperative 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.

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 41 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 became 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 36 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 Institute of Chemical Technology (Formerly UDCT and now ICT), Mumbai. He has an overall experience of more than 12 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, 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 14 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 on 31st March, 2014, the Company had 7 Directors on its Board. The present strength of the Board of Directors of the Company is 8 Directors. The Board of Directors consist of 1 Chairman and Managing Director, 1 Whole Time Director, 1 Non-Executive Director in the capacity of Promoter Director and Woman Director, 4 Non-Executive & Independent Directors and 1 Non-Executive and Non-Independent Director. All of them possess requisite qualifications and experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

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 of Listing Agreement], across the Companies in which they are Directors.

None of the Directors holds office as such for more than 10 public companies and 20 companies at the same time. The necessary disclosures regarding Directorship and Committee positions have been made by the Directors and the same forms the part of this Report.

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

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, Chairmanship and the Committee Memberships held by Directors as on 31st March, 2014, are given below:



Name of Director	Category	Attondonco Darticulare		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 13.08.13		Chairman	Member
Mr. Pravin S. Herlekar	Chairman & Managing Director	4	4	Yes	6	NIL	1
Mr. Omkar P. Herlekar	Whole Time Director	4	3	Yes	6	NIL	1
^ Mrs. Anjali P. Herlekar	Non-Executive, Promoter and Woman Director	NA	NA	NA	NIL	NIL	NIL
Mr. Amit A. Pandit	Independent Director	4	4	Yes	2	2	2
Prof. (Dr.) Suhas M. Rane	Independent Director	4	4	Yes	NIL	1	1
Mr. Subhash P. Mali	Independent Director	4	3	No	1	NIL	NIL
Dr. Vikas N. Telvekar	Independent Director	4	4	Yes	NIL	NIL	NIL
Mr. Siddharth S. Sinkar	Non-Executive Non- Independent Director	4	4	Yes	NIL	NIL	NIL

[^] Appointed on the Board of the Company w.e.f. 20th June, 2014.

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

Four Board Meetings were held during the financial year 2013-14 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:

20 th May, 2013	13 th August, 2013	
9 th November, 2013	8 [™] February, 2014	

D. Board Procedure

The Company has a well-defined, structured Board Procedure in Compliance with Clause 49 of Listing Agreement, the Companies Act, 1956 and the Companies Act, 2013. 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.

The items / matters required to be placed before the Board, inter alia, include:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results of the Company and its operating divisions or business segments;
- Company's annual Financial Results, Financial Statements, Auditors' Report and Board's Report;
- Minutes of meetings of the Audit Committee and other Committees of the Board;



^{*}includes directorships in Banking Company registered under Banking Regulation Act, 1949.

- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, and any material effluent or pollution problems;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.;
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures, and steps taken by management to limit risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements, and shareholders' service, such as dividend non-payment, share transfer delay (if any), among others;
- Appointment, remuneration and resignation of Directors;
- Formation/reconstitution of Board Committees:
- Terms of reference of Board Committees;
- Minutes of Board meetings of unlisted subsidiary companies;
- Declaration of Independent Directors at the time of appointment/annually;
- Disclosure of Directors' interest and their shareholding;
- Appointment or removal of the Key Managerial Personnel (KMP) and officers one level below KMP;
- Appointment of Internal Auditors and Secretarial Auditors;
- Quarterly / Annual Secretarial Audit reports submitted by Secretarial Auditors;
- Dividend declaration;
- Quarterly summary of all long-term borrowings made, bank guarantees issued and loans and investments made;
- Significant changes in accounting policies and internal controls;
- Takeover of a company or acquisition of a controlling or substantial stake in another Company;
- Statement of significant transactions, related party transactions and arrangements entered by unlisted subsidiary companies;
- Issue of securities including debentures;
- Appointment of and fixing of remuneration of the Auditors as recommended by the Audit Committee;
- Internal Audit findings and External Audit Reports (through the Audit Committee);
- Proposals for major investments, mergers, amalgamations and reconstructions;
- Status of business risk exposures, its management and related action plans;
- Making of loans and investment of surplus funds;
- Borrowing of monies, giving guarantees or providing security in respect of loans;
- Buyback of securities by the Company;
- Diversify the business of the Company;
- Brief on statutory developments, changes in government policies, among others with impact thereof, Directors' responsibilities arising out of any such developments;
- Compliance Certificate certifying compliance with all laws as applicable to the Company;
- Reconciliation of Share Capital Audit Report under SEBI (Depositories and Participants) Regulations, 1996;
- Brief on information disseminated to the press.

The Company Secretary, in consultation with the Chairman and Managing Director of the Company, prepares the agenda for Board meetings.

II. BOARD COMMITTEES

The Board currently has four committees namely:

- A) Audit Committee
- B) Remuneration Committee
- C) Share Transfer and Investor Grievance Committee and
- D) Corporate Social Responsibility (CSR) Committee

A. AUDIT COMMITTEE

1. The Audit Committee's constitution meets with the requirements of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) read with Section 177 of the Companies Act, 2013. As at 31st March, 2014, the Audit Committee comprises of 3 Directors, 2 of which are Independent Directors and 1 Chairman and Managing Director of the Company. The Board, in its meeting held on 20th June 2014, has revised the role of the Audit Committee in line with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.

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, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and Auditor's Report thereon 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 (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
- 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 (public issue, rights issue, preferential issue, etc.), the statements of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans & investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- 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;
- Discussion with internal auditors on any significant findings and follow up there on;
- 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;
- 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;
- To approve appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 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 of the Listing Agreement are covered in the terms of reference of the Audit Committee. The Audit Committee has been granted powers as prescribed under Clause 49 of the Listing Agreement.

3. <u>Composition of the Audit Committee and attendance:</u>

The Audit Committee of the Company comprises of following Directors:

Name of Members	Category	No. of meeting attended during 2013-14	
Mr. Amit A. Pandit – Chairman	Independent Director	4	
Prof. (Dr.) Suhas M. Rane – Member	Independent Director	4	
Mr. Pravin S. Herlekar – Member	Chairman and Managing Director	4	

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



4. Meetings during the year:

Four Audit Committee Meetings were held during the year 2013-14 and the dates on which Audit Committee Meetings were held are as follows:

20 th May, 2013	13 th August, 2013		
9 th November, 2013	8 th February, 2014		

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

5. <u>Audit Committee Procedure</u>

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.

The Chairman of Audit Committee, Mr. Amit A. Pandit, was present at the Annual General Meeting held on 13th August, 2013. The Chairman of Audit Committee briefs the Board members about the significant discussions at the Audit Committee Meetings.

B. REMUNERATION COMMITTEE

1. The Remuneration Committee's constitution meets with the requirements of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) read with Section 178 of the Companies Act, 2013. The Board, in its meeting held on 20th June 2014, has renamed the said committee as "Nomination & Remuneration Committee" and also revised the role of the said Committee in line with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- The Nomination & Remuneration Committee shall, while formulating the policy ensure that.
- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Devising a policy on Board diversity;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- Payment of commission and sitting fees to Non-Executive Directors.
- Taking an overview of human resources & industrial relations policies of the Company.
- Any other matter that may be referred by the Board from time to time.

3. Composition of the Remuneration Committee:

The Remuneration Committee of the Company comprises of following directors:

Name of Members	Category	
Prof. (Dr.) Suhas M. Rane – Chairman	Independent Director	
Mr. Subhash P. Mali – Member	Independent Director	
Dr. Vikas N. Telvekar – Member	Independent Director	

4. Meetings during the year:

No Remuneration Committee Meetings were held during the year 2013-14.



5. Details of remuneration of Directors (for the year ended 31st March, 2014):

A. Executive Directors' Compensation

The aggregate value of salary and perquisites including commission paid for the year ended 31st March, 2014 to the Chairman & Managing Director and the Whole Time Director are as follows:

- B. <u>Non Executive Directors' Compensation:</u>
- Non-Executive, Promoter and Woman Director of the Company is entitled only to sitting fees for the meeting of Board of Directors and/or Committee
 meeting attended by her. No other payment is being made to them. The Company pays sitting fees of Rs. 7,500/- per meeting to NonExecutive, Promoter and Woman Director for attending meetings of the Board and/or its Committee.
- ii) 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 Independent Directors for attending meetings of the Board and/or its Committee.
- iii) 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, 2014 are as follows:

Sr. No.	Name of Director	Equity Shares Held	Sitting Fees* (Rs.)	Commission* (Rs.)	Professional Fees# (Rs.)
1	Mrs. Anjali P. Herlekar^	1208240	NIL	NIL	NIL
2	Mr. Amit A. Pandit	NIL	90,000	1,25,000	NIL
3	Prof. (Dr.) Suhas M. Rane	NIL	90,000	1,25,000	NIL
4	Mr. Subhash P. Mali	NIL	22,500	1,25,000	NIL
5	Dr. Vikas N. Telvekar	NIL	30,000	1,25,000	NIL
6	Mr. Siddharth S. Sinkar	11700	NIL	NIL	16,85,400

- * All Inclusive of taxes except service tax.
- # All Inclusive of taxes.
- ^ Appointed on the Board of the Company w.e.f. 20th June, 2014.

C. SHARE TRANSFER & INVESTOR GRIEVANCE COMMITTEE MEETING:

- 1. The Share Transfer & Investor Grievance Committee's constitution meets with the requirements of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange(s) read with Section 178 of the Companies Act, 2013. The Board, in its meeting held on 20th June 2014, has renamed the said committee as "Stakeholders Committee" and also revised the role of the said Committee in line with the SEBI Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014.
- 2. 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.

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

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

Name of Members	Category	No. of meetings attended during 2013-14	
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	3	

4. Meetings during the year:

Four Share Transfer & Investor Grievance Committee Meetings were held during the year 2013-14 and the dates on which Share Transfer & Investor Grievance Committee Meetings were held are as follows:

20 th May, 2013	13 th August, 2013	
9 th November, 2013	8 th February, 2014	

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

Shareholders may also correspond with the Company on the email address: investor@omkarchemicals.com

No Investor Complaint was received during the financial year 2013-2014.

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

- 1. As per the Companies Act, 2013, all companies having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year will be required to constitute a Corporate Social Responsibility Committee of the Board comprising of three or more directors, at least one of whom will be an Independent Director.
- 2. Terms of reference of CSR Committee are as follows:
- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and rules made there under;
- To recommend the amount of expenditure to be incurred on the CSR activities;
- To monitor the implementation of the framework of the CSR Policy;
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.
- 3. <u>Composition of the Corporate Social Responsibility Committee:</u>

The Board, in its meeting held on 20th June 2014, has constituted the CSR Committee comprising:

Name of Members	Category		
Prof. (Dr.) Suhas M. Rane – Chairman	Independent Director		
Mrs. Anjali P. Herlekar-Member	Non-Executive, Promoter and Woman Director		
Mr.Siddharth S. Sinkar - Member	Non-Executive Non-Independent Director		

III. Subsidiary companies

The Company does not have any material non-listed Indian subsidiary company whose income or net worth (i.e., paid-up capital and free reserves) exceeds 20% of the consolidated income 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.

The Company shall formulate a policy for determining 'material' subsidiaries and such policy shall be disclosed to the Stock Exchange(s) and in the Annual Report. No company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its general meeting. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary shall require prior approval of shareholders by way of special resolution.

IV. GENERAL BODY MEETINGS

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

Financial Year	Location	Date	Day	Time
2010-11	Sanjeevani, Near Monginis cake shop, Badlapur (East) – 421503, Thane	24 th September, 2011	Saturday	3.30 p.m.
2011-12	Sanjeevani, Near Monginis cake shop, Badlapur (East) – 421503, Thane	4 th August, 2012	Saturday	10.30 a.m.
2012-13	Sanjeevani, Near Monginis cake shop, Badlapur (East) – 421503, Thane	13 th August 2013	Tuesday	10.30 a.m.

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

Date of AGM	Details of Special Resolution passed		
24 th September, 2011	A special resolution was passed at the 6 th 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 1 st April 2011 to be paid to directors of the company excluding the Managing Director and Whole time director.		
4 th August, 2012	1. A special resolution was passed at the 7 th 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.		
	2. A special resolution was passed at the 7 th 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 1 st April, 2012 for the remainder of his tenure upto 31 st March, 2015 as set out in the agreement dated 26 th June, 2012 between the Company and the Chairman and Managing Director of the Company.		
	3. A special resolution was passed at the 7 th 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 1 st April, 2012 for the remainder of his tenure upto 31 st March, 2015 as set out in the agreement dated 26 th June, 2012 between the Company and the Whole time Director of the Company.		

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
15 th July, 2010	Following Resolutions were passed in the said Extra-Ordinary General Meeting of the Company:
	 Special Resolution 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.) Appointment of Mr.Omkar P. Herlekar as a Whole-time Director and fixing his remuneration (Rs. 1 Lakh p.m.). Fixing up remuneration of Mr.Shivdas R. Herlekar (Rs. 0.10 lakh). Fixing up remuneration of Mrs. Anjali P. Herlekar (Rs. 0.25 lakh).
	Ordinary Resolution # 1. Appointment of Mr. Amit Pandit as a Director (Non-Executive and Independent) 2. Appointment of Dr. Vikas Telvekar as a Director (Non-Executive and Independent) 3. Appointment of Prof. (Dr.) Suhas Rane as a Director (Non-Executive and Independent) 4. Appointment of Mr. Subhash Mali as a Director (Non-Executive and Independent) # All the above Non-executive and Independent Director were appointed as an Additional Director (Non-executive and Independent) w.e.f 25th March 2010.

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

Postal Ballot Resolution:

During the Financial year 2013-2014, the Company has not passed any special resolution by postal ballot process. The Company has proposed for passing of the following Special Resolutions through Postal Ballot:

- Resolution under Section 180(1)(c) of the Companies Act, 2013, for increasing the borrowings limits of the Company;
- Resolution under Section 180(1)(a) of the Companies Act, 2013, for authorising Board of Directors for creating charge / mortgage on the movable / immovable properties of the Company for securing the aforesaid borrowings;
- Resolution under Section 186 of the Companies Act, 2013 and Rule No. 11 of the Companies (Meetings of Board and its Powers) Rules, 2014, for
 investing in any body corporate(s) by way of subscription and/or purchase of securities and/or debenture, grant of loan, guarantee and/or providing
 of security.

V. DISCLOSURES

i) Related Party Transaction

The Board has received Disclosures from the Directors relating to material, financial and commercial transactions where they and / or their relatives have personal interest. None of the transactions with any of the related parties were in conflict with the Company's interest. Company's major related party transactions are generally with its subsidiaries. The related party transactions are entered into based on the considerations of various business exigencies, such as synergy in operations, sectoral specialization, optimization of market share, profitability, liquidity and capital resources of subsidiaries. All related party transactions are negotiated on arms length's basis and are intended to further the Company's interests. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at 31st March, 2014.

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). All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for financial year ended 31st March, 2014.

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.

vi) CEO/CFO Certification

The Chairman & Managing Director of the Company has certified to the Board in accordance with Clause 49 of the Listing Agreement pertaining to CEO/CFO certification for the financial year ended 31st March, 2014.



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 to Clause 49 of the Listing Agreement with the Stock Exchanges:

- The Company has set up a Remuneration Committee.
- The Internal Auditor is reporting to the Audit Committee.

VI. MEANS OF COMMUNICATION:

The Company's corporate website 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.

The Financial Results are published in prominent daily newspapers. The Quarterly results were published in The Economic Times and The Maharashtra Times and the Annual results were published in The Business Standard and Mumbai Lakshdeep.

Official news releases, presentations etc. made to Institutional Investors are displayed on the "Media" section of Company's website www.omkarchemicals.com

VII. GENERAL SHAREHOLDER INFORMATION

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

Annual General Meeting

Day, Date and Time: Saturday, 9th August, 2014 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
BSE Limited	OMKARSPC, (533317)	INE474L01016
P.J. Towers, 1st Floor, Dalal Street, Mumbai – 400001		
National Stock Exchange of India Limited		
Exchange Plaza, Bandra Kurla Complex, Bandra (E),	OMKARCHEM	INE474L01016
Mumbai – 400051		

Listing fees to stock exchanges

The Company has paid the listing fees for the year 2013-2014 to the above Stock Exchanges.

Custodial fees to Depositories

The Company has paid custodial fees for the year 2013-2014 to National Securities Depository Limited and Central Depository Services (India) Limited.

Book closure & Dividend

- a) The Register of Members and Share Transfer Books of the Company will remain closed from 2nd August, 2014 to 9th August, 2014 (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 or before 30th August, 2014 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 1st August, 2014;
- (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 1st August, 2014.

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, 31st March, 2012 and 31st March 2013 may approach the Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company/ the Company for completion of necessary formalities to claim the dividend.
- 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 SH-13 (in duplicate) as per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 to the Company's Registrar and Share 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

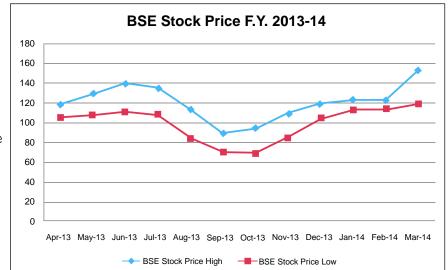


information. The code is applicable to the directors and designated employees/persons associated with the company. The code enumerates the procedure to be followed for dealing in the shares of the Company and periodic disclosures to be made. It also restricts the insiders from dealing in the Company's shares during the period when the trading window is announced closed.

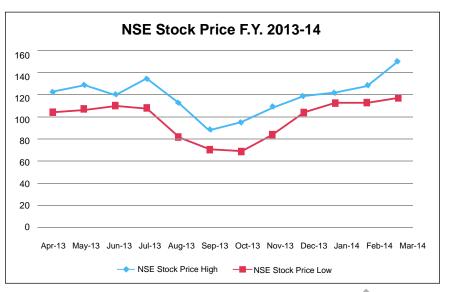
Mr. Nirav Momaya, Company Secretary, has been designated as the Compliance officer.

Stock Price Data (Monthly High / Low prices for the year 2013-2014)

Month	BS	SE Ltd.	National Stock Exc	hange of India Ltd.
IVIOTITI	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2013	118.00	104.50	123.00	104.50
May 2013	129.00	107.20	128.30	107.25
June 2013	139.80	110.00	120.00	110.10
July 2013	134.80	108.00	134.60	108.00
August 2013	113.65	83.00	112.50	82.25
September 2013	88.75	70.20	88.05	70.75
October 2013	94.40	68.70	95.00	69.30
November 2013	108.90	83.90	109.00	84.40
December 2013	119.00	104.00	119.00	104.00
January 2014	122.00	112.00	121.85	112.45
February 2014	122.00	113.00	128.00	113.00
March 2014	153.00	118.00	150.00	117.00



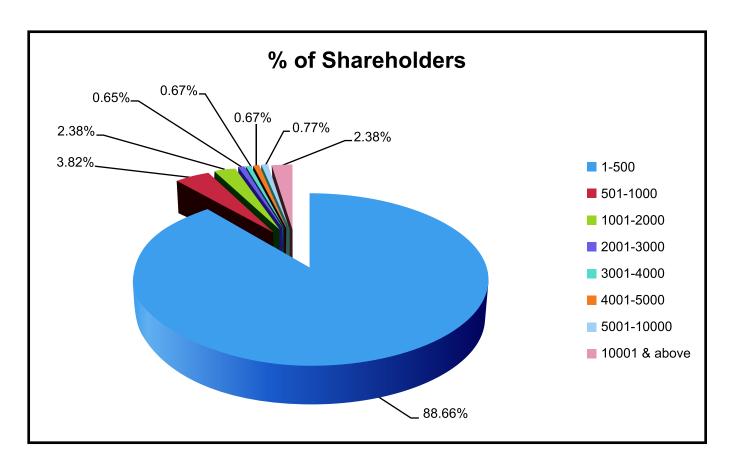
Stock Price Data: Bombay Stock Exchange



Stock Price Data: National Stock Exchange

Distribution of Shareholding as on 31st March, 2014:

No. of Equity Shares	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 to 500	3689	88.66	420586	2.14
501 to 1000	159	3.82	132384	0.67
1001 to 2000	99	2.38	147716	0.75
2001 to 3000	27	0.65	72065	0.37
3001 to 4000	28	0.67	99907	0.51
4001 to 5000	28	0.67	128832	0.66
5001 to 10000	32	0.77	257500	1.31
10001 and above	99	2.38	18369014	93.59
TOTAL	4161	100.00	19628004	100.00

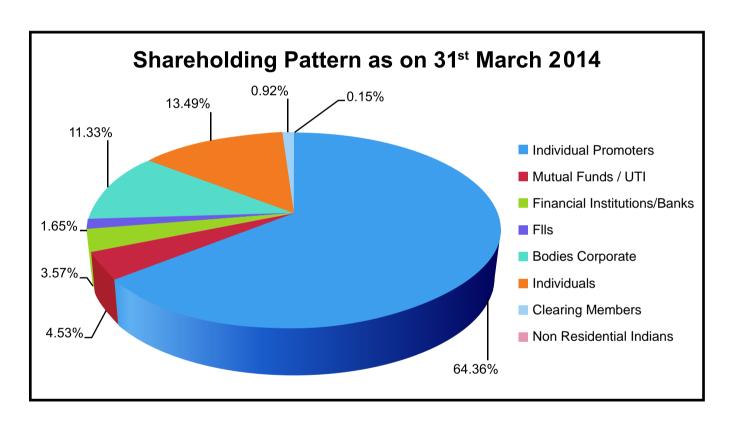


Shareholding Pattern of the Company

Category	As on 31 st N	larch, 2014	As on 31 st N	March, 2013
	No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
PROMOTERS HOLDING (including Promoter Group)				
1. Indian Promoters				
- Individual Promoters	12632974	64.36	11839928	60.32
- Bodies Corporate	0	0.00	0	0.00
Sub Total (1)	12632974	64.36	11839928	60.32
2. Foreign Promoters	0	0	0	0.00
Sub Total (2)	0	0.00	0	0.00



888187	4.53	0	0.00
700000	3.57	775040	3.95
323569	1.65	323569	1.65
1911756	9.74	1098609	5.60
2224587	11.33	2120063	10.80
2648298	13.49	4277218	21.79
0	0.00	0	0.00
180121	0.92	256480	1.31
30268	0.15	35706	0.18
5083274	25.90	6689467	34.08
19628004	100.00	19628004	100.00
	700000 323569 1911756 2224587 2648298 0 180121 30268 5083274	700000 3.57 323569 1.65 1911756 9.74 2224587 11.33 2648298 13.49 0 0.00 180121 0.92 30268 0.15 5083274 25.90	700000 3.57 775040 323569 1.65 323569 1911756 9.74 1098609 2224587 11.33 2120063 2648298 13.49 4277218 0 0.00 0 180121 0.92 256480 30268 0.15 35706 5083274 25.90 6689467



Shareholders holding more than 1% of the total No. of Shares (Public) (as at 31st March, 2014)

Sr. No.	Category	Folio No/ Client ID	Shareholder's Name	Shares	% of holding
1.	Public	IN30016710049887	IDFC Premier Equity Fund	888187	4.53
2.	Non Nationalised Banks	IN30048410820757	Axis Bank Limited	700000	3.57
3.	Corporate Bodies	1202700000144422	Celestial Tradechem Pvt. Ltd.	517000	2.63
4.	Foreign Institutional Investor	IN30317320000220	Premier Investment Fund Ltd.	323569	1.65
Total				2428756	12.37



Details of outstanding Warrants during the financial year 2013-14 (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	190000	5 th September, 2014	Promoter
2.	Mr. Omkar P. Herlekar	190000	5 th September, 2014	Promoter
3.	Mr.Rishikesh P. Herlekar	190000	5 th September, 2014	Promoter Group
4.	M/s Svaks Biotech India Pvt. Ltd.	380000	5 th September, 2014	Promoter Group
	TOTAL	950000		

Effect on the shareholding post conversion of Warrants (Assuming the conversion in full)

Sr. No.	Name of Warrant holders	Shareholding as o	on 31 st March, 2014		l issue of shares on of warrants
		No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
1.	Mr. Pravin S. Herlekar	10131471	51.61%	10321471	50.16%
2.	Mr. Omkar P. Herlekar	694313	3.54%	884313	4.30%
3.	Mr. Rishikesh P. Herlekar	576510	2.94%	766510	3.72%
4.	M/s Svaks Biotech India Pvt. Ltd.	Nil	Nil	380000	1.85%
	TOTAL	11402294	58.09%	12352294	60.03%

Shareholding of Directors in the Company as at 31st March, 2014 in their personal capacity and either as sole or first or joint holder:

Name of the Director	No. of Equity Shares Held
Mr. Pravin S. Herlekar (Chairman & Managing Director)	10131471#
Mr. Omkar P. Herlekar (Whole Time Director)	694313
Mrs. Anjali P. Herlekar (Promoter and Woman Director)	1208240
Mr. Amit A. Pandit	NIL
Prof. (Dr.) Suhas M. Rane	NIL
Relatives of Prof. (Dr.) Suhas M. Rane:	
Mrs. Meena Suhas Rane	3000
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
Total	10855480

[#] Mr. Pravin S. Herlekar has acquired 180,005 shares in the month of March 2014, which are not reflected in his name in the beneficial position received from the depositories as on 31st March, 2014. After considering the same, his total shareholding is 1,03,11,476 shares.



Plant Locations:

Plant	Activities	Address
Unit I	Inorganic Chemicals	W-92(A), W-93(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	Organic synthesis for Advance Intermediates	D-27/4 & D-27/5, MIDC, Lote Parshuram Industrial Area, Chiplun, Dist. Ratnagiri, Maharashtra
Unit VI	Organic synthesis for Advance Intermediates	B-15 and B-16, Lote Parshuram Industrial Area, Village Awashi, Taluka Khed, Dist. Ratnagiri, Maharashtra

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	Bigshare Services Pvt. Ltd.
B-34, MIDC, Badlapur (East),	E-2&3, Ansa Industrial Estate, Saki-Vihar Road, Sakinaka,
Thane - 421503	Andheri (E), Mumbai - 400072.
Tel No. 91 (0251) 2697340/2690651,	Tel: 91-22-40430200
Fax: +91(0251) 2697347/2691572	Fax: 91-22-28475207
E-mail address: investor@omkarchemicals.com	
Website: www.omkarchemicals.com	

Date: 20/06/2014 Place: Mumbai For and On behalf of the Board of Directors Omkar Speciality Chemicals Limited

Pravin S. Herlekar Chairman & Managing Director Omkar P. Herlekar Whole Time 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, 2014 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 over financial reporting during the year;
 - ii) There were no significant changes in accounting policies during the year;
 - iii) There were no instances of any fraud involving management or employees having a significant role in the Company's internal control systems over financial reporting, 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 of the Listing Agreement entered into with the Stock Exchange(s), for the year ended 31st March, 2014.

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

Date: 10/05/2014 Place: Mumbai

> Pravin S. Herlekar Chairman and Managing Director





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 2014, 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 Dated: 20/06/2014



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, 2014, 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, 2014;
- (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;
- 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, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, 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 10/05/2014





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

- (i) 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) 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.4,174.05 Lacs (Previous Year Rs.3,357.56 Lacs) and the year end balance Rs.3,970.73 Lacs (Previous Year Rs.2,716.32 Lacs.) This includes interest free loan of Rs.Nil. (Previous year Rs.47.39 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) (i) 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, 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) 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, 2014 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, Wealth tax, Service tax, Customs duty, excise duty and cess outstanding as on 31st March, 2014. *Following are the disputed dues raised by the Income Tax Department*:

Assessment Year	Total Demand Rs. Lacs	Payment Made Rs. Lacs	Particulars
2009-10	77.76	25.00	Appeal pending with Commissioner of Income Tax Appeal.
2010-11	185.04	125.00	Appeal pending with Commissioner of Income Tax Appeal.
2011-12	145.32	0	Appeal pending with Commissioner of Income Tax Appeal.

- (x) The Company has no accumulated losses as on 31st March, 2014 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.
- (xii) 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.
- (xiii) 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.
- (xiv) 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.
- (xv) 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.
- (xvi) 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 funds raised on short-term basis during the year have been used for long-term investment. Total Long term use of Funds during the year Rs.4,822.16 Lacs, Short term funds used for long term investments are Rs.1,676.58 Lacs.
- (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's Registration Number: 113012W

CA Pravin Deshpande

Partner

Membership Number: 045249

Place: Mumbai Date 10/05/2014



OMKAR SPECIALITY CHEMICALS LIMITED BALANCE SHEET AS AT 31st MARCH, 2014

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

	· ,	As at 31 st	As at 31 st
Particulars	Note No.	March, 2014	March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	1,962.80	1,962.80
Reserves and surplus	2	11,474.37	10,358.61
Money received against warrants		356.25	356.25
		13,793.42	12,677.66
Non Current Liabilities			
Long-Term borrowings	3 4 5	3,721.34	2,990.05
Deferred Tax liabilities (Net)	4	118.26	112.67
Long - Term provisions	5	117.60	113.23
		3,957.20	3,215.95
Current Liabilities	_		
Short-Term borrowings	3	11,100.54	8,648.91
Trade Payables	6	3,807.10	2,712.46
Other Current Liabilities	7	1,074.94	445.44
Short-Term Provisions	8	451.61	554.18
TOTAL		16,434.19	12,360.99
TOTAL		34,184.81	28,254.60
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	4,248.88	4,393.34
Intangible Assets	9	22.69	53.11
Capital Work-in-Progress	9	6,852.13	4,017.97
Intangible Assets under Development	9	-	1.50
Non Current Investments	10	1,379.88	1,086.39
Long -term Loans and Advances	11	3,995.57	2,740.67
		16,499.15	12,292.98
Current Assets			
Inventories	12	6,297.31	6,356.05
Trade Receivables	13	8,514.93	6,147.11
Cash and Cash Equivalents	14	1,811.21	2,157.47
Short- term Loans and Advances	15	25.61	43.10
Other Current Assets	16	1,036.60	1,257.89
		17,685.66	15,961.62
TOTAL		34,184.81	28,254.60
Significant Accounting Policies	4		-
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 S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249 Place : Mumbai Date : 10/05/2014



OMKAR SPECIALITY CHEMICALS LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

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

Particulars	Note No.	For the year ended 31 st March 2014	For the year ended 31st March 2013
INCOME			
Revenue from Operation	17	20,962.11	20,153.12
Other Income	18	574.73	579.40
Total Revenue		21,536.84	20,732.52
EXPENDITURE			
Cost of Material Consumed	19	9,354.11	11,935.71
Purchase of stock in trade	.,	5,079.46	3,509.26
Changes in inventories of Finished Goods, Work in progress		2,011110	2,727.22
and Stock in Trade	20	283.38	(1,808.51)
Employee Benefits Expense	21	988.25	800.54
Finance Costs	22	1,174.63	743.16
Depreciation and Amortization expense	9	610.16	568.43
Other Expenses	23	1,967.18	2,083.45
Total Expenditure		19,457.17	17,832.04
Profit before Exceptional Items & Extraordinary Items and Tax		2,079.67	2,900.48
Exceptional items		6.60	-
Profit Before tax		2,073.07	2,900.48
Tax Expenses			
Previous year adjustments		13.23	27.59
Current Tax		594.03	802.91
Deferred Tax		5.59	(10.12)
Profit for the period		1,460.22	2,080.10
Earnings per equity share (in Rs.)			
Basic		7.44	10.60
Diluted		7.10	10.59
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 and on behalf of the Board of Directors

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

Pravin S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249 Place : Mumbai Date : 10/05/2014



OMKAR SPECIALITY CHEMICALS LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

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

			Far Hannan and all
	Particulars	31 st March 2014	For the year ended 31 st March 2013
		31 Walcii 2014	31 Wal Cl 2013
A.	CASH FLOW FROM OPERATING ACTIVITIES :		
	Net Profit Before Tax	2,079.67	2,900.48
	Adjustments for :		
	Depreciation	610.16	568.43
	Finance expenses	1,308.86	743.16
	Provision for Gratuity	4.70	41.59
	Provision for Bad and Doubtful debts	100.00	<u> </u>
	Interest, dividend income	(492.48)	(421.57)
	Increase/ Dimunition in value of investment	(0.09)	(0.19)
	Unrealized Foreign exchange gain/ loss	(37.25)	43.07
	Operating Profit before working capital changes	3,573.57	3,874.97
	Adjustments for :		
	Trade and Other Receivables	(2,467.82)	(2,298.59)
	Short- term Loans and Advances	52.31	364.92
	Other Current Assets	221.29	(158.91)
	Inventories	58.74	(1,089.80)
	Trade and Other Payables	1,669.29	(113.21)
		(466.19)	(3,295.59)
	Taxes Paid	(693.09)	(567.07)
_	Cash Generated from Operations	2,414.29	12.31
В.	CASH FLOW FROM INVESTING ACTIVITIES:	()	,
	Purchase of Fixed Assets(refer note 9)	(3,267.26)	(2,340.22)
	Long -term Loans and Advances	(1,254.90)	(1,742.38)
	Share Application Money	(300.00)	(874.12)
	Interest received	492.48	421.57
	Net Cash used in Investing Activities	(4,329.68)	(4,535.15)
C.	CASH FLOW FROM FINANCING ACTIVITIES:	0.454.40	1 700 01
	Proceeds from Short term Borrowings	2,451.63	1,732.21
	Proceeds from Long term Borrowings	731.29	2,522.39
	Issue of warrants	- (4 000 07)	356.25
	Interest paid	(1,308.86)	(743.16)
	Dividend paid (including Dividend distribution tax)	(342.18)	(284.67)
	Net Cash from Financing Activities	1,531.88	3,583.02
	Net increase/(Decrease) in Cash and Cash equivalents (A+B+C)	(383.51)	(939.82)
	Cash and Cash equivalents at the beginning of the year	2,157.47	3,140.36
	Exchange difference on translation of foreign currency cash and cash equivalents	37.25	(43.07)
	Cash and Cash equivalents at the end of the year	1,811.21	2,157.47

Notes:

- 1. Figures in brackets indicate outflows.
- 2. Purchase of fixed assets includes payments for items in capital work in progress.
- 3. Cash and Cash equivalents represent Cash and Bank balances.
- 4. Cash and Cash equivalents includes Rs 635.94 lakhs held as Margin money pledged with the bank. (Previous year Rs 628.46 lakhs)
- 5. Undrawn invoice discounting facility during the end of reporting period is Rs. 2000.00 lakhs (Previous year Nil)

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 S. Herlekar (Chairman and Managing Director) Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande

Partner M.No. 045249 Place : Mumbai Date : 10/05/2014 Nirav Momaya (Company Secretary)



Annual Report 2013-2014

OMKAR SPECIALITY CHEMICALS LIMITED NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

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. FIXEDASSETS:

- 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.
- 3. Exchanges differences arising on liabilities relating to acquisation of depreciable fixed assets are adjusted to the cost of respective assets and depreciated over the remaining useful life of such assets.

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 quarter 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. CASH FLOW STATEMENTS

Cash flows are reported using indirect method, whereby profit/(loss) is adjusted for the effects of the transaction are adjusted with non cash transaction and any difference or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on available information.

6. INVENTORIES:

1. Raw Material

The company is valuing Raw material, packing material and stores stock by taking costs of purchase 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 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.

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. Modvat credit on raw materials and capital goods has been accounted for, by reducing the purchase cost of raw materials and capital goods respectively.

11. DEPRECIATION/AMORTIZATION:

1. Intangible Assets:

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

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.

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 expenses 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.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

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.	Particulars	<u>, , , , , , , , , , , , , , , , , , , </u>	<u> </u>	As at 31 st March, 2014	As at 31 st March, 2013
1	SHARE CAPITAL				
	AUTHORISED CAPITAL				
	25000000 Equity Shares of Rs.10/- each.			2,500.00	2,500.00
	Issued, Subscribed and Paid up:				
	19628004 Equity Shares of Rs 10/- each, Fully paid Up			1,962.80	1,962.80
	Total	As at 31 st March, 2014 No. of Share Amount 25000000 2,500.00 25000000 2,500.00 19628004 1,962.80 19628004 1,962.80	1,962.80	1,962.80	
	The Movements of Share capital is set out below:				
		As at 31 st M	arch, 2014	As at 31 st Ma	rch, 2013
	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				
			larch, 2014	As at 31 st Ma	arch, 2013
	Name of Shareholder	No. of Share	Amount	No. of Share	Amount
	Pravin Herlekar			9351810	935.18
	Anjali Herlekar	1208240	120.82	1208240	120.82
	Rohinton Soli Screwvala	-	-	1000000	100.00
	Total	11339711	1,133.97	11560050	1,156.01

Notes:

of the above equity shares

- 1) Nominal value of Rs 100/- per equity share sub divided into Rs 10/- per equity shares, during the Financial year 2010-11.
- 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 capitalisation 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 180005 equity shares in March, 2014. However the same is not reflected in the beneficial position received from the depositories as on 31st March 2014.



Note No.	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
2	RESERVE AND SURPLUS		
	Security Premium Account		
	Opening Balance	6,040.69	6,040.69
	Add: Additions During the Year	-	-
	Closing Balance	6,040.69	6,040.69
	General Reserve		
	Opening Balance	580.40	430.40
	Add: Transfer from Profit and Loss Account	100.00	150.00
	Closing Balance	680.40	580.40
	Profit & Loss Account		
	Balance as per last Balance Sheet	3,737.52	2,149.60
	Add : Profit for the Year	1,460.22	2,080.10
		5,197.74	4,229.70
	Less : Appropriations		
	Proposed Dividend on Equity Shares (Rs. 1.50 per share) (Previous Year Rs 1.50 per share)	294.42	294.42
	Tax on Dividend	50.04	47.76
	Transferred to General Reserve	100.00	150.00
	Closing Balance	4,753.28	3,737.52
		11,474.37	10,358.61

Note No.	Particulars		As at 31 st	March,2014			As at 3	1 st March,20)13
3	BORROWINGS	Long Term	*Current maturities of Long-term	Short Term	Total	Long Term	*Current maturities of Long-term	Short Term	Total
	Secured Borrowings (a) Bonds / Debentures (b) Term Loans	-	-	-	-	-	-	-	-
	1)From Banks	3,721.34	578.21	-	4,299.55	2,990.05	185.00	-	3,175.05
	2)From Financial Institutions & Others	-	-	-	-	-	-	-	-
	b)Repayable on Demand								
	1)From Banks	-	-	8,851.49	8,851.49	-	-	7,108.68	7,108.68
	2)From Financial Institutions & Others	-	-	-	-	-	-	-	-
	TOTAL SECURED BORROWINGS	3,721.34	578.21	8,851.49	13,151.04	2,990.05	185.00	7,108.68	10,283.73
	Unsecured Borrowings								
	(a) Short Term Loan from Financial								
	Institutions	-	-	174.92	174.92	-	-	68.79	68.79
	(b)Loans from Banks	-	-	2,074.13	2,074.13	-	-	1,471.44	1,471.44
	TOTAL UNSECURED BORROWINGS	-	-	2,249.05	2,249.05	-	-	1,540.23	1,540.23
	Total	3,721.34	578.21	11,100.54	15,400.09	2,990.05	185.00	8,648.91	11,823.96

Note:

- Term 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 -92(A), W-94(A), W-95(A) Plot No.F-9, F -10/1, 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 -92(A), W-94(A), W-95(A), Plot No B-34, Plot No. F-9, F-10/1, MIDC, Badlapur, Dist: Thane & Plot no. D 27/5, Lote Parshuram Industrial Area, Taluka - Khed , Ratnagiri in Maharashtra b) Personal guarantee of the promoter directors of the company
- Secured Borrowings from banks, repayable on demand, includes Buyers Credit of Rs 1,711.85 lakhs (Previous year : Rs 1972.16 lakhs)
- Other loans are repayable on demand.
- 4) 5) * Current maturities of long term borrowings are considered in note no. 7- Other Current liabilities
- Term Loan Repayment Schedule

Repayable within	Term Loan	ECB	Total
1 Year	185.00	393.21	578.21
1-2 Years	63.82	524.28	588.10
2-3 Years	-	524.28	524.28
After 3 Years	-	2,608.95	2,608.95
Total	248.82	4,050.72	4,299.54



Note	Particulars	As at 31 st	As at 31st
No.		March, 2014	March, 2013
4	DEFERRED TAX		
	Deferred Tax Assets/Liability		
	Deferred Tax Liabilities:		
	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	591.24	357.91
	Deferred Tax Assets:		
	On account of gratuity	117.60	10.64
	Other provisions	109.16	-
	Net Difference	364.48	347.27
	Tax Rate in%	32.45	32.45
	Net Deferred Tax (Assets) / Liabilities	118.26	112.67
5	LONG TERM PROVISIONS		
	Provision for Gratuity	117.60	113.23
	Total	117.60	113.23
6	TRADE PAYABLES		
	Creditors for Goods	3,525.03	2,228.30
	Creditors for Expenses	282.07	484.16
	Total	3,807.10	2,712.46
7	OTHER CURRENT LIABILITIES		
	Current maturities of long-term debt (Refer Note 3)	578.21	185.00
	Interest accrued but not due on borrowings	40.28	152.74
	Advances received from customers	2.91	22.39
	Unclaimed dividend	0.62	0.33
	Creditors for capital goods	183.19	20.34
	Payables to Subsidiaries- Desh Chemicals Private Ltd	63.84	
	Statutory liabilities	45.17	11.17
	Other Payables	160.72	53.47
	Total	1,074.94	445.44

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.

Note No.	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
8	SHORT TERM PROVISIONS		
	Others Provisions		
	Proposed Dividend	294.42	294.42
	Tax on Proposed Dividend	50.04	47.76
	Provision for Taxation (Net)	107.16	212.00
	Total	451.61	554.18



NOTE NO. 09- FIXED ASSETS										(Rupee	(Rupees in Lakhs)
			GROSS BLOCK	BLOCK			DEPRE(DEPRECIATION		NET BLOCK	CK
				Deduction/				Deduction/			
Description of the Assets	Rate of	Cost	Additions	Adjustment	Cost	Upto	Additions	Adjustment	Upto	WDV	WDV
	Depreciation	as on	during the	during the	as on	01.04.13	For the	during the	31.03.14	as on	as on
		01.04.13	Year	Year	31.03.14		Year	Year		31.03.14	31.03.13
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Leasehold Land	!	1,056.68	176.16	•	1,232.84	31.28	4.74	•	36.02	1,196.82	1,025.40
Factory Building	10.00%	1,198.37	24.55	•	1,222.92	304.87	60.06	•	394.96	827.96	893.50
Residential Premises	2.00%	53.17	•	•	53.17	3.77	2.47		6.24	46.93	49.40
Plant & Machinery (R&D)	13.91%	537.37	34.40	•	571.77	145.59	57.02		202.61	369.16	391.78
Plant & Machinery	20.87%	2,650.21	197.04	40.00	2,807.25	944.95	360.60	0.70	1,304.85	1,502.40	1,705.26
Electrical Installation	13.91%	262.98	0.98	•	263.96	69.69	26.95	1	96.64	167.32	193.29
Furniture & Fixture	18.10%	100.14	15.77	•	115.91	30.14	14.34	1	44.48	71.42	70.00
Office Equipments	13.91%	50.62	6.55		60.17	14.29	2.67	•	19.66	40.21	36.33
Computer	40.00%	52.78	10.40	-	63.18	31.58	10.25	-	41.83	21.35	21.20
Motor Car and Cycle	25.89%	22.06	•	•	22.06	14.90	1.85	1	16.75	5.31	7.16
Assets less than Rs 5,000/-	100.00%	4.15	1.97	•	6.12	4.15	1.97	1	6.12	00.00	0.00
Sub total (A)		5,988.53	470.82	40.00	6,419.35	1,595.21	575.96	0.70	2,170.47	4,248.88	4,393.32
Intangible Assets											
Patent Fees		4.30	1.91	-	6.21	1.16	0.48	-	1.64	4.57	3.14
Computer Softwares	40.00%	53.51	1.87	-	55.38	3.54	33.72	-	37.26	18.12	49.97
Sub total (B)		57.81	3.78	0.00	61.59	4.70	34.20	•	38.90	22.69	53.11
Capital Work in Progress											
Intangible		1.50	•	1.50	-	•	-	1	-	-	1.50
Tangible		4,017.97	3,034.84	200.68	6,852.13	-	-	-	-	6,852.13	4,017.97
Sub total (C)		4,019.47	3,034.84	202.18	6,852.13		•	•	•	6,852.13	4,019.47
GRAND TOTAL (A+B+C)		10,065.81	3,509.44	242.18	13,333.07	1,599.91	610.16	0.70	2,209.37	11,123.70	8,465.90
Previous Year		(7,725.61)	(3,342.94)	(1,002.72)	(10,065.82)	(1,031.47)	(568.43)	1	(1,599.90)	(8,465.92) (6,694.13)	(6,694.13)

Depreciation includes Rs 9.92 Lakhs relating to previous year

	Deutleulene	·			
Note	Particulars			As at 31 st	As at 31st
No.				March, 2014	March, 2013
10	NON CURRENT INVESTMENTS		~.	_	
-	Investments in subsidiaries (Fully paid up, Traded, Unquoted)	No of S		Rupees	Rupees
-		2013-14	2012-13	2013-14	2012-13
	Rishichem Research Ltd (Face Value Rs 10/- per share)	54000	53994	130.10	130.10
	Desh Chemicals Pvt Ltd (Face Value Rs 100/- per share)	4950	4950	71.11	71.11
-	Less: Provision for Dimunition in Value of Investment	-	-	(6.60)	-
	Urdhwa Chemicals Company Pvt Ltd(Face Value Rs 100/- per share)	354440	354440	354.44	354.44
	Lasa Laboratory Private Limited (Face Value Rs 10/- per share)	2010000	2010000	250.12	250.12
	Lasa Laboratory Private Limited (Face Value Rs 10/- per share) Preference shares	2740000	2740000	274.00	274.00
	Share Application Money in Lasa Laboratory Private Ltd	-	-	300.00	-
	Sub total (A)			1,373.17	1,079.77
	Investment in Mutual Fund (Fully paid up, Non Traded, Quoted)	No of			
	Baroda Pioneer Mutual Fund (Face Value Rs 10/- per unit)	100000	100000	10.00	10.00
	Less : Dimunition in Value of Investment	-	-	3.29	3.38
	(Market Value as on 31st March, 2014 Rs 6.71 lakhs)				
	Sub total (B)			6.71	6.62
	Total (A+B)			1,379.88	1,086.39
11	LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)				
	Deposits			24.84	24.34
	Loans and Advances to Subsidiaries				
	Urdhwa Chemicals Co Private Limited			3,720.05	2,330.99
	Desh Chemicals Private Limited			-	47.40
	Lasa Laboratory Private Limited			250.68	337.94
	Total			3,995.57	2,740.67
12	INVENTORIES				
	Stores and spare parts			4.17	4.43
	Raw materials			1,593.89	1,368.99
	Work-in-progress			3,703.06	4,689.31
	Finished products			996.19	293.32
	Total			6,297.31	6,356.05
	The value of the closing stock of raw materials, Packing Material, stores, work in process basis of the records maintained and certified by the Management.	ss and finished	goods has be	een arrived at	on the
13	TRADE RECEIVABLES				
	(Unsecured and Considered Good)				
ŀ	More than six months			1,028.00	221.24
F	Others			7,486.93	5,925.87
ļ	Total			8,514.93	6,147.11
f	(Unsecured and Considered Doubtful)				
ŀ	More than six months			100.00	_
ŀ	Others			-	_
	Less: Provision for doubtful Trade Receivables			100.00	-
-	Total			8,514.93	6,147.11



Note	Particulars	As at 31 st	As at 31st
No.	F al ticulai 3	March, 2014	March, 2013
14	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	Balance with Banks	1,174.21	1,526.45
	Cash on hand	1.06	2.23
	In Earmarked Accounts*	36.90	0.33
	Held as Margin Money	599.04	628.46
	Total	1,811.21	2,157.47
	* Earmarked balance with banks is for unclaimed dividend of the previous year.		
15	SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
	Staff loans & Advance	3.24	0.14
	Advances to suppliers	21.87	42.46
	Deposits	0.50	0.50
	Total	25.61	43.10
16	OTHER CURRENT ASSETS		
	Prepaid Expenses	46.25	31.03
	Interest accrued but not due on advances	309.04	167.33
	Other Taxes & Duties	681.31	1,059.53
	Total	1,036.60	1,257.89

Note	Particulars Particulars	For the year ended	For the year ended
No.	F di ticulai S	31 st March, 2014	31 st March, 2013
17	REVENUE FROM OPERATION		
	Sale of Products		
	Domestic Sales	16,718.49	15,464.96
	Exports Sales	5,654.31	5,976.30
	Sales (Gross)	22,372.80	21,441.26
	Less : Excise Duties	1,536.71	1,391.62
	Sales (Net)	20,836.09	20,049.64
	Sale of Services	-	-
	Job work Charges	126.02	103.48
	Net Sales & Services	20,962.11	20,153.12
18	Segment Reporting "The Principal business of the Company is manufacturing and sale of chemicals. revolve around its main business. Hence, there is only one primary reportable business segment as denotified by the Companies (Accounting Standards) Rules, 2006". OTHER INCOME		
	Interest Income	492.48	421.57
	Duty Drawback	66.48	63.53
	Sale of sample	4.86	1.32
	Miscellaneous receipts	10.82	20.65
	Forex Gains	-	72.14
	Increase in value of Investment	0.09	0.19
	Total	574.73	579.40
19	COST OF MATERIAL CONSUMED		
	Opening Stock of Raw Materials	1,368.99	2,087.06
	Add : Purchases	9,579.01	11,217.64
	Less : Closing Stock of Raw Materials	1,593.89	1,368.99
	Total	9,354.11	11,935.71

			(Rupees III Lakiis)
Note No.	Particulars	For the year ended 31st March, 2014	For the year ended 31 st March, 2013
20	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
	Opening Inventories :		
	Finished products	293.32	342.70
	Work- in-progress	4,689.31	2,831.42
	Sub Total (A)	4,982.63	3,174.12
	Closing Inventories :		
	Finished products	996.19	293.32
	Work- in-progress	3,703.06	4,689.31
	Sub Total (B)	4,699.25	4,982.63
	Total (A-B)	283.38	(1,808.51)
21	EMPLOYEE BENEFITS EXPENSES	200.00	(1,000.0.7)
	Salaries, Wages & Other Benefits (Note I)	934.43	743.53
	Contribution to Provident and Other Funds	27.57	29.29
	Workmen and staff welfare expenses	26.25	27.72
	Total	988.25	800.54
	Note I: Salaries, Wages & Other Benefits, recognised as expense for the year is as under :	700.23	000.34
	Salaries and Wages	466.80	374.18
	Directors Remuneration	185.00	108.64
	Bonus, Gratuity and other incentives	20.09	41.59
	Employers Contribution to ESIC & Other Funds	3.93	41.39
	Contract Labour Charges	277.12	226.32
	Gross Total	952.94	755.44
	Less: Project Development Expenditure Capitalised	18.51	11.91
04.4	Net Total	934.43	743.53
21.1	The following tables sets out the disclosures relating to gratuity benefits as required by Accounting Stand	lard -15 Employee	Benefits:
	Past Service Cost Recognised		
	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
	Recognized Past Service Cost –vested benifits	-	-
	Unrecognised Past Service Cost –non vested benefits	-	-
21.2	Actuarial Gain/(loss) Recognised		
	Actuarial gain/(Loss) for the period (Obligation)	31.17	22.59
	Actuarial gain/(Loss) for the period (Plan Assets)	-	-
	Total Gain/(Loss) for the period	31.17	22.59
	Actuarial Gain/(Loss) recognized for the period	31.17	22.59
L	Unrecognised Actuarial Gain/(Loss) at the end of the period	-	
21.3	Changes in the present value of obligation:		
	Present value of obligation at beginning of period	113.23	103.10
	Add : Interest Cost	8.93	7.90
	Add: Current Service Cost	29.75	33.47
	Add: Past Service Cost	-	-
	Less: Benefits paid	(3.14)	(8.64)
	Add: Actuarial (gain)/loss on obligation	(31.17)	(22.59)
	Present value of obligation at end of period	117.60	113.23
	J 1		1



Note		For the year ended	For the year ended
No.	Particulars	31 st March, 2014	31 st March, 2013
21.4	Changes in the Fair value of Plan Assets:		
	Fair value of Plan Assets at beginning of period	-	-
	Add: Actual return on Plan Assets	-	-
	Add: Contributions	3.14	8.64
	Less: Benefits Paid	(3.14)	(8.64)
	Add: Actuarial Gain/(loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
21.5	Amounts recognized in the balance sheet		
	Present value of obligation at the end of the period	117.60	113.23
	Less: Fair Value of Plan Assets at end of period	-	-
	Funded Status	(117.60)	(113.23)
	Unrecognized Past Service Cost	-	-
	Net Asset/(Liability) recognized in the Balance Sheet	(117.60)	(113.23)
21.6		, ,	, ,
	Current Service Cost	29.75	33.47
	Add: Interest Cost	8.93	7.90
	Add:Past Service Cost	-	0.50
	Add: Net Actuarial (Gain)/Loss recognised	(31.17)	(31.23)
	Expenses recognized in the Profit and loss Account	7.51	10.64
21.7	The following table sets out the assumptions used in actuarial valuation of gratuity:	-	
	Interest/Discount Rate	8%	8%
	Rate of increase in compensation	15%	15%
	Rate of return (expected) on plan assets	N.A.	N.A.
	Employee Attrition Rate (Past Service)	0 to 3: 3%	0 to 3 : 2.85%
		3 to 42 : 0%	3 to 42 : 0%
22	FINANCE COST		
	Interest Expenses*	1,195.04	956.08
	Other Borrowing Costs	69.17	4.42
	Applicable net gain/loss on foreign currency transactions	44.65	-
	Gross Total	1,308.86	960.50
	Less: Interest Capitalised	134.23	217.34
	Net Total	1,174.63	743.16
	* Interest Expenses includes :		
	On loans for fixed periods from banks	44.13	90.51
	On cash credit and other facilities from banks	1,150.91	865.57
	Total	1,195.04	956.08
23	OTHER EXPENSES		
	Other Manufacturing Expenses		
	Factory Electricity charge	107.55	93.33
	Water Charges	12.64	9.36
	Packing & Testing Charges	2.97	3.61
	Laboratory Expenses	251.69	187.37
	Consumable Stores	144.22	277.32
	Processing Charges	450.95	582.65
	Repairs & Maintenance- Building	21.69	74.80
	Repairs & Maintenance - Machinery	92.68	43.01
	Freight Inward	79.70	114.77
	Sundry Factory Expenses	0.44	20.11
	Sub Total (A)	1,164.53	1,406.33
		.,.550	1,.00.00



Note	Particulars		For the year ended		
No.		31 st March, 2014	31 st March, 2013		
23	Administrative, Selling and Distribution Expenses	95.48	40.00		
	Sales Promotion Expenses Commission on Sales	119.10	69.88		
		46.69	23.10		
	Conveyance & Travelling Expenses		92.14		
	Freight & Transportation - Sales Misc. Expenses	94.50 55.71	69.35		
	Postage, Telephone/Telegram/Internet Charges	35.01	27.87		
	Repairs & Maintenance- Others	13.26	27.87		
	Insurance	26.28	37.97		
	Printing & Stationery	13.70	14.88		
	Professional Charges	140.04	94.33		
	Rates & Taxes	12.32	13.92		
	Bad Debts	-	88.56		
	Provision for Doubtful Debts	100.00	-		
	Forex Loss	42.46	-		
	Payments to Auditors	8.10	7.99		
	Sub Total (B)	802.65	677.12		
	Total (A+B)	1,967.18	2,083.45		
	Exceptional Items				
	Expenses				
	Provsion for Dimunition in value of investment in Subsidiary Desh Chemicals Private Ltd	6.60	-		
	Total	6.60	-		
23.1	Payment to Auditors				
	a) As Auditor	6.00	6.00		
	b) For Taxation Matter	1.20	1.20		
	c) For Other Services	0.90	0.79		
	Total	8.10	7.99		
23.2	Value of Imported Raw material & stores consumed & percentage of consumption				
	Raw Material				
	Imported	4,525.25	7,542.72		
	Percentage	48.51%	63.19%		
	Indigenous	4,828.86	4,392.99		
	Percentage	51.49%	36.81%		
	Total	9,354.11	11,935.71		
	Percentage	100%	100%		
	Consumables				
	Imported	Nil	Nil		
	Percentage	Nil	Nil		
	Indigenous	144.22	277.32		
	Percentage	100%	100%		
	Total	144.22	277.32		
	Percentage	100%	100%		
i	i ercentage	100%	10070		

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

	· ,	•		
Note No.	Particulars	For the year ended 31st March, 2014	For the year ended 31 st March, 2013	
23.3	Earnings and Expenditure in foreign currency			
	Earnings In Foreign Exchange			
	Value Of Export (FOB)	5,487.33	5,815.97	
	Expenditure in Foreign Currency			
	Purchase of Materials	9,604.71	6,454.42	
	Capital Expenditure	76.68	43.29	
	Other Expenses	23.41	45.03	
	Interest	245.05	233.67	
	Dividend Remitted In Foreign Currency	-	14.49	
	Value of Import on CIF Basis			
	Raw Material	9,604.71	6,513.18	
	Capital Goods	76.68	43.29	
23.4	The Company has incurred the following expenses on research and development activity:			
	On Tangible Fixed Assets	37.92	30.76	
	On items which have been expensed during the year*	297.29	255.09	
	Total	335.21	285.85	
	* Includes amount of Rs. 3.41 lakhs Paid to external agency in current year (Previous Year Rs 7.76 lakhs)			

24	Basic and Diluted Earnings per share is calculated as under		
	Profit attributable to Equity shareholder	1,460.22	2,080.10
	Weighted average number of Equity shares :		
	Basic	19628004	19628004
	Diluted	20578004	19634804
	Earning per share (in Rs)		
	Basic	7.44	10.60
	Diluted	7.10	10.59

25.1	Particulars of Sales and Stock of Finished goods (Manufacturing Goods):					
	Dortionlaro	Opening Stock	Sales	Closing Stock		
	Particulars	(Rs)	(Rs)	(Rs)		
	Iodine Compounds	55.00	10,328.45	743.34		
		254.75	10,849.26	55.00		
	Selenium Compounds	209.56	2,010.76	65.34		
	·	69.12	1,370.85	209.56		
	Intermediates	25.45	1,662.82	138.95		
		14.59	1,978.62	25.45		
	Others (Molybdenum, Cobalt, Bismuth)	2.20	532.67	13.81		
		0.86	994.86	2.20		
	Resolving Agents	1.11	963.77	34.75		
		3.38	865.24	1.11		
	Total	293.32	15,498.47	996.19		
		342.70	16,058.83	293.32		

The Figures in Italics Pertains To Previous Year

25.2	Particulars of Goods Traded and Job work charges received:				
	Darticulars	Goods Traded	Job work Charges		
	Particulars	(Rs)	(Rs)		
	Iodine Compounds	2,663.93	0.88		
	·	3,714.86	2.66		
	Selenium Compounds	-	125.06		
	·	-	94.51		
	Intermediates	2,673.68	0.08		
		139.74	6.31		
	Others (Molybdenum, Cobalt, Bismuth)	-	-		
		124.14	-		
	Resolving Agents	-	-		
		12.07	-		
	Total	5,337.61	126.02		
		3,990.81	103.48		

The Figures in Italics Pertains To Previous Year

25.3	Particulars of Work in Progress:		
	Doutlouloro	Opening Stock	Closing Stock
	Particulars	(Rs)	(Rs)
	lodine Compounds	2,668.27	1,225.39
	·	452.09	2,668.27
	Selenium Compounds	1,140.80	1,999.67
		2,236.55	1,140.80
	Intermediates	571.16	419.02
		39.89	571.16
	Others (Molybdenum, Cobalt, Bismuth)	91.17	7.78
		76.90	91.17
	Resolving Agents	217.91	51.20
		25.99	217.91
	Total	4,689.31	3,703.06
		2,831.42	4,689.31

The Figures in Italics Pertains To Previous Year



25.4	Particulars of purchases, consumption and stock of materials*:				
	Particulars	Opening Stock	Purchases	Consumption	Closing Stock
		(Rs)	(Rs)	(Rs)	(Rs)
	Crude iodine	238.90	7,521.24	7,455.74	304.40
		913.02	6,649.21	7,323.33	238.90
	Selenium Metal Powder	158.06	670.16	762.12	66.10
		375.88	931.90	1,149.72	158.06
	Others	972.03	6,467.07	6,215.72	1,223.39
		798.16	7,145.80	6,971.93	972.03
	Total	1,368.99	14,658.47	14,433.57	1,593.89
		2,087.06	14,726.90	15,444.97	1,368.99

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. Rishikesh P. Herlekar	Relative – Key Management Personnel	
	Mr Siddharth S. Sinkar	Director – Key Management Personnel	
	Svaks Biotech India Private Limited	Company owned by Key Management Personnel	
	Rishichem Research Limited		
	Desh Chemicals Private Limited	Cubaidian, Common Control Fuista	
	Lasa Laboratories Private Limited	Subsidiary - Common Control Exists	
	Urdhwa Chemicals Company Private Limited		

	Nature of Transaction	Relationship	As on 31 st March, 2014	As on 31 st March, 2013
	Directors Remuneration/Salary	Key Management Personnel	78.00	76.65
	Directors Remuneration/Salary	Relative of key management personnel	1.50	-
	Commission to Directors	Key Management Personnel	102.00	12.00
	Management Consultancy Fees	Key Management Personnel	16.85	11.24
		Subsidiary		
Α	Rishichem Research Limited	Opening Balance Payable	42.33	34.27
		Job work charges	95.34	129.62
		Reimbursement of expenses	7.65	0.00
		Closing Balance Payable	16.67	42.33

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

	Particulars		As on 31 st March, 2014	As on 31 st March, 2013
В	Urdhwa Chemicals Company Private Limited	Opening Balance Receivable	1.85	Nil
		Opening Balance Payable	85.54	Nil
		Opening Loan Receivable	2,330.99	877.76
		Purchase of Goods	75.22	73.72
		Sale of goods	640.80	66.64
		Job work charges	194.21	49.80
		Interest received	242.73	122.05
		Purchase of fixed assets	Nil	10.50
		Loan Given during the year	1,764.06	1,625.35
		Loan Repaid during the year	375.00	172.12
		Closing Balance Receivable	587.75	1.85
		Closing Balance Payable	21.56	85.54
		Closing Loan Receivable	3,720.05	2,330.99
С	Lasa Laboratory Private Limited	Opening Balance Receivable	185.19	Nil
		Opening Balance Payable	2.84	Nil
		Opening Loan Receivable	337.94	Nil
		Purchase of Goods	157.63	3.77
		Sale of goods	1,161.78	310.72
		Interest received	42.12	58.43
		Reimbursement of expenses	250.00	Nil
		Loan Given during the year	230.52	337.94
		Loan Repaid during the year	267.78	Nil
		Closing Balance Receivable	287.86	185.19
		Closing Balance Payable	24.93	2.84
		Closing Loan Receivable	250.68	337.94
		Share application money paid	300.00	Nil
D	Desh Chemicals Private Limited	Opening Loan Receivable	47.38	Nil
		Purchase of fixed assets	100.00	Nil
		Purchase of Current Assets	12.68	Nil
		Reimbursement of expenses	4.56	Nil
		Loan Given during the year	6.00	3.55
		Closing Loan Receivable	Nil	47.38
		Closing balance Payable	63.84	Nil

Note No	Particulars		As on 31st	As on 31st
27	Money Received Against Warrants Number of Warrants		March, 2014	March, 2013
	Mr. Pravin S. Herlekar	190000	71.25	71.25
	Mr. Omkar P. Herlekar	190000	71.25	71.25
	Mr. Rishikesh P. Herlekar	190000	71.25	71.25
	Svaks Biotech India Private Limited	380000	142.50	142.50
	Total	950000	356.25	356.25

During the previous financial year, the Company has issued & allotted 950,000 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 up front money as required under Clause 77(2) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. The said Warrants were issued on 6^{th} March, 2013 and the holders thereof can exercise the option for conversion of the same till 5^{th} 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.



Note	CONTINGENT LIABILITIES AND COMMITMENTS:				
No 28	i. Contingent Liabilities :				
	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, U		Limited of Rs 27 crores.		
	(Previous year Rs 21Cr) and Lasa Laboratory Private Limited of Rs 35 crores (previous year I	Rs 23.35 crores)			
	Contigent Liability in respect of income tax demands against which company has filed appeals with Commissioner of Income Tax (Appeal) for Assessement Years 2009-10, 2010-11 and 2011-12. The total demand (net of payments) is Rs 255.82 Lakhs				
	ii. Commitments :				
	Particulars	As on 31 st March, 2014	As on 31 st March, 2013		
	Letter of Credit	2,919.19	3,589.58		
	Amount to be exceuted for forward contracts	1,028.81	-		
	Estimated Amount of Contracts remaining to be executed on capital account	974.00	198.33		
	Total	4,922.00	3,787.91		
-	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.				
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 S. Herlekar (Chairman and Managing Director) Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249 Place : Mumbai Date : 10/05/2014



ANNEXURE TO THE ACCOUNTS OF OMKAR SPECIALITY CHEMICALS LIMITED STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

	 -	0.0.0	

			I		
	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	31.03.2014	31.03.2014	31.03.2014	31.03.2014
2	Date from which they became subsidiary	14.05.2010	15.06.2011	16.06.2011	09.04.2012
3	Shares of the subsidiary held by the company as on 31st March, 2014				
	a) Number & Face value	54000 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	100.00%	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 March, 2014	10.12 lakhs	(1.82) lakhs	(433.91) lakhs	321.43 lakhs
	up to the previous financial years of the subsidiary since it become subsidiary	39.13 lakhs	(35.99) lakhs	(125.26) lakhs	(20.52) lakhs
	b) dealt with in the accounts of holding company				
	1) for financial period ended 31st March, 2014	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 & 31st March, 2014				
	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 for any purpose other than that of meeting current liabilities	N.A	N.A	N.A	N.A

For and on behalf of the Board of Directors

Pravin S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

Place : Mumbai Date : 10/05/2014







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, 2014, 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.12,660.99 Lacs as at 31st March, 2014, total revenue of Rs.5704.79 Lacs and cash flows amounting to Rs.206.08 Lacs for the year then ended on 31st March, 2014. 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, 2014;
- (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 : 10/05/2014

Annual Report 2013-2014

OMKAR SPECIALITY CHEMICALS LIMITED CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014

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

Particulars	Note No.	As at 31 st March,2014	As at 31 st March,2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	1	1,962.80	1,962.80
Reserves and Surplus	2	11,402.34	10,387.65
Money received against share warrants		356.25	356.25
Share Application		-	-
		13,721.39	12,706.70
Non Current Liabilities			
Minority Interest		-	0.07
Long-term borrowings	3	6,511.75	5,392.12
Deferred tax liabilities (Net)	4	-	186.62
Long - term provisions	5	139.08	132.71
		6,650.83	5,711.52
Current Liabilities			
Short-term borrowings	3	12,617.29	9,059.65
Trade payables	6	4,514.45	3,636.90
Other current liabilities	7	2,163.06	1,180.93
Short-term provisions	8	646.37	609.61
		19,941.17	14,487.09
TOTAL		40,313.39	32,905.31
ASSETS			
Non Current Assets			
Fixed Assets			
Tangible assets	9	8,652.44	8,752.65
Intangible Assets	9	446.59	483.62
Capital Work-in-Progress	9	9,644.13	4,432.41
Intangible Assets under Development	9	14.01	6.83
Non Current Investments	10	7.31	7.22
Deferred tax asset (Net)	4	6.15	-
Long -term Loans and Advances	11	57.69	69.73
		18,828.32	13,752.46
Current Assets			
Inventories	12	8,445.57	7,275.40
Trade Receivables	13	9,425.48	6,606.82
Cash and Cash Equivalents	14	1,843.53	2,403.83
Short- term Loans and Advances	15	154.59	997.35
Other Current Assets	16	1,615.90	1,869.45
		21,485.07	19,152.85
TOTAL		40,313.39	32,905.31
Significant Accounting Policies			
Notes on Financial Statements	1 to 28		

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 S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249 Place : Mumbai Date : 10/05/2014



OMKAR SPECIALITY CHEMICALS LIMITED CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

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

	(Rupees III Lakits, except for strate data ii otherwise stat		
Particulars	Note No.	For the year ended 31st March 2014	For the year ended 31st March 2013
INCOME			
Revenue from Operation	17	24,027.98	21,169.24
Other income	18	324.78	404.65
Total Revenue		24,352.76	21,573.89
EXPENDITURE			
Cost of Material Consumed	19	11,213.37	12,461.23
Purchase of stock in trade		5,079.46	3,692.62
Changes in inventories of Finished Goods, Work in progress			·
and Stock in Trade	20	(178.77)	(2,196.58)
Employee benefits expense	21	1,392.66	993.26
Finance Costs	22	1,435.73	752.23
Depreciation and Amortization expense	9	1,205.90	668.90
Other Expenses	23	2,227.28	2,201.77
Total Expenditure		22,375.63	18,573.43
Profit before Exceptional Items & Extraordinary Items and Tax		1,977.13	3,000.46
Exceptional items		6.60	-
Profit Before tax		1,970.53	3,000.46
Tax Expenses			
Previous year adjustments		28.87	27.59
Current Tax		778.39	847.14
Deferred Tax		(192.79)	70.18
Profit for the Year (Before Minority Interest)		1,356.06	2,055.55
Less : Share of Profit of Minority Interest		-	0.01
Profit for the Year		1,356.06	2,055.54
Earnings Per Equity share			
Basic		6.91	10.47
Diluted		6.59	10.46
Face Value of Equity Shares (in Rs.)		10	10
Significant Accounting Policies			
Notes on Financial Statements	1 to 28		

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 S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249 Place : Mumbai Date : 10/05/2014



OMKAR SPECIALITY CHEMICALS LIMITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

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

	Particulars	For the year ended 31st March 2014	For the year ended 31 st March 2013
Α.	CASH FLOW FROM OPERATING ACTIVITIES :		
/ "	Net Profit Before Tax	1,970.53	3,000.46
	Adjustments for :	1,770.00	0,000.10
	Depreciation	1,205.90	668.90
	Finance expenses	1,711.25	752.23
	Provision for gratuity	38.29	58.43
	Pre-acquisition profits of subsidiary		(0.68)
	Share of Minority Interest - Post acquisition		(0.01)
	Provision for bad and doubtful debts	100.00	-
	Interest, dividend income	(231.68)	(246.72)
	Increase / Dimunition in value of investment	(0.09)	(0.19)
	Unrealized Foreign exchange gain / loss	37.25	43.07
	Operating Profit before working capital changes	4,831.45	4,275.49
	Adjustments for :	.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1/=12111
	Trade and Other Receivables	(2,918.66)	(2,743.36)
	Long - term Loans and Advances	12.04	(45.29)
	Short - term Loans and Advances	842.76	(931.36)
	Other Current Assets	253.55	(522.90)
	Inventories	(1,170.17)	(2,009.15)
	Trade and Other Payables	1,776.21	1,671.68
	•	(1,204.27)	(4,580.38)
	Taxes Paid	(714.55)	(567.07)
	Cash Generated from Operations	2,912.63	(871.96)
B.	CASH FLOW FROM INVESTING ACTIVITIES:		, ,
	Purchase of Fixed Assets(refer note 9)	(6,284.82)	(4,298.75)
	Revaluation of Assets	(4.08)	-
	Share Application Money	· · ·	(150.82)
	Interest received	231.68	246.72
	Net Cash used in Investing Activities	(6,057.22)	(4,202.85)
C.	CASH FLOW FROM FINANCING ACTIVITIES:		
	Proceeds from Short term Borrowings	3,557.64	2,142.95
	Proceeds from Long term Borrowings	1,119.63	2,801.83
	Issue of warrants	356.25	-
	Interest paid	(1,711.25)	(752.23)
	Dividend paid (including Dividend Distribution Tax)	(344.47)	(284.67)
	Net Cash from Financing Activities	2,621.55	4,264.13
	Net increase / (Decrease) in Cash and Cash equivalents (A+B+C)	(523.04)	(810.68)
	Cash and Cash equivalents at the beginning of the year	2,403.82	3,257.57
	Exchange difference on translation of foreign currency cash and cash equivalents	(37.25)	(43.07)
	Cash and Cash equivalents at the end of the year	1,843.53	2,403.82

Notes:

- 1. Figures in brackets indicate outflows.
- 2 Purchase of fixed assets includes payments for items in capital work in progress.
- 3 Cash and Cash equivalents represent Cash and Bank balances.
- 4 Cash and Cash equivalents includes Rs 635.32 lakhs held as Margin money pledged with the bank. (Previous year Rs 628.46 lakhs)
- 5 Unutilised invoice discounting facility during the end of reporting period is Rs. 2,000.00 lakhs (Previous year Nil)

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 S. Herlekar (Chairman and Managing Director)

Omkar P. Herlekar (Whole Time Director)

CA Pravin Deshpande Partner

M.No. 045249

Place: Mumbai Date: 10/05/2014 Nirav Momaya (Company Secretary)



Annual Report 2013-2014

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

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

SIGNIFICANT ACCOUNTING POLICIES

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 applicable accounting standards. The Company follows mercantile system of accounting and recognises income and expenditure on accrual basis.

2. PRINCIPLES OF CONSOLIDATION

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

Name of Subsidiary	Country of Incorporation	Effective Shareholding
Rishichem Research Limited	India	100.00%
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.

3. 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.

4. FIXEDASSETS:

- 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.
- 3. Exchanges differences arising on liabilities relating to acquisation of depreciable fixed assets are adjusted to the cost of respective assets and depreciated over the remaing useful life of such assets

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 transactions settled during the guarter 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. CASH FLOW STATEMENTS

Cash flows are reported using indirect method, whereby profit / (loss) is adjusted for the effects of the transaction are adjusted with non cash transaction and any difference or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information

7. INVENTORIES:

1. Raw Material

The Company is valuing Raw material, packing material and stores stock by taking costs of purchase 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 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.

8. 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.

9. 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.

10. 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.

11. EXCISE DUTY/CUSTOM DUTY:

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

12. DEPRECIATION/AMORTIZATION:

1. Intangible Assets:

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

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.

13. 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.

14. 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.

15. 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.



16. 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.

17. 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.

18. 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.

19. 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.

20. SECURITY PREMIUM ACCOUNT:

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

21. CHANGES IN ACCOUNTING POLICIES:

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



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014

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.	Particulars			As at 31 st March, 2014	As at 31st
1	SHARE CAPITAL				
	AUTHORISED CAPITAL				
	25000000 Equity Shares of Rs.10/- each.			2,500.00	2,500.00
	Issued, Subscribed and Paid up:				
	19628004 Equity Shares of Rs 10/- each, Fully paid Up			1,962.80	1,962.80
	Total				1,962.80
	The Movements of Share capital is set out below:				
		As at 31 st M	arch, 2014	As at 31 st March, 2013	
	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				
			March, 2014	As at 31 st March, 2013	
	Name of the Shareholder	No. of Share	Amount	No. of Share	Amount
	Pravin Herlekar*	10131471	1,013.15	9351810	935.18
	Anjali Herlekar	1208240	120.82	1208240	120.82
	Rohinton Soli Screwvala	-	-	1000000	100.00
	Total	11339711	1,133.97	11560050	1,156.01

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 previous year 2010-11.
- 2) During the financial year 2009-2010, 1126600 Equity shares of Rs. 100/- each have been alloted as fully paid up by way of bonus shares by way of capitalisation of profits & security premium account.
- 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 180005 Equity Shares in March, 2014. However the same is not reflected in the beneficial position received from the depositories as on 31st March 2014.

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

Note No.	Particulars	As at 31 st March, 2014	As at 31 st March, 2013
2	RESERVE AND SURPLUS	maron, zorr	
	Security Premium Account		
	Opening Balance	6,040.69	6,040.69
	Add: Additions during the year	-	-
	Closing Balance	6,040.69	6,040.69
	Capital Reserve		
	Opening Balance	94.29	-
	Add: Additions during the year	3.09	94.29
	Closing Balance	97.38	94.29
	General Reserve		
	Opening Balance	580.40	430.40
	Add: Transfer from Profit and Loss Account	100.00	150.00
	Closing Balance	680.40	580.40
	Profit & Loss Account		
	Opening Balance	3,672.27	2,108.91
	Add : Profit for the year	1,356.06	2,055.54
		5,028.33	4,164.45
	Less : Appropriations		
	Less: Proposed Dividend (Rs.1.5 per share) (Previous Year Rs.1.5 per share)	294.42	294.42
	Less : Tax on Dividend	50.04	47.76
	Less : Transfer to General Reserve	100.00	150.00
	Closing Balance	4,583.87	3,672.27
	Total	11,402.34	10,387.65

Note No.	Particulars		As at 31 st M	larch,2014			As at 31 st N	March,2013	
3	BORROWINGS	Long Term	*Current maturities of Long-term	Short Term	Total	Long Term	*Current maturities of Long-term	Short Term	Total
	Secured Borrowings								
	(a)Bonds / Debentures								
	(b)Term Loans								
	1)From Banks	6,492.92	1,517.82	-	8,010.74	5,320.72	632.03	-	5,952.75
	2)From Financial Institutions & Others	•	•	-	-	-	-	-	-
	c)Repayable on Demand								
	1)From Banks	-	-	10,368.25	10,368.25	-	-	7,519.42	7,519.42
	2)From Financial Institutions & Others	-	-	-	-	-	-	-	-
	TOTAL SECURED BORROWINGS	6,492.92	1,517.82	10,368.25	18,378.99	5,320.72	632.03	7,519.42	13,472.17
	Unsecured Borrowings								
	a) Short Term Loan from Financial Institutions	•	-	174.91	174.91	-	-	68.79	68.79
	b)Loans from Directors	18.83	-		18.83	18.83	-	-	18.83
	c)Loans from Banks	-	-	2,074.13	2,074.13	-	-	1,471.44	1,471.44
	d)Intercorporate Loan	-	-	-	-	52.57	-	-	52.57
	TOTAL UNSECURED BORROWINGS	18.83	-	2,249.04	2,267.87	71.40	-	1,540.23	1,611.63
	TOTAL BORROWINGS	6,511.75	1,517.82	12,617.29	20,646.86	5,392.12	632.03	9,059.65	15,083.80

Note:

- 1) Term 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 -92(A), W-94(A), W-95(A) Plot No.F-9, F -10/1, 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, book debts and first charge on land, building and plant and machinery situated at Plot No. C-105 Mahad, Dist. Raigad.
- c) From Banks were secured by way of hypothecation of stock, book debts and first charge on land, building and plant and machinery situated at Plot No. C-4, Lote Parshuram Indl. Area, MIDC, 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, 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 B-34, Plot No. F-9, F -10/1, MIDC, Badlapur, Dist: Thane & 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, book debts and first charge on land, building and plant and machinery situated at Plot No. C-105 Mahad, Dist. Raigad.
- c) From Banks were secured by way of hypothecation of stock, book debts and first charge on land, building and plant and machinery situated at Plot No. C-4, Lote Parshuram Indl. Area, MIDC, Dist. Ratnagiri.
- d) Personal guarantee of the promoter directors of the company
- 3) Secured Borrowings from banks, repayable on demand, includes Buyers Credit of Rs 1,711.85 lakhs (Previous year : Rs 1,972.16 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

Repayable within	Term Loan	ECB	Total
1 Year	466.00	1,051.82	1,517.82
1-2 Years	344.82	1,182.89	1,527.71
2-3 Years	281.00	1,018.25	1,299.25
After 3 Years	1,057.00	2,608.96	3,665.96
Total	2,148.82	5,861.92	8,010.74

NI - ,	Dautianiana			A = 1 045	(Rupees in Lakns)
Note	Particulars			As at 31 st	As at 31 st March, 2013
No.	DEFENDED TAY			March, 2014	Iviarch, 2013
4	DEFERRED TAX				
	Deferred Tax Assets/Liability				
	Deferred Tax Liabilities:				
	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			876.19	606.45
	Deferred Tax Assets:			070.17	000.43
	On account of gratuity			116.60	23.93
	Others			(569.98)	25.75
-	Net Difference			1,329.57	582.52
	Net Deferred Tax (Assets)/Liabilities			(6.15)	186.62
5	LONG TERM PROVISIONS			(0.13)	100.02
	Provision for Gratuity			139.08	132.71
	Total			139.08	132.71
6	TRADE PAYABLES			137.00	132.71
	Creditors for Goods			4,163.02	3,082.71
	Creditors for Expenses			351.43	554.19
	Total			4,514.45	3,636.90
7	OTHER CURRENT LIABILITIES				
	Current maturities of long-term debt (Refer Note 3)			1,517.82	632.03
	Interest accrued but not due on borrowings			65.16	163.07
	Advances received from customers			2.91	22.39
	Unclaimed dividend			0.62	0.33
	Creditors for capital goods			278.92	272.09
	Other Payables			212.69	13.84
	Statutory liabilities			84.94	77.18
	Total			2,163.06	1,180.93
8	SHORT TERM PROVISIONS				
	Provision for Employee Benefits				
	Provision for Provident Fund			-	-
	Others Provisions				
	Proposed Dividend			294.42	294.42
	Tax on proposed Dividend			50.04	47.76
	Provision for Taxation (Net)			269.50	263.47
	Other expenses			32.41	3.96
	Total			646.37	609.61
10	NON CURRENT INVESTMENTS	2013-14	2012-13		
	Investment in Mutual Fund (Fully paid up, Non Traded, Quoted)		fUnits		
	Baroda Pioneer Mutual Fund (Face Value Rs 10/- per unit)	100000	100000	10.00	10.00
	Less : Dimunition in Value of Investment			3.29	3.38
	(Market Value as on 31st March, 2014 Rs 7.4 lakhs)				
	Sub total (a)	100000	100000	6.71	6.62
	Investment in Equity Shares		Shares		
	Saraswat Co-op Bank Ltd	6000	6000	0.60	0.60
	Sub total (b)	6000	6000	0.60	0.60
	Total (a+b)	1		7.31	7.22
11	LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good	1)		F7 (0	/0.70
	Deposits			57.69	69.73
	Total			57.69	69.73



NOTE NO. 09 FIXED ASSETS										(Rupee	(Rupees in Lakhs)
			GROSS	GROSS BLOCK			DEPREC	DEPRECIATION		NET BLOCK)CK
Description of the Assets	Rate of	Cost	Additions	Deduction/	Cost	Upto	Additions	Deduction/	Upto	WDV	WDV
	Depreciation	as on 01.04.13	during the Year	Adjustment during the Year	as on 31.03.14	01.04.13	For the Year	Adjustment during the Year	31.03.14	as on 31.03.14	as on 31.03.13
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets											
Leasehold Land		1,291.04	239.66	(0.00)	1,530.70	37.79	13.54	-	51.33	1,479.37	1,253.25
Factory Building	10.00%	2,348.05	59.74	2.82	2,404.97	341.36	213.63	2.49	552.50	1,852.47	2,006.69
Residential Premises	2.00%	53.17		•	53.17	3.77	2.47	-	6.24	46.93	49.40
Plant & Machinery (R&D)	13.91%	571.52	26.68		628.20	148.46	66.19	1	214.65	413.55	411.59
Plant & Machinery	20.87%	5,465.11	692.52	55.22	6,102.41	1,006.89	776.04	14.22	1,768.71	4,333.70	4,469.69
Electrical Installation	13.91%	483.86	4.37	11.82	476.41	80.74	54.67	0.51	134.90	341.51	403.12
Furniture & Fixture	18.10%	114.14	25.52	0.08	139.58	30.99	17.33	80.0	48.24	91.34	83.15
Office Equipments	13.91%	52.37	16.12	•	68.46	14.47	6.57	-	21.04	47.45	37.90
Computer	40.00%	60.02	13.12	ı	73.14	32.63	13.77	-	46.40	26.74	27.39
Motor Car and Cycle	72.89%	26.00	14.38	-	40.38	15.52	5.48	-	21.00	19.38	10.48
Assets less than Rs 5,000/-	100.00%	4.15	1.97	•	6.12	4.15	1.97	•	6.12		i
Sub total (A)		10,469.43	1,124.08	69.94	11,523.57	1,716.77	1,171.67	17.30	2,871.13	8,652.44	8,752.66
Intangible Assets											
Patent Fees		4.30	1.91	•	6.21	1.16	0.48	-	1.64	4.57	3.14
Goodwill		430.37	-	09'9	423.77	-	-	-	-	423.77	430.37
Computer Softwares	40.00%	23.65	1.87	•	55.52	3.54	33.73	-	37.27	18.25	50.11
Sub total (B)		488.32	3.78	9.90	485.50	4.70	34.21	-	38.91	446.59	483.62
Capital Work in Progress											
Intangible		6.83	89'8	1.50	14.01	-	-	-	-	14.01	6.83
Tangible		4,432.41	5,412.40	200.68	9,644.13	-	-	-	-	9,644.13	4,432.41
Sub total (C)		4,439.24	5,421.08	202.18	9,658.14	•	•	1	•	9,658.14	4,439.24
GRAND TOTAL (A+B+C)	Rupees	15,396.99	6,548.94	278.72	21,667.21	1,721.47	1,205.88	17.30	2,910.05		13,675.52
Previous Year	Rupees	(10,947.42)	(6,458.89)	(5,009.32)	(15,396.99)	(1,037.99)	(683.48)	(0.00)	(1,721.47)	(13,675.52)	(9,909.43)

Nata	Particulars	As at 31st	As at 31 st
Note	Pai liculai S	March, 2014	March, 2013
No.		IVIdI CI1, 2014	IVIAICII, 2013
12	INVENTORIES		
	Stores and spare parts	4.17	4.43
	Raw materials	2,822.47	1,770.38
	Raw materials in transit	27.04	96.23
	Packing Material	11.99	3.24
	Work-in-progress	4,117.03	4,953.40
	Finished products	1,462.87	447.72
	Total	8,445.57	7,275.40
13	TRADE RECEIVABLES		
	(Unsecured and Considered Good)		
	More than six months	1,028.00	540.97
	Others	8,397.48	6,065.85
	Net Trade Receivables	9,425.48	6,606.82
	(Unsecured and Considered Doubtful)		
	More than six months	100.00	-
	Others	-	-
	Less: Provision for doubtful Trade Receivables	100.00	-
	Total	9,425.48	6,606.82
14	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	Balance with Banks	1,193.31	1,643.18
	Cash on hand	2.52	3.01
	*In Earmarked Accounts	0.62	0.33
	Held as Margin Money	647.08	628.46
	Fixed deposits with Banks	-	128.85
	Total	1,843.53	2,403.83
	* Earmarked balance with banks is for unclaimed dividend for Previous Year	170 10.00	2,100.00
15	SHORT TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
"	Staff Advance	3.27	0.14
	Advances to suppliers	150.82	333.60
	Deposits	0.50	2.97
	Intercorporate debt	0.50	259.68
	Capital Advance		400.96
	Total	154.59	997.35
16	OTHER CURRENT ASSETS	104.07	771.33
10	Prepaid Expenses	65.98	34.93
	Other Assets	03.98	0.85
	Interest accrued but not due on advances	24.10	167.33
	Receivables	24.10	107.33
		25.40	1/ 2/
	Income Tax (Net)	25.49	16.36
	Other Taxes and Duties	1,499.93	1,649.98
	Total	1,615.90	1,869.45

Note	Darticulars	For the Year ended	(Rupees in Lakins)
Note No.	Particulars		31 st March, 2013
	DEVENUE FROM OREDATION	31 st March, 2014	31 Warch, 2013
17	REVENUE FROM OPERATION		
	Sale of Products	40.070.00	4/7/7/5
	Domestic Sales	19,873.33	16,767.65
	Exports Sales	6,212.55	5,976.30
	Sales (Gross)	26,085.88	22,743.95
	Less : Excise Duties	2,183.97	1,678.19
	Sales (Net)	23,901.91	21,065.76
	Sale of Services		
	Job work Charges	126.07	103.48
	Net Sales & Services	24,027.98	21,169.24
18	OTHER INCOME		
	Interest Income	231.68	246.72
	Duty Drawback receivable	68.50	63.53
	Sale of sample	4.86	1.32
	Miscellaneous receipts	19.66	20.65
	Dividend Income	0.08	0.10
	Forex Gain	-	72.14
	Increase in value of Investment	-	0.19
	Total	324.78	404.65
19	COST OF MATERIAL CONSUMED		
	Opening Stock of Raw materials	1,867.54	2,122.30
	Add : Purchases	12,205.02	12,206.48
	Less : Closing Stock of Raw Materials	2,859.19	1,867.55
	Total	11,213.37	12,461.23
20	CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE	11,210.07	12/101120
	Opening Inventories :		
	Finished products	447.72	373.13
	Work- in-progress	4,953.41	2,831.42
	Sub Total (A)	5,401.13	3,204.55
	Closing Inventories :	3,401.13	3,204.33
	Finished products	1,462.87	447.72
	Work- in-progress	4,117.03	4,953.41
	Sub Total (B)	5,579.90	5,401.13
	Total (A+B)	(178.77)	
21	EMPLOYEE BENEFITS EXPENSES	(170.77)	(2,196.58)
<u> </u>		1,301.43	010.10
	Salaries, Wages & Other Benefits (Note) Contribution to Provident and Other Funds		919.12
		27.57	29.29
	Workmen and staff welfare expenses	63.66	44.85
	Total	1,392.66	993.26
	Note: Salaries, Wages & Other Benefits, recognised as expense for the year is as under:	F0F 04	440.07
	Salaries and Wages	585.06	443.27
	Directors Remuneration	200.91	123.64
	Bonus, Gratuity and other incentives	38.29	58.43
	Employers Contribution to ESIC	3.95	4.60
	Contribution to Labour Welfare Fund	0.12	0.11
	Contract Labour Charges	491.59	300.98
	Gross Total	1,319.92	931.03
	Less: Project Development Expenditure Capitalised	18.51	11.91
	Net Total	1,301.41	919.12



Note	Particulars	For the Year ended	(Rupees in Lakns)
Note	rai licuidi S		31 st March, 2013
No.		31 st March, 2014	31 Warch, 2013
21.1	The following tables sets out the disclosures relating to gratuity benefits as required by Accounting Standard -15 Employee Benefits:		
	Past Service Cost Recognised	-	-
	Past Service Cost-(non vested benefits)	-	-
	Past Service Cost-(vested benefits)	-	-
	Average remaining future service till vesting of benefits	-	- 0.50
	Recognized Past Service Cost-non vested benefits	-	0.50
	Recognized Past Service Cost –vested benefits	-	-
21.2	Unrecognised Past Service Cost –non vested benefits	-	-
21.2	Actuarial Gain/(loss) Recognised	04.00	1/ 00
	Actuarial gain/(Loss) for the period (Obligation)	34.90	16.83
	Actuarial gain/(Loss) for the period (Plan Assets)	-	0.00
	Total Gain/(Loss) for the period	34.90	16.83
	Actuarial Gain/(Loss) recognized for the period	32.80	16.83
	Unrecognised Actuarial Gain/(Loss) at the end of the period	-	-
21.3	Changes in the present value of obligation:		
	Present value of obligation at beginning of period	12.80	103.10
	Add : Interest Cost	9.96	7.90
	Add : Current Service Cost	41.29	40.52
	Add : Past Service Cost	-	-
	Less: Benefits paid	(3.14)	(8.64)
	Add: Actuarial (gain)/loss on obligation	(35.06)	(16.83)
	Present value of obligation at end of period	139.08	126.03
21.4	Changes in the Fair value of Plan Assets:		
	Fair value of Plan Assets at beginning of period	-	-
	Add: Actual return on Plan Assets	-	-
	Add: Contributions	3.14	8.64
	Less: Benefits Paid	(3.14)	(8.64)
	Add: Actuarial Gain/(loss) on plan assets	-	-
	Fair Value of Plan Assets at end of period	-	-
21.5	Amounts recognized in the balance sheet		
	Present value of obligation at the end of the period	139.08	126.03
	Less: Fair Value of Plan Assets at end of period	-	-
	Funded Status	(137.74)	(126.03)
	Unrecognized Past Service Cost	-	-
	Net Asset/(Liability) recognized in the Balance Sheet	(137.74)	(126.03)
21.6	Expenses recognized in the profit and Loss account	()	(120.00)
	Current Service Cost	41.29	40.52
	Add: Interest Cost	9.96	7.90
	Add: Past Service Cost	7.70	0.50
	Add: Net Actuarial (Gain)/Loss recognised	(34.74)	(25.47)
	Expenses recognized in the Profit and loss Account	16.17	23.44
21.7	The following table sets out the assumptions used in actuarial valuation of gratuity:	10.17	23.44
Z1./		0.00	0.00
	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%



			(Rupees in Lakns)
Note	Particulars	For the Year ended	For the Year ended
No.		31 st March, 2014	31 st March, 2013
22	FINANCE COST		
	Interest Expenses (Note-II)	1,586.26	1,078.38
	Other Borrowing Costs	72.39	6.70
ľ	Applicable net gain/loss on foreign currency transactions and translation	52.60	-
Ī	Gross Total	1,711.25	1,085.08
	Less: Interest Capitalised	275.52	332.85
	Net Total	1,435.73	752.23
	Note II:Interest Expenses includes :		
f	On loans for fixed periods from banks	318.59	152.89
ŀ	On cash credit and other facilities from banks	1,267.67	925.49
f	Total	1,586.26	1,078.38
23	OTHER EXPENSES		·
	Other Manufacturing Expenses		
F	Factory Electricity charge	270.39	174.74
	Water Charges	29.49	14.18
	Packing & Testing Charges	3.50	3.63
ŀ	Laboratory Expenses	265.53	199.36
ŀ	Consumable Stores	224.74	301.37
ŀ	Processing Charges	165.09	461.04
ŀ	Repairs & Maintenance- Building	21.69	77.59
ŀ	Repairs & Maintenance - Machinery	175.59	53.41
ŀ	Central Excise Duty-Net	-	6.66
f	Freight Inward	108.35	128.61
l	Sundry Factory Expenses	20.45	28.86
	Sub Total (A)	1,284.82	1,449.45
	Administrative, Selling and Distribution Expenses		
	Sales Promotion Expenses	132.14	87.08
	Commission on Sales	137.47	119.24
	Conveyance & Travelling Expenses	54.56	26.25
	Freight & Transportation - Sales	102.20	94.35
	Misc. Expenses	66.49	89.66
	Provision for Bad debts/Badbebts	100.00	90.82
	Telephone/Telegram/Internet Charges	41.25	29.76
	Repairs & Maintenance- Others	14.79	28.43
Ī	Forex	42.83	-
	Insurance	38.68	42.55
	Printing & Stationery	16.82	17.45
	Professional Charges	167.30	100.36
	Rates & Taxes	17.78	17.14
Ī	Payments to Auditors	10.15	9.21
ľ	Sub Total (B)	942.46	752.32
	Total (A+B)	2,227.28	2,201.77
23.1	Payment to Auditors		
	a) As Auditor	10.15	7.22
ŀ	b) For Taxation Matter	1.20	1.20
ļ	c) For Other Services	0.90	0.79
ŀ	Total	12.25	9.21



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

Note	Particulars	For the Year ended	For the Year ended
No.		31 st March, 2014	31 st March, 2013
23.2	Value of Imported Raw material & stores consumed & percentage of consumption	,	
	Raw Material		
	Imported	5,139.26	7,900.16
	Percentage	45.83%	63.40%
	Indigenous	6,074.11	4,561.08
	Percentage	54.17%	36.60%
	Total	11,213.37	12,461.24
	Percentage	100%	100%
	Consumables		
	Imported	Nil	Nil
	Percentage	Nil	Nil
	Indigenous	224.74	301.37
	Percentage	100%	100%
	Total	224.74	301.37
	Percentage	100%	100%
23.3	Earnings and Expenditure in foreign currency		
	Earnings In Foreign Exchange		
	Value Of Export (FOB)	5,918.28	5815.97
	Expenditure In Foreign Currency		
	Purchase Of Materials	10,174.71	6473.56
	Capital Expenditure	216.71	133.52
	Other Expenses	33.03	61.89
	Interest	403.04	233.67
	Dividend Remitted In Foreign Currency	-	14.49
	Value Of Import On CIF Basis		
	Raw Material	10,174.71	6947.62
	Capital Goods	216.71	47.86
23.4	The Company has incurred the following expenses on research and development activity:		
	On Tangible Fixed Assets	37.92	30.76
	On items which have been expensed during the year*	297.29	255.09
	Total	335.21	285.85
	* Includes amount of Rs. 3.41 lakhs paid to external agency in current year (Previous Year Rs 7.76 lakhs)		
24	Basic and Diluted Earnings per share is calculated as under		
	Profit attributable to Equity Shareholder	1,356.06	2,055.54
	Weighted average number of Equity shares :		
	Basic	19628004	19628004
	Diluted	20578004	19634804
	Earning per share (in Rs)		
	Basic	6.91	10.47
	Diluted	6.59	10.46

25.1	Particulars of Sales and Stock of Finished goods (Manufacturing Goods):				
	Particulars	Opening Stock	Sales	Closing Stock	
		(Rs)	(Rs)	(Rs)	
	lodine Compounds	55.00	10,328.45	743.34	
		254.75	10,852.09	55.00	
	Selenium Compounds	209.56	2,010.76	65.34	
	Intermediates	69.12	1,445.79	209.56	
	Intermediates	25.45	1,452.89	239.41	
		14.59	1,978.62	25.45	
	API	154.35	3,275.75	366.22	
		30.41	957.02	154.35	
	Others (Molybdenum, Cobalt, Bismuth)	2.20	532.67	13.81	
	-	0.86	817.42	2.20	
	Resolving Agents	1.11	963.77	34.75	
		3.40	899.60	1.16	
	Total	447.67	18,564.29	1,462.87	
		373.13	16,950.54	447.72	

25.2	Particulars of Goods Traded and Job work charges received:					
	Particulars	Goods Traded	Job work Charges			
	Pal ticulal S	(Rs)	(Rs)			
	Iodine Compounds	2,663.93	0.88			
		3,714.86	2.66			
	Selenium Compounds	-	125.06			
		-	94.51			
	API	_				
		124.41	-			
	Intermediates	2,673.68	0.14			
		139.74	6.31			
	Others (Molybdenum, Cobalt, Bismuth)	-	-			
		124.14	-			
	Resolving Agents	-	-			
		12.07	-			
	Total	5,337.61	126.08			
		4,115.22	103.48			

Particulars	Opening Stock	Closing Stock
	(Rs)	(Rs)
lodine Compounds	2,668.27	1,225.39
	452.09	2,668.27
Selenium Compounds	1,140.80	1,999.67
	2,236.55	1,140.80
API	64.58	132.45
	30.43	64.58
Intermediates	770.68	700.54
	39.89	770.68
Others (Molybdenum, Cobalt, Bismuth)	91.17	7.78
	76.90	91.17
Resolving Agents	217.91	51.20
	25.99	217.91
Total	4,953.41	4,117.03
	2,861.85	4,953.41

.4	*Particulars of purchases, consumption and stock of materials:				
	Particulars	Opening Stock	Purchases	Consumption	Closing Stock
		(Rs)	(Rs)	(Rs)	(Rs)
	Crude iodine	238.90	7,521.24	7,455.74	304.40
		913.02	6,649.21	7,323.33	238.90
	Selenium Metal Powder	158.06	670.16	762.12	66.10
		375.88	931.90	1,149.72	158.06
Ī	API	140.35	1,223.86	1,127.29	236.92
		35.24	825.92	720.81	140.35
Ī	Intermediates	358.20	2167.46	1,497.28	1028.381
Ī		-	696.52	338.32	358.20
	Others	974.34	5,701.76	5,450.41	1,225.70
		798.16	6,795.56	6,971.93	974.34
	Total	1,869.85	17,284.48	16,292.83	2,861.50
		2,122.30	15,899.10	16,504.10	1,869.85
The Figures In Italics Pertains To Previous Year					
Ī	* above consumptions also incl	udes cost of goods trade	ed		

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	Relative – Key Management Personnel			
	Svaks Biotech India Private Limited	Company owned by Key Management Personnel			

Sr No	Nature of Transaction	Relationship	As on 31 st March, 2014	As on 31 st March, 2013
1	Directors Remuneration/Salary	Key Management Personnel	93.91	91.65
2	Commission to Directors	Key Management Personnel	102.00	12.00
3	Management Consultancy Fees	Key Management Personnel	16.85	11.24
4	Directors Remuneration/Salary	Relative – Key Management Personnel	1.50	-

5	Money Received Against Warrants			
	Particulars	Number of Warrants	As on 31 st March, 2014	As on 31 st March, 2013
	Mr. Pravin S. Herlekar	190000	71.25	71.25
	Mr. Omkar P. Herlekar	190000	71.25	71.25
	Mr. Rishikesh P. Herlekar	190000	71.25	71.25
	Svaks Biotech India Private Limited	380000	142.50	142.50
	Total	950000	356.25	356.25

During the Previous financial year, the Company has issued & allotted 950,000 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 September 5, 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.

27 | CONTINGENT LIABILITIES AND COMMITMENTS :

I. Contingent Liabilities :

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 Chemical 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) Contingent Liability in respect of income tax demands against which company has filed appeals with Commissioner of Income Tax (Appeal) for Assessment Years 2009-10, 2010-11 and 2011-12. The total demand (net of payments) is Rs 255.82 Lakhs



ii. Commitments:

Particulars	As on 31 st March, 2014	As on 31 st March, 2013
Letter of Credit	3,009.83	3,622.65
Amount to be executed for forward contracts	1,028.81	-
Estimated Amount of Contracts remaining to be executed on capital account	974.00	228.33
Total	5,012.64	3,850.98

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 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 S. Herlekar (Chairman and Managing Director) Omkar P. Herlekar (Whole Time Director)

Nirav Momaya (Company Secretary)

CA Pravin Deshpande Partner M.No. 045249

Place : Mumbai Date : 10/05/2014

ANNEXURE TO THE ACCOUNTS OF OMKAR SPECIALITY CHEMICALS LIMITED SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956

(Rs. 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	49.25	59.56	(559.17)	300.91
Total Assets	92.92	64.78	7,233.22	5,270.15
Total Liabilities	38.27	0.27	7,437.95	4,494.24
Investmesnts (including investments in subsidiaries)	0.25	0.25	0.10	-
Turnover	95.34	0.04	2,152.63	3,421.92
Profit before Taxation	35.84	(1.39)	(619.29)	482.27
Provision for Taxation	25.72	(0.43)	(185.38)	160.84
Profit after Taxation	10.12	(1.82)	(433.91)	321.43
Proposed Dividend	-	-	-	-

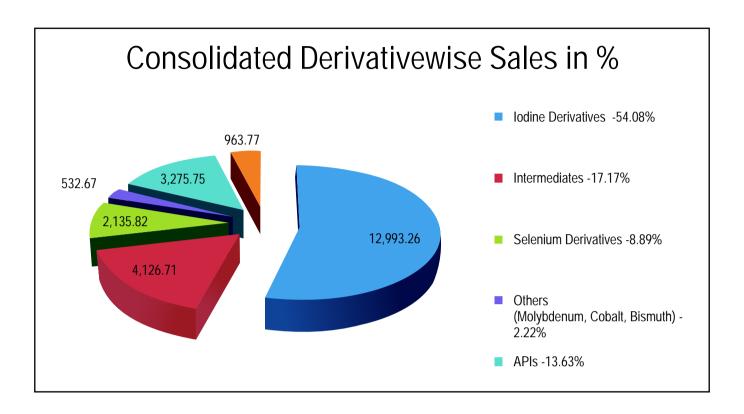
For and on behalf of the Board of Directors

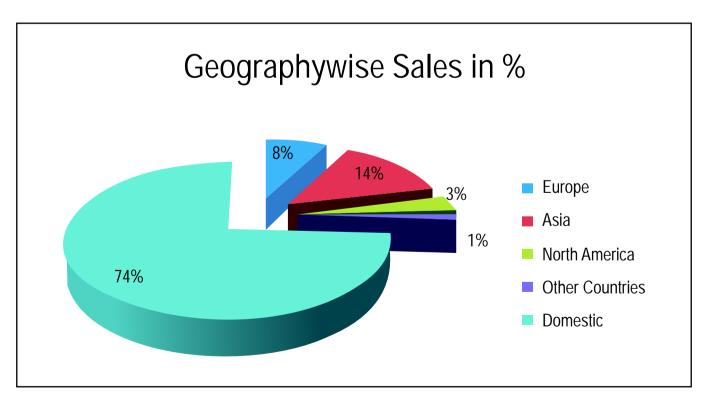
Pravin S. Herlekar (Chairman and Managing Director) Omkar P. Herlekar (Whole Time Director)

Place : Mumbai Date : 10/05/2014 Nirav Momaya (Company Secretary)

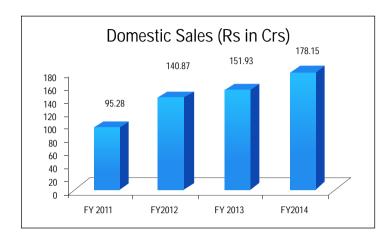


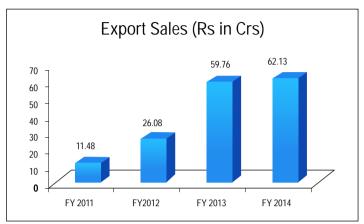


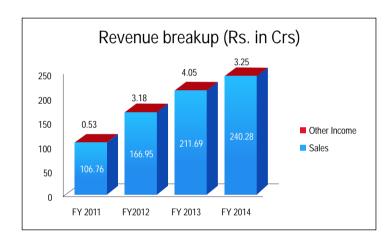




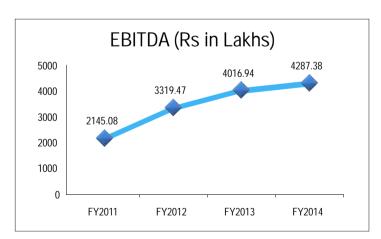


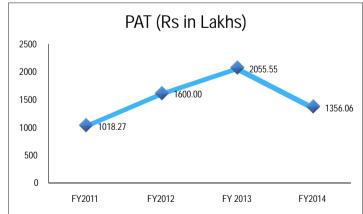




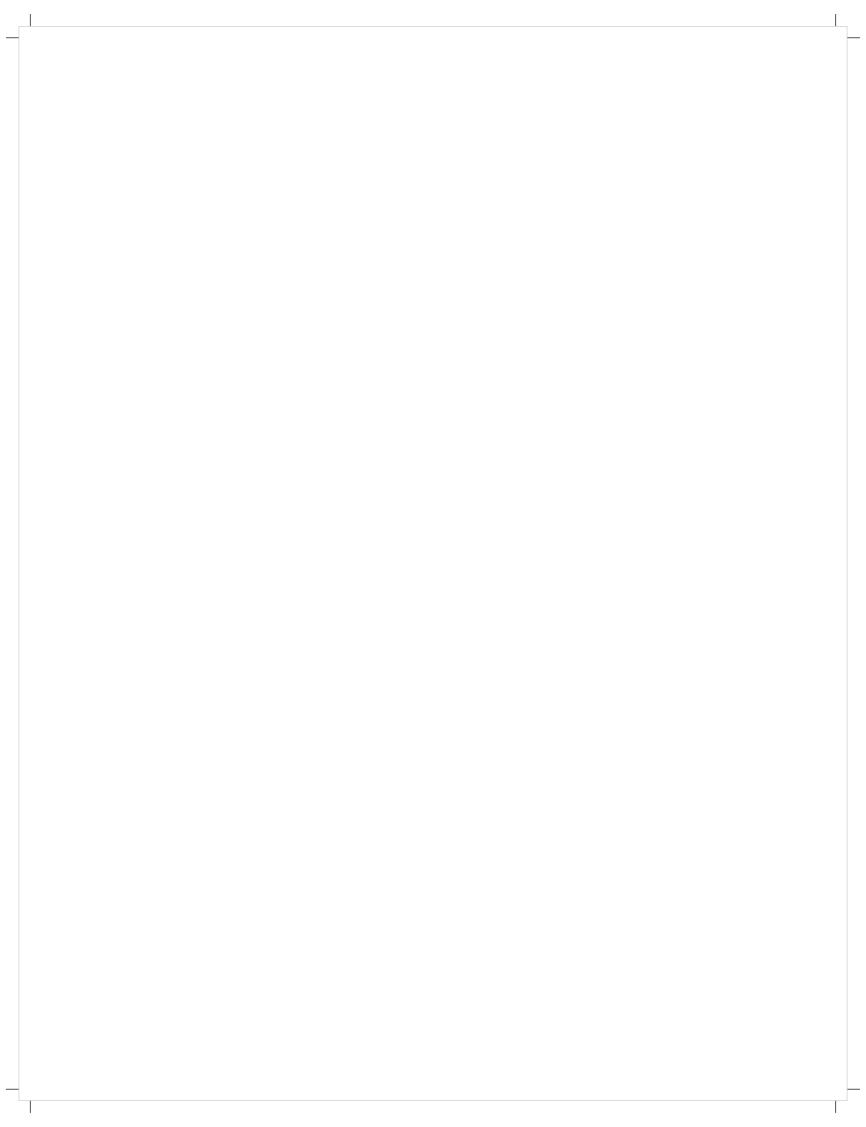












CIN: L24110MH2005PLC151589

Registered Office: B-34, MIDC, Badlapur (E), Thane - 421503, Tel: +91(0251) 2697340, 2690651, Fax: +91(0251) 2697347, 2691572

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

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.

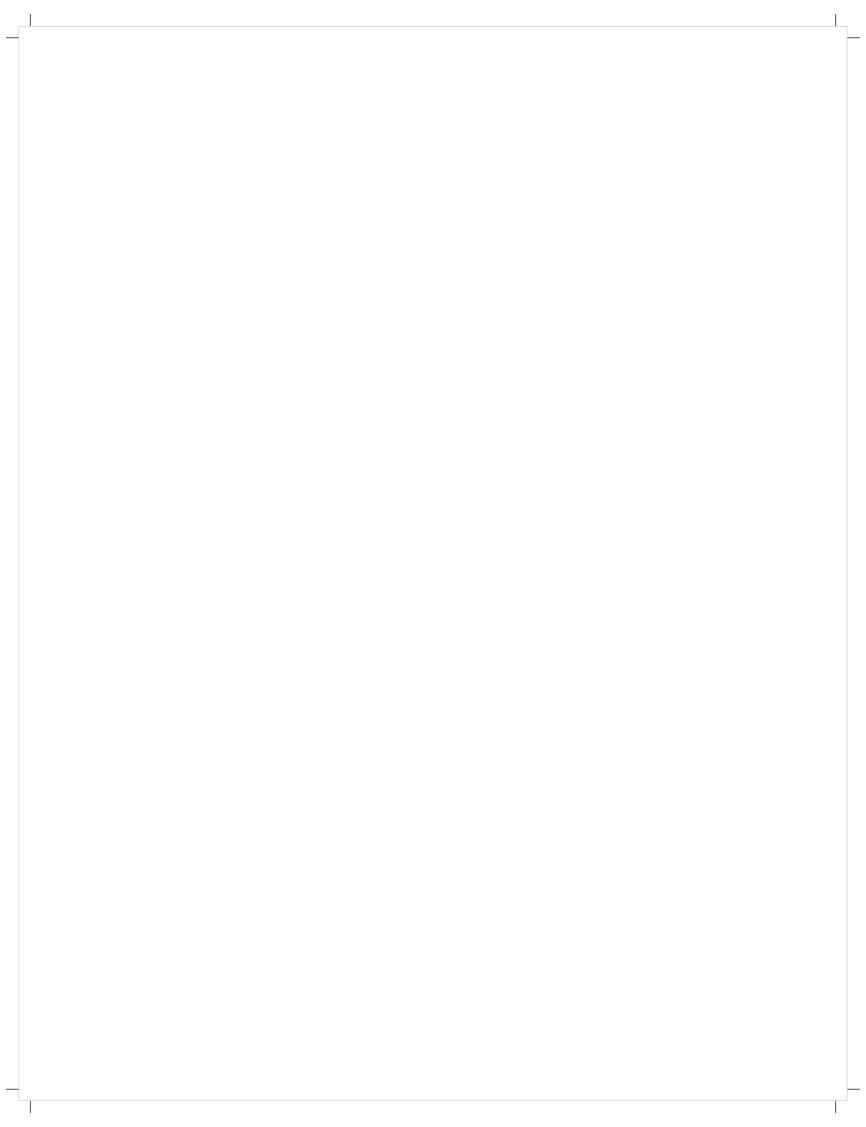
*Client ID No. ______ *DP ID No. ______ Ledger Folio No. ______

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 Saturday, the 9th day of August, 2014 at 10.30 a.m. at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane – 421503.

* Applicable for investors holding shares in electronic form

Annual Report 2013-2014



CIN: L24110MH2005PLC151589

Registered Office: B-34, MIDC, Badlapur (E), Thane - 421503, Tel: +91(0251) 2697340, 2690651, Fax: +91(0251) 2697347, 2691572 Email: cs@omkarchemicals.com/info@omkarchemicals.com Web: www.omkarchemicals.com

PROXY FORM

[Pursuant to section 105(6) of the Companies Act 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)]

Name of the Member(s):	
Registered Address:	
Email id:	
Folio No./*Client ID:	
*DP ID:	
	shares of the above named Company, hereby appoint
1. Name:	Email id:
Address:	Signature:
Or failing him,	
2. Name:	Email id:
	Signature:
Or failing him,	
3. Name:	Email id:
Address:	Signature:

As my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 9th Annual General Meeting of the Company, to be held on Saturday the 9th day of August 2014, at 10:30 a.m. at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane – 421503 and at any adjournment there of in respect of such resolutions as are indicated below:

** I wish my above proxy to vote in the manner as indicated in the box below:

	Resolutions	For	Against
Ord	inary Business		
1.	Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors		
2.	Declaration of dividend on equity shares		
3.	Re-appointment of Mr. Siddharth S. Sinkar who retires by rotation		
4.	Appointment of auditors and fixing their remuneration		
Spe	cial Business		
5.	Appointment of Mrs. Anjali P. Herlekar as Non-Executive, Promoter and Woman Director		
6.	Appointment of Mr. Amit A. Pandit as Independent Director		
7.	Appointment of Prof. (Dr.) Suhas M. Rane as Independent Director		
8.	Appointment of Mr. Subhash P. Mali as Independent Director		
9.	Appointment of Dr. Vikas N. Telvekar as Independent Director		
10.	Payment of Commission to Non-Executive Directors		
11.	Appointment of cost auditors		
12.	Adoption of new Articles of Association of the Company		

Signed this	_ day of	2014	AFFIX REVENUE STAMP	
Signature of the shareholder				
Signature of 1 st proxy holder * Applicable for investors holding sha	ares in electronic forn	Signature of 2 nd proxy holder	-	Signature of 3 rd proxy holder

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2. A proxy need not be a member of the Company.
- 3. This is only optional. Please put 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

CIN: L24110MH2005PLC151589

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

ASSENT / DISSENT FORM FOR VOTING ON AGM RESOLUTIONS

Name & Registered		
Address of the		
Sole / First Named		
Member:		

Registered Folio No./:

Name of the joint holders:

DP ID No. / Client ID No

Number of Shares held:

I / We hereby exercise my / our vote in respect of the following resolutions to be passed for the business stated in the Notice of the Annual General Meeting dated 9^{th} August, 2014, by conveying my / our assent or dissent to the resolutions by placing tick (\checkmark) mark in the appropriate box below

Sr. No.	Resolutions	No. of Shares	I / We assent to the Resolution (FOR)	I / We dissent to the Resolution (AGAINST)
	Ordinary Business:			
1	. Consider and adopt Audited Financial Statement Reports of the Board of Directors and Auditors			
2	Declaration of dividend on equity shares			
3	Re appointment of Mr. Siddharth S. Sinkar who retires by rotation			
4	Appointment of auditors and fixing their remuneration			
	Special Business:			
5. 	Appointment of Mrs. Anjali P. Herlekar as Non-Executive, Promoter and Woman Director			
6	Appointment of Mr. Amit A. Pandit as Independent Director			
7	Appointment of Prof Dr. Suhas M. Rane as Independent Director			
8	Appointment of Mr. Subhash P. Mali as Independent Director			
9	Appointment of Dr. Vikas N. Telvekar as Independent Director			
10.	. Payment of Commission to Non Executive Directors			
11.	. Appointment of cost auditors			
12.	. Adoption of new Articles of Association of the Company			

INSTRUCTIONS

General instructions:

- 1. Shareholders have option to vote either through E-voting i.e. electronic means or to convey Assent/Dissent in physical form. If a shareholder has opted for Physical Assent/Dissent Form, then he/she should not vote by E-voting and vice versa. However, in case shareholders cast their vote through both physical Assent/Dissent Form and E-voting, then vote cast through E-voting shall be considered and vote cast through physical Assent/Dissent Form shall be treated as invalid.
- 2. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 20th June, 2014.
- 3. Voting through physical Assent/Dissent Form cannot be exercised by a proxy. However, corporate and institutional shareholders shall be entitled to vote through their authorised representatives with proof of their authorization, as stated below.

<u>Instructions for voting physically on Assent/Dissent Form:</u>

- 1. A Member desiring to exercise vote by Assent/Dissent should complete this Form (no other form or photocopy thereof is permitted) and send it to the Scrutinizer, M/s Nilesh A. Pradhan & Co., Practicing Company Secretary and send the same at their cost to reach the Scrutinizer at the Registered Office of the Company on or before the close of working hours i.e. 6:00 P.M. on 5th August, 2014. All Forms received after this date will be strictly treated as if the reply from such Member has not been received.
- 2. This Form should be completed and signed by the Shareholder (as per the specimen signature registered with the Company/ Depository Participants). In case of joint holding, this Form should be completed and signed by the first named Shareholder and in his absence, by the next named Shareholder.
- 3. In respect of shares held by corporate and institutional shareholders (companies, trusts, societies, etc.), the completed Assent/Dissent Form should be accompanied by a certified copy of the relevant Board Resolution/appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- 4. The consent must be accorded by recording the assent in the column 'FOR' or dissent in the column 'AGAINST' by placing a tick mark (v) in the appropriate column in the Form. The assent or dissent received in any other form shall not be considered valid.
- 5 .Members are requested to fill the Form in indelible ink and avoid filling it by using erasable writing medium ()like pencil .
- 6 .There will be one Assent Dissent Form for every folio Client ID irrespective of the number of joint holders.
- 7 .A Member may request for a duplicate Assent Dissent Form if so required and the same duly completed should reach the Scrutinizer not later than the date specified under instruction No 1 above .
- 8 .Members are requested not to send any other paper along with the Assent Dissent Form. They are also requested not to write anything in the Assent Dissent form except giving their assent or dissent and putting their signature. If any such other paper is sent the same will be destroyed by the Scrutinizer.

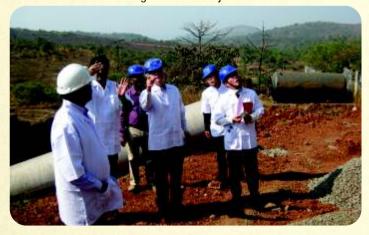
CSR Activity



Training For Handling Chorine



Foreigners at our Project site



Appearance at exhibition site



AGM-2013



Training for Fire Fighting



Our Directors at R&D Centre



Discussions at exhibition site







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



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_{CIN: L24110MH2005PLC151589} Email : 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 st March 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Appeared for the first time
5.	To be signed by-	
	Chairman & Managing Director	Pravin S. Herlekar
	Chief Financial Officer	Pravin S. Herlekar
		CA Pravin Deshpande Partner, J.P.J Associates Chartered Accountants Firm Registration No. 113012W
		Arbit A. Pandit (Non-Executive Independent Director)