



OMKAR

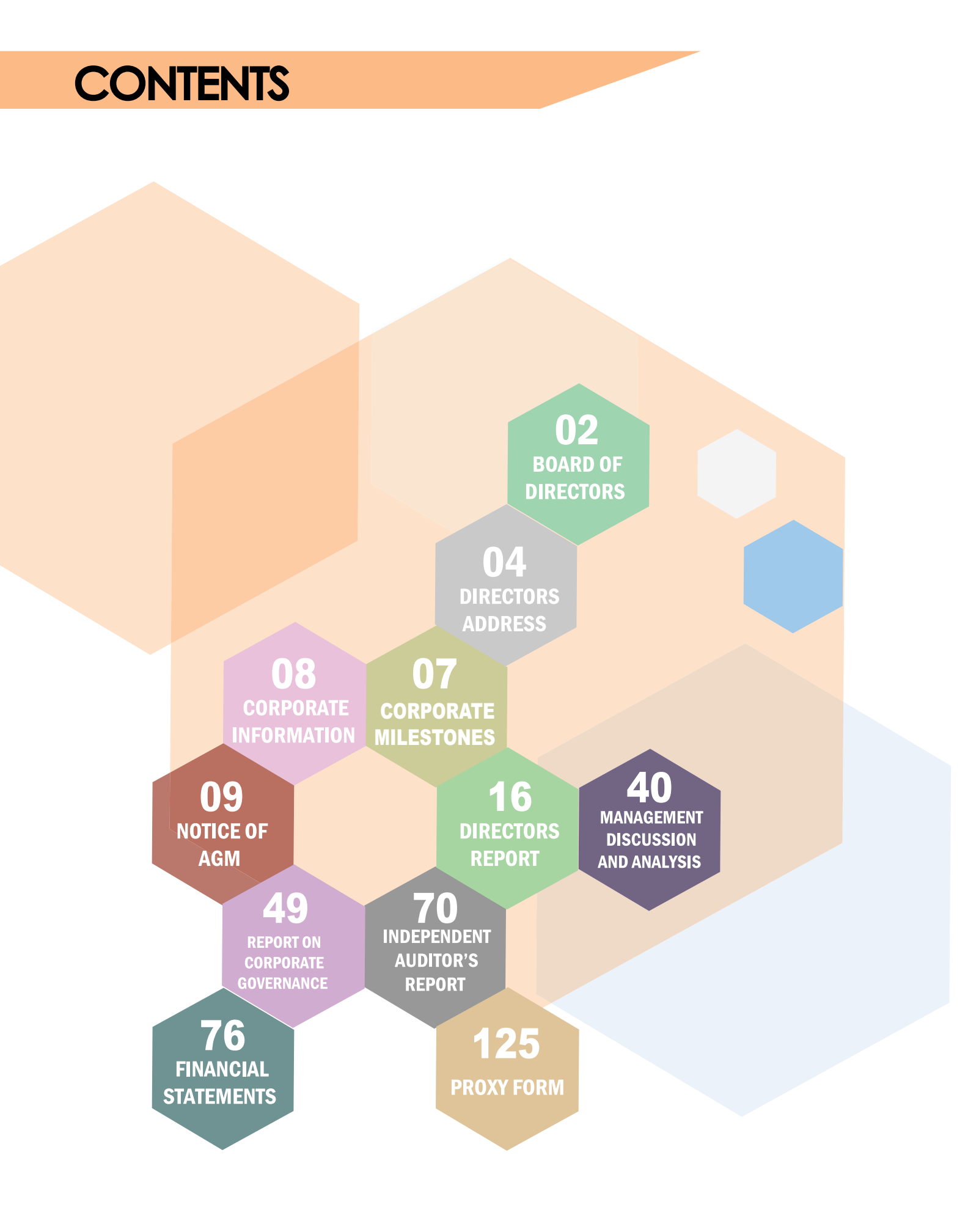
Always the leaders

OMKAR SPECIALITY CHEMICALS LTD.

Annual Report 2017 - 18

Creative chemistry...
For a better tomorrow

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BOARD OF DIRECTORS

PRAVIN S. HERLEKAR
Chairman & Managing Director



RISHIKESH P. HERLEKAR
Whole Time Director



PRAKASH H. RAO
Executive Director



LAXMIKANT R. KABRA
Non-Executive Director &
Non-Independent Director



BOARD OF DIRECTORS

SITENDU K. SHARMA
Independent Director



VIKAS N. TELVEKAR
Independent Director



SANJIVANI S. PATARE
Independent Director



**BHAVANA P.
SHEWAKRAMANI**
Independent Director





FROM THE CHAIRMAN'S DESK



Dear Shareholders,

While the speciality chemicals industry is trying to sail through the transient impact of global macroeconomic conditions and geo-political shifts, it's facing various challenges. However it is anticipated to clock a solid long-term growth in future.

Concurrently, our Company also faced several fiscal challenges during last few quarters, which impinged our growth curve.

We have been facing liquidity crunch since last two years, which has affected our operating cycles, resulting into decline in our revenues during FY2017-18.

Over the last few quarters, our Company registered a dip in sales and overall profitability, which created impediments in our new product development, capacity utilisation and R&D initiatives.

In order to mitigate the impact, we are actively in the process of addressing our working-capital issues through proper dialogue with our bankers, as well as through infusion of suitable equity, which will help our company to step up our sales growth in the future.

However, on the business front, our company is fundamentally in a stronger position inspite of financial challenges. This is on account of our sustainable cost advantage, robust new product

pipeline, completion of product pricing corrections, launch of Next-Gen products, and scaling up of our global footprint.

We have evolved our business innovations, which will prompt a transformation in the near future. Our company has also successfully focused on bolstering our exports, which has yielded desired outcome in the last couple of quarters.

We are confident to use this period to strengthen our fundamentals and build newer capabilities. This transitionary phase has offered us an opportunity to drive-out inadequacies and builds new-age product capabilities, and geographical expansion.

We believe the promising product pipeline and strong research and development backbone represents key pillars for our Company, and we anticipate they will drive solid top and bottom line growth in the future.

Throughout the period, our Company has constantly evolved to stay relevant to meet the need of our customers, and deliver value to all our investors and stakeholders.

In conclusion, I wish to express my gratitude to our valued shareholders for their continued and extended support. I also wish to reassure our shareholders that we are committed to remain focused on building a sustainable and long-term future, while upholding our mission to foster stable and strong business module.

I assure you it will be a fruitful and rewarding journey together.

Sincerely,

Sd/-

Pravin S. Herlekar
Chairman & Managing Director



WHOLE-TIME DIRECTOR'S LETTER



Dear fellow shareholders,

It gives me immense pleasure to present you the Financial Report of your Company for FY 2017-18.

As we currently navigate through challenging times, our company is in the process of pulling out all the stops to streamline internal efforts to enhance our operational efficiency.

This will help us in driving our earnings and sustain our growth momentum in the future, with a steady focus on developing differentiated and speciality product basket.

Friends, for over last three decades, innovation and sustainable business practices have been the cornerstone of growth at Omkar Speciality Chemicals Limited (OSCL).

Established in 1983, we are one of the pioneers to indigenously develop niche molecules, and have adopted several innovative chemical process breakthroughs and best-in-class technological enhancement in our operations. Our product line includes life-saving pharmaceutical products used in the treatment of various diseases related to diabetes, cardio vascular and oncology, etc.

In 2016, our Company forayed into the Fragrance & Flavors sector. Currently we develop fine fragrances, and flavour ingredients, which have a huge export potential across Europe, US, Australia, South America, Africa and Middle East.

Besides, we also diversified into manufacturing micro-nutrients and other customized nutritional products for animals and human. In the speciality and industrial chemicals segment, we develop catalysts which are used in industrial processes, ingredients for glass & ceramics, e-coatings, metal finishing, and chemicals used in manufacturing paints and pigments.

We are committed to deliver high-quality niche products to our customers, and are ready to work closely with them to provide tailor-made solutions. Going ahead, we will continue to invest in sustainable technologies, R&D, improve operating capabilities, and deliver continued progress.

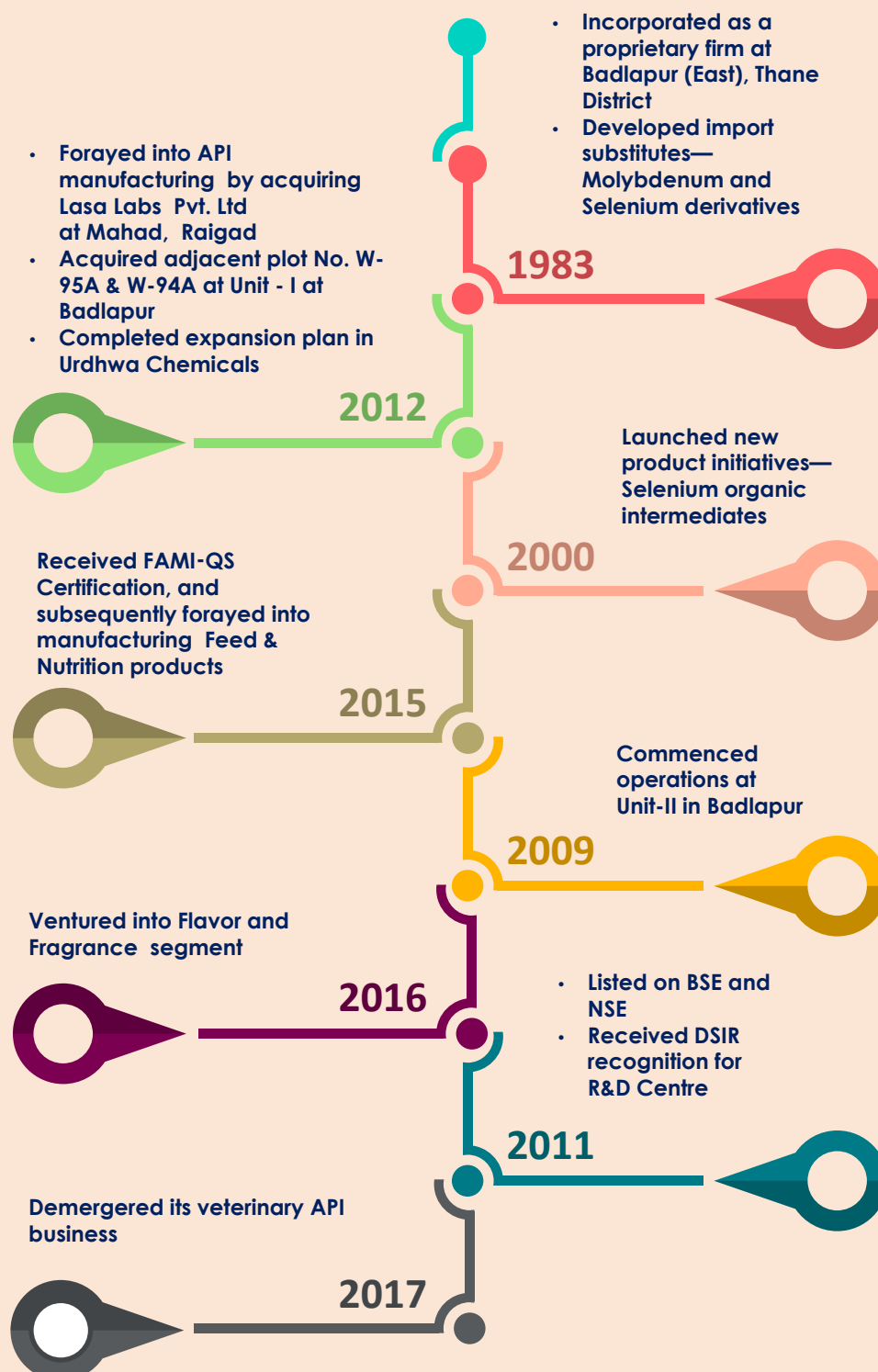
I would like to express my sincere gratitude to all our shareholders for their relentless support and confidence in our business. I thank you for supporting us to grow every single day, and I look forward to a year of transformation and value creation with you. I look forward to your continued support and encouragement in 2018-19 as well.

Sincerely,

Sd/-

Rishikesh P. Herlekar
Whole-time Director

CORPORATE MILESTONES





CORPORATE INFORMATION

KEY MANAGERIAL PERSONNEL

CHAIRMAN & MANAGING DIRECTOR

Mr. Pravin S. Herlekar

WHOLE TIME DIRECTOR

Mr. Rishikesh P. Herlekar

COMPANY SECRETARY & COMPLIANCE OFFICER:

CS Sunny Pagare

EXECUTIVE DIRECTOR

Prakash H. Rao

COMMITTEES OF BOARD OF DIRECTORS

Audit Committee

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

Nomination and Remuneration Committee

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

Stakeholders Relationship Committee

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

Corporate Social Responsibility Committee

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

OTHER INFORMATION

Statutory Auditors

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

Cost Auditors

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

Secretarial Auditors

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

Internal Auditors

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

Corporate Identification Number (CIN)

L24110MH2005PLC151589

Registered and Corporate Office

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

Registrar and Share Transfer Agent

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

Bankers

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

CONTACT DETAILS

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

Fax: +91 – 0251 – 2691572/ 2697347

E-mail: info@omkarchemicals.com

WEBSITE

www.omkarchemicals.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirteenth Annual General Meeting of the members of Omkar Speciality Chemicals Limited will be held on Monday, the 24th day of September, 2018 at 11:00 a.m. (IST) at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane- 421503, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018 together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of CA Laxmikant R. Kabra (DIN: 00061346), who is liable to retire by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Rishikesh P. Herlekar (DIN: 05240009), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. Approval of Cost Auditors Remuneration:

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), consent of the members be and is hereby accorded for the payment of remuneration of Rs. 75,000/- (Rupees Seventy Five thousand only) plus applicable Service tax and reimbursement of out of pocket expenses to M/s. N. Ritesh & Associates, Cost Accountants, (Firm Registration no. 100675) appointed by the Board of Directors of the company on the recommendation of Audit committee for conducting the audit of cost records of the company for the Financial Year ending on March 31, 2019.

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

Registered Office:

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

Date: May 30, 2018

Place: Badlapur

By Order of the Board of Directors
For Omkar Speciality Chemicals Limited
Sd/-
Sunny Pagare
Company Secretary & Compliance Officer

NOTES:

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

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

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

2. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
3. The Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the Special Business under Item No. 4 be transacted at the 13th Annual General Meeting is annexed hereto and forms a part of the Notice.



4. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 27, 2017.
5. Pursuant to Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations, 2015"), a statement giving additional information in respect of all Directors seeking appointments/ re-appointments, in respect of Resolutions at Items No. 2 & 3 is annexed herewith.
6. Corporate members intending to depute their authorized representatives to attend the Meeting are requested to send to the Company, a duly Certified True Copy of the Board Resolution under Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote on their behalf at the Meeting.
7. During the period beginning twenty-four (24) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
8. **SEBI has decided that securities of listed companies can be transferred only in dematerialised form from a cut-off date, to be notified. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.**
9. To avoid loss of dividend warrants in transit and undue delay in receipt of dividend warrants, the Company has provided National Electronic Clearing Service (NECS), National Electronic Funds Transfer (NEFT), etc. facilities to the members for the remittance of dividend. For this purpose, the details such as, name of the bank, name of the branch, 9-digit MICR code, 11-digit IFS code (as appearing on the cheque), account type, account number etc. are to be furnished/ updated to your Depository Participants ("DPs") if the shares are in electronic form or to the Registrar & Transfer Agents ("RTA"), Bigshare Services Private Limited, if they are held in physical form. Members are requested to send all communications relating to shares to Bigshare Services Private Limited, RTA, at the following address:-

By Post/ Courier/ Hand Delivery:- **M/s. Bigshare Services Private Limited**
 Unit: Omkar Speciality Chemicals Limited
 Bharat Tin Works Building, 1st Floor,
 Opp. Vasant Oasis, Makwana Road, Marol
 Andheri(East), Mumbai - 400 059
10. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Registrar and Share Transfer Agents for assistance in this regard.
11. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agents, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.
12. Members holding shares in their single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form are requested to file their nomination with the Company whilst those members holding shares in dematerialized mode are requested to file their nomination with their Depository Participants ("DPs").
13. Members/ Proxies are requested to bring their Attendance Slips sent herewith, duly filled in for attending the meeting, along with their copy of Annual Report to the Meeting.
14. In terms of the applicable provisions of Section 124 and 125 the Companies Act, 2013, the amount of dividend remaining unclaimed or unpaid for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund. Those members who have so far not encashed their dividend warrants pertaining to below mentioned Financial Years are requested to approach the company or the office of the R&TA for the payment thereof on or before September 30, 2018, as the same will be transferred to Investor Education and Protection Fund (IEPF) on respective due dates mentioned below. Kindly note that after such date, the members will have to claim such dividend from such Investor Education and Protection Fund.

Year	Date of Declaration of Dividend	Dividend Per Share	Due date of transfer of Dividend to IEPF
2010- 11	September 24, 2011	1.00	October 22, 2018
2011- 12	August 4, 2012	1.25	September 1, 2019
2012- 13	August 13, 2013	1.50	September 10, 2020
2013- 14	August 9, 2014	1.50	October 6, 2021
2014- 15	September 26, 2015	1.50	October 24, 2022
2015-16	September 26, 2016	1.50	October 24, 2023

The Ministry of Corporate Affairs (“MCA”) on May 10, 2012 notified the Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed amounts lying with Companies) Rules, 2012 (“IEPF Rules”) which is applicable to the Company. The objective of IEPF Rules is to help the shareholders ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. The details of unclaimed dividend as on September 26, 2015 i.e. date of the last Annual General Meeting are placed under “Investors Section” on the Company’s website (www.omkarchemicals.com). The information is also available on the website of Investor Education and Protection Fund (www.iepf.gov.in). Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed amounts lying with the company as on September 27, 2017 (date of last Annual General Meeting) on the website of the Company www.omkarchemicals.com. The information is also available on the website of Investor Education and Protection Fund www.iepf.gov.in.

15. Compulsory transfer of Equity Shares to Investor Education and Protection Fund (IEPF) Suspense Account: Pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (“Rules”) all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account after complying with the procedure laid down under the “Rules”.
16. The Securities and Exchange Board of India (“SEBI”) has mandated the submission of Permanent Account Number (“PAN”) by every participant in the securities market. Members holding shares in dematerialized form are requested to submit their PAN details and email address to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details and email address to the Company or Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company.

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

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

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

17. Electronic copy of the Annual Report for Financial Year 2017- 18, notice of this Annual General Meeting inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form are being sent to all members whose e-mail addresses are registered with the Company/ Depository Participant(s) for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their E-mail addresses, physical copies of the Annual Report for 2017- 18 are being sent in the permitted mode.

Members may also note that the Notice of this Annual General Meeting and the Annual Report for the Financial Year 2017-18 will also be available on the Company’s website www.omkarchemicals.com for their download.

18. All the documents referred to in the accompanying notice and explanatory statement are available for inspection at the Registered Office of the Company on all working days (except Saturdays, Sundays and Public holidays) between 11.00 a.m. and 1.00 p.m. up to the date of Annual General Meeting.



19. A route map showing directions to reach to the venue of the 13th AGM is given at the end of this Notice as per the requirement of the Secretarial Standards on General Meeting (SS-2).
20. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013, Auditor's Report and Secretarial Audit Report shall be available for inspection in physical form at the AGM.

VOTING THROUGH ELECTRONIC MODE:

21. In compliance with the provisions of Section 108 of the Companies Act, 2013, the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"), the Company is pleased to provide to its members, facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means. The Company has engaged the services of National Securities Depository Limited (NSDL) as authorized agency to provide e-voting facility. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting'). It is clarified that it is not mandatory for a member to vote using remote e-voting facility. Resolutions passed by the Members through remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting ("AGM").
22. The facility for voting through Polling Paper will be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through Polling Paper. The detailed instructions for e-voting are given below.
23. The Company has appointed CS Nilesh A. Pradhan, of M/s Nilesh A. Pradhan & Co, Practicing Company Secretary (Membership No. FCS 5445), as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. He has communicated his willingness to be appointed as the Scrutinizer.
24. The members who have cast their votes by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again.
25. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and Password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and Password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.
26. The remote e-voting period will commence on Friday, September 21, 2018 (9.00 a.m.) and will end on Sunday, September 23, 2018 (5:00 p.m.). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 18, 2018 may cast their votes by remote e-voting. The remote e-voting module will be disabled for voting thereafter. Once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently.

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

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

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

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

28. INSTRUCTIONS FOR E-VOTING

- A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depositories):
1. Open the e-mail and also open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 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.
 9. 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.
Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to investor@omkarchemicals.com, with a copy marked to evoting@nsdl.co.in.
In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and e-voting user manual - Shareholders, available at the downloads section of www.evoting.nsdl.com or call on toll free No.: 1800-222-990.
- B. In case a member receives physical copy of the notice of AGM (for Members whose email addresses are not registered with the Company/Depositories):
1. Initial password will be provided by Bigshare Services Private Limited, Registrar and Share Transfer Agents of the Company: EVEN (E-Voting Event Number), user ID and password.
 2. Please follow all steps from Sr. No. 2 to Sr. No. 11 above, to cast vote.

Registered Office:

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

Date: May 30, 2018

Place: Badlapur

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

Sd/-
Sunny Pagare
Company Secretary & Compliance Officer



ANNEXURE TO THE NOTICE

DETAILS OF THE DIRECTOR SEEKING APPOINTMENT OR RE-APPOINTMENT

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

Name of Director	Mr. Rishikesh P. Herlekar	CA Laxmikant R. Kabra
Director Identification No.	05240009	00061346
Date of Birth	March 28, 1991	March 9, 1969
Date of appointment on Board	July 17, 2015	March 26, 2015
Nationality	Indian	Indian
Qualifications	B.E. (Chemicals) graduate	He is a Fellow Member of the Institute of Chartered Accountants of India (ICAI) and also a Commerce Graduate from Mumbai University.
Expertise in specific functional areas	His key areas are Business Development by identifying and targeting new areas of business. He is also involved in Audit & Finance area, Quality Production, Quality Assurance and related Regulatory Matters.	He has wide expertise of over 24 years of experience in the fields of Income Tax, Company Law, Banking, Finance, Audit, etc.
List of Directorships held in Other Companies*	<ul style="list-style-type: none"> • Svaks Biotech India Private Limited 	<ul style="list-style-type: none"> • Narendra Investments (Delhi) Limited • Amarnath Securities Limited
Memberships/ Chairmanships in Committees across Public Companies*	Nil	Nil
Number of shares held (As on March 31, 2018)	5,17,006 Equity Shares	Nil
Relationships between the Directors inter-se	Son of Mr. Pravin S. Herlekar, Chairman & Managing Director.	None

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

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

Item No. 4:

The Company is required to have its costs records audited by a Cost Accountant in practice. Accordingly, the Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. N. Ritesh & Associates, Cost Accountants, (Firm Registration No. 100675), to conduct the audit of the cost records of the Company for the Financial Year 2018-19 on remuneration of Rs. 75,000 /- (Rupees Seventy Five Thousand only) plus applicable Service Tax and reimbursement of out of pocket expenses incurred by the Cost Auditors in connection with the said audit.

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

Accordingly, consent of the members is being sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for approval/ ratification of the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2019.

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

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

Registered Office:

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

Thane- 421503, Maharashtra.

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

Email: investor@omkarchemicals.com;

Web: www.omkarchemicals.com;

CIN: L24110MH2005PLC151589

Date: May 30, 2018

Place: Badlapur

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

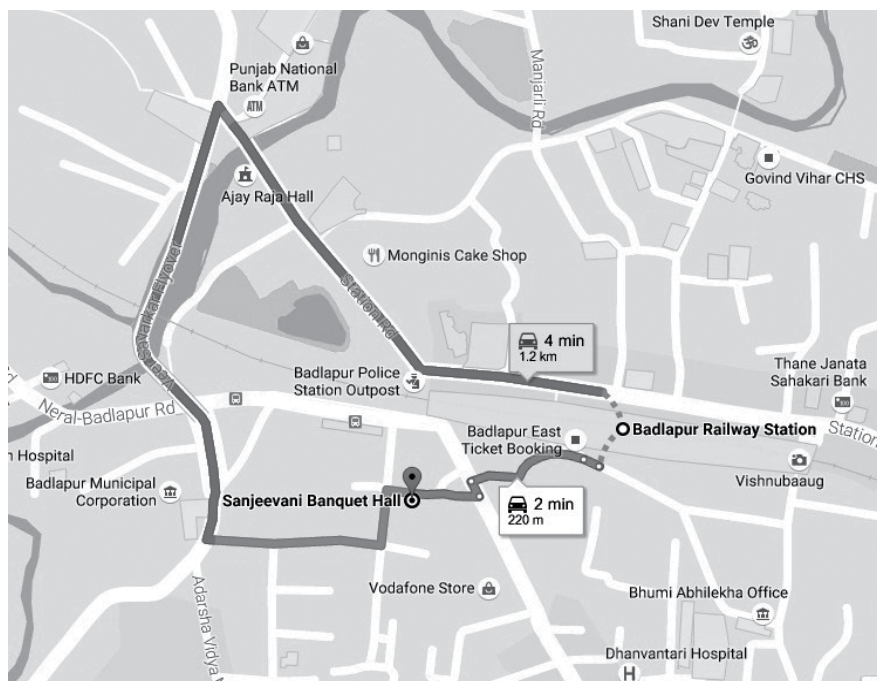
Sd/-

Sunny Pagare

Company Secretary & Compliance Officer

ROUTE MAP – AGM

Direction for the 13th Annual General Meeting of Omkar Speciality Chemicals Limited to be held at Sanjeevani Hall, next to Monginis cake Shop, Badlapur (east), thane– 421503 on 24th day of September, 2018 at 11:00 a.m.





DIRECTORS' REPORT

TO THE MEMBERS OF

OMKAR SPECIALITY CHEMICALS LIMITED

Your Directors are pleased to present their Thirteenth Annual Report on business and operations of your Company together with Audited Financial Statements for the Financial Year ended on March 31, 2018.

➤ FINANCIAL HIGHLIGHTS:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Total Revenue	20,132.43	34,726.48
Total Expenditure	27,528.71	32,043.09
Profit Before Tax & Exceptional Items	(7,396.28)	2,683.39
Profit Before Tax	(12,654.82)	(13,678.81)
Tax Expenses	(2,258.02)	(2,742.93)
Profit After Tax	(10,396.80)	(10,935.88)
Balance in Profit & Loss Account brought forward from Previous Year	-	-
Appropriations:	-	-
a) Proposed Dividend	-	-
b) Tax on Dividend	-	-
Transfer to General Reserve	-	-
Surplus carried to the next year's account	-	-

➤ PERFORMANCE REVIEW:

o Income

Your Company's performance in the current Financial Year, in terms of Total Income stood at Rs. 20,132.43 Lakhs as compared to Rs. 34,726.48 Lakhs in the previous year.

o Profit / Loss Before Tax

Your Company's Profit before Tax for the current year was Rs. (12,654.82) Lakhs as against Rs. (13,678.81) Lakhs in the previous year.

o Profit / Loss After Tax

Your Company's Profit after Tax for the current year was Rs. (10,396.80) Lakhs as against Rs. (10,935.88) Lakhs in the previous year.

A detailed discussion of operations for the year ended March 31, 2018 is provided in the Management Discussion and Analysis Report, which is presented in a separate section forming part of this Annual Report.

➤ RIGHT ISSUE:

The Board of Directors of the company in the meeting held on June 16, 2017 has proposed to raise up to Rs. 135 Crores by way of offer and issue of equity shares to the existing shareholders of the company on Right basis.

The company has filed Draft Letter of Offer at the office of SEBI, Mumbai on dated May 28, 2018 for their consent on the same. The company has also filed application for proposed Right issue to the Exchange(s) for their in principal approval.

➤ **SHARE CAPITAL:**

The movement of Equity Capital is as under:

Particulars	No. of Equity Shares
Equity Capital as on April 1, 2017	2,05,78,004
Increase/ Decrease during the year	NIL
Equity Capital as on March 31, 2018	2,05,78,004

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

Ordinary Resolution passed by the Voting through Postal Ballot Process conducted by the Company passed on July 02, 2018 to increase the Authorized Share Capital to facilitate issuance of Rights Shares and for future requirements, if any. Hence, the Authorized Share Capital increased to Rs. 65,00,00,000 (Rupees Sixty Five Crore) divided into 6,50,00,000 (Six Crore Fifty Lakhs) Equity Shares of Rs. 10/- each by creation of additional 2,03,00,000 (Two Crore Three Lakhs) Equity Shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company.

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

➤ **DIVIDEND:**

In view of losses incurred by your Company, no dividend has been proposed to be declared in the Financial Year 2017-18.

➤ **FINANCIAL LIQUIDITY:**

As at March 31 2018, your Company had liquid assets of Rs. 145.79 Lakhs as against Rs. 1057.74 Lakhs at the previous year end on consolidated basis. Your company maintains sufficient cash reserves to meet its operations and strategic objectives

➤ **DEPOSITS:**

Your Company has not accepted any deposits from public within the purview of Section 73 & 74 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during this Financial Year and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date. The Company has no deposit which is not in compliance with the provisions of Chapter V of the Act and as the Companies (Acceptance of Deposit) Rules, 2014.

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

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

➤ **RATING:**

The rating of long term and short term credit facilities of our Company have been downgraded to CRISIL D on March 14, 2018

➤ **MATERIAL CHANGES AND COMMITMENT:**

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

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

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

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



➤ **INTERNAL FINANCIAL CONTROLS:**

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

➤ **SUBSIDIARY COMPANIES:**

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

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

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

➤ **EXTRACT OF ANNUAL RETURN:**

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

➤ **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

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

o **Re-appointments**

In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, CA Laxmikant R. Kabra (DIN: 00061346) and Mr. Rishikesh P. Herlekar (DIN: 05240009) are liable to retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. Mr. Rishikesh P. Herlekar and Mr. Prakash H. Rao have confirmed their respective eligibility and willingness to accept the office of the Directors of your Company, if confirmed by the members at the ensuing Annual General Meeting. Items seeking your approval on the above re-appointments are included in the Notice convening Annual General Meeting.

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

➤ **DECLARATION BY INDEPENDENT DIRECTORS:**

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

➤ **ANNUAL EVALUATION:**

The Act states that formal annual evaluation needs to be carried out by the Board of its own performance and that of its committees and individual directors. Schedule IV (Code for Independent Directors) of the Act states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.

Your Company had carried out an annual evaluation of performance of its Board and its Committees and individual Directors. The evaluation process has been explained in detail in the Corporate Governance Report, which forms a part of this Report.

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

During the year under review, 8 (Eight) meetings of the Board of Directors were held as required under the Act and SEBI Listing Regulations, 2015. The details pertaining to the composition, terms of reference, etc. of the Board of Directors of your Company and the meetings thereof held during the Financial Year are given in the Report on Corporate Governance section forming part of this Annual Report.

➤ **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

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

➤ **BOARD COMMITTEES:**

The Board of Directors has the following Committees:

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

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

➤ **POLICIES OF THE COMPANY:**

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

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

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

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



➤ **RISK MANAGEMENT POLICY:**

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

➤ **WHISTLE BLOWER POLICY:**

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

➤ **FAMILIARISATION PROGRAMMES FOR BOARD MEMBERS:**

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

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

In terms of Section 135 of the Act, every company having Net Worth of Rupees Five Hundred Crore or more, or Turnover of Rupees One Thousand Crore or more or a Net Profit of Rupees Five Crore or more during any Financial Year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three (3) or more Directors, out of which at least one Director shall be an Independent Director. All such companies are required to spend at least 2% of the average Net Profits of their three (3) immediately preceding Financial Years on CSR related activities. Accordingly, your Company was required to spend Rs. 16.07 Lakhs toward CSR activities. The Board of Directors of the Company has constituted a Corporate Social Responsibility ("CSR") Committee. The Company also has in place a CSR policy and the same is available on the website of the Company and can be accessed through we blink: http://www.omkarchemicals.com/Policies/CSR-Policy_OSCL.pdf. The details on CSR have been briefly discussed in Annexure C forming part of the Directors' Report.

➤ **TRANSACTIONS WITH RELATED PARTIES:**

Related Party Transactions that were entered into during the Financial Year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year. The details of transactions with related parties are given for information under notes to the accounts of the Balance Sheet as at March 31, 2018.

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

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

The Company has zero tolerance towards sexual harassment at the workplace and towards this end, has adopted Anti Sexual Harassment Policy, in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. All employees (permanent, contractual, temporary, trainees) are covered under the said policy. An Internal Complaints Committee has also been set up to redress complaints received on sexual harassment.

The Company has not received any complaint of sexual harassment during the Financial Year 2017-18.

➤ **GRANT OF PATENT:**

The Company's claim for process patent namely "PROCESS FOR PREPARATION OF ALKALI METAL IODIDE", having special applications in pharmaceutical industry has been accepted by the Patents Office, Govt of India, vide Patent Registration No. 292064 dated January 24, 2018.

Further, The Company's claim for process patent namely "PROCESS FOR TERMINAL DIHALOALKANE", having special applications in pharmaceutical industry has been accepted by the Patents Office, Govt of India, vide Patent Registration No. 287455 dated September 18, 2017.

At present we have registered six patents for our products and have made an application towards the registration of seven of our patents, namely for manufacture of various processes of our intermediate products, which is currently pending.

➤ **HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS:**

Your Company recognizes its human resources as one of its prime & critical resources. The relations between the Management and the Staff Members remained very cordial throughout the year under review. As on March 31, 2018 the Company had 98 permanent employees at its manufacturing plants and administrative office. There was no employee who was in receipt of remuneration in the year which was in excess of the remuneration of the Managing Director or Whole Time Director. Disclosure pertaining to the remuneration and other details as required under Section 197(12) of the Act, and the Rules framed thereunder is enclosed as Annexure D to the Board's Report.

➤ **MANAGEMENT DISCUSSION AND ANALYSIS:**

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

➤ **REPORT ON CORPORATE GOVERNANCE:**

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

The Business Responsibility Reporting as required by Regulation 34(2) of the SEBI Listing Regulations, 2015, is not applicable to your Company for the Financial Year ending March 31, 2018.

➤ **REGULATORY APPROVALS:**

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

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

➤ **AUDITORS AND AUDITOR'S REPORT:**

1. **Statutory Auditors:**

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

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

Management's Response to the Auditor's Qualified Opinion:

- (i) The Company is a going concern. The company also has sufficient orders on hand on regular basis. Moreover, the company is in the process of raising additional finance through equity and discussions are on with the Banks for re-structuring of the existing debt.
- (ii) The inventory records are maintained in Udyog software, while the accounting records are being maintained in Tally package. The financial figures from these two softwares are identical and similar. However, to maintain both accounting records as well as inventory records on the same platform, the company has initiated steps to bring all the records on tally package. Hence, the discrepancies, if any, in this regard will be addressed in near future.
- (iii) The company had sent out requests for confirmations to all the parties for trade payable and trade receivables. The necessary documentary evidences are available with the company. The confirmation request carries a note said that, "wherever the confirmation or reply is not received back within 7 days, then the balance will be deemed to be confirmed". Hence, the qualification regarding confirmations not being furnished is grossly incorrect.



- (iv) The auditors have qualified about inadequacies in IFCR policies and procedures and over all Internal Controls. This is a very general statement, they have not pointed out any specific weaknesses in the control system. Wherever the weaknesses in the system are being pointed out by the Internal Auditors the same are regularly and promptly being taken care of. The management has always been receptive, keen, eager and willing to strengthen the Internal Control Systems, if any lacuna/shortfalls are brought to our notice.

In connection with the Auditor observation in the Auditor Report it is clarified that your company will take adequate measures to do the needful in future appropriately

2. **Cost Auditors:**

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

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

The Company is seeking the ratification of the Shareholders for the appointment of M/s N. Ritesh & Associates, Cost Auditors, Mumbai (Firm Regn. No.: 100675) as the Cost Accountant of the Company for the Financial Year ending March 31, 2019 vide Item no. 4 of the Notice of AGM.

3. **Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s Nilesh A. Pradhan & Co., Practicing Company Secretary (C.P. No.: 3659) to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. The Secretarial Audit Report for the Financial Year ended March 31, 2018 has been annexed to this Report as Annexure E and forms an integral part of this Report.

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

Observation 1-4: We have never levied a penalty by the Stock Exchange(s) except during disclosure of quarterly results for the period ended September 30, 2017 which was on account of change in the statutory auditors and finalization of financial results as per Ind- AS. Further consequent to applicability of Ind- AS, all assets were revalued and accordingly effect was given in the financial statements, which delayed the finalization and adoption of quarterly results. BSE Limited and National Stock Exchange Limited had levied penalty which was duly paid by us. We have represented our submissions to Stock Exchanges and requested them for waiver/adjustment of penalty paid by us vide our letter April 09, 2018. We have not received any reply from them on this matter.

Observation 5: Your Company is in the process of finding a suitable candidate for the position of CFO.

➤ **ACKNOWLEDGEMENTS:**

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

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

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

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

Date: May 30, 2018
Place: Badlapur

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

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

As on the Financial Year ended on March 31, 2017

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

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

Power and Fuel Consumption	Current Year 2017-18	Previous Year 2016-17
1. Electricity		
a) Purchased		
Unit (kwh)	8,88,547	1,099,115
Total Amount (Rs)	89,22,234	9,672,766
Rate / Unit (per kwh)	10.04	8.80
b) Own Generation		
(i) Through diesel generator		
Quantity (ltrs)	12,894	9,900
Units Generated	11,951	7,920
Total Amount (Rs)	7,76,815	5,68,535
Units per ltr. of diesel oil	1.66	1.25
Cost / Unit	60.24	57.42
(ii) Through steam turbine/generator		
Units	-	-
Total Amount (Rs)	-	-
Units per ltr. of fuel oil/gas	-	-
Cost/unit	-	-
2. Coal		
Quantity (tonnes)	595	532
Total cost	29,06,113	24,10,731
Average rate	4.88	4.52
3. Light Diesel Oil		
Quantity (ltrs.)	91,633	36,416
Total Amount (Rs)	32,02,125	12,89,490
Average Rate	34.95	35.41
4. Furnace Oil		
Quantity (ltrs.)	1,42,102	118,120
Total Amount (Rs)	42,43,173	35,69,586
Average Rate	29.86	30.22
5. Others/internal generation (please give details)		
Quantity		
Total cost	-	-
Rate/unit	-	-



STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY:

- Installation of Natural draft cooling towers in two units. This does not require fan which has resulted in saving of electrical energy
- PVC fills of FRP cooling towers are cleaned periodically & replaced damaged ones, as and when required, to maintain the efficient working of cooling towers.
- Use of energy efficient screw compressor helped in reducing the cost of compressed air.
- Regular arresting and monitoring of steam, water, brine, fuel and compressed air leakages.
- Regular checking and maintenance of hot and cold insulation to avoid loss of heat energy.
- Use of LED lamps on reaction vessels and emergency lighting has helped in reducing the electrical load.
- Water harvesting in units has helped in water conservation.
- Installation of Turbo ventilators, wherever required, helped in reducing the electrical consumption for ventilation.
- Use of APFC and parallel switching of capacitors to maintain power factor to near unity to avail maximum possible rebate in electricity bills and reduce electrical consumption.
- Regular preventive maintenance of DG sets to maintain efficient working.
- Regular cleaning of cooling tower ponds.
- Periodic cleaning of condensers, chillers, steam heating coils, by external chemicals, to maintain efficient heat transfer.
- Use of soot cleaning agent to maintain clean boiler and thermic fluid heater coils.
- Annual servicing of power transformer to maintain efficient working.
- Periodic cleaning and replacement of filters of AHUs, as and when required.
- Installation of energy efficient spin flash drier.
- Use of air curtains in GMP area to avoid loss of air conditioning.
- Recycling of Steam condensate from equipment's has helped in cutting down the loss of water and heat energy.
- Use of VFDs, wherever possible, to optimize power consumption of equipment's.
- Installation of energy efficient graphite condensers.

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

The Company is making all efforts to ensure efficient use of fuel and energy. Fuel and Energy audits is a continuous process adopted to minimize any excess consumption.

TECHNOLOGY ABSORPTION:

EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION:

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

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

BENEFITS DERIVED:

The above efforts help the Company to achieve following objectives:

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

EXPENDITURE ON R&D:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Capital Expenditure	0.83	16.12
Recurring Expenditure	31.64	450.16
Total	32.47	466.28

FOREIGN EXCHANGE EARNINGS AND OUTGO:

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Foreign Exchange Earned	2139.57	6467.85
Foreign Exchange Used	4796.02	5621.04

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

As on the Financial Year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individuals /HUF	8075532	0	8075532	39.24	5308783	0	5308783	25.80	(13.45)
b) Central Govt.	0	0	0	0.00		0			0.00
c) State Govt.(s)	0	0	0	0.00		0			0.00
d) Bodies Corporate	380000	0	380000	1.85	380000	0	380000	1.85	0.00
e) Banks/FI	0	0	0	0.00		0			0.00
f) Any Other	0	0	0	0.00		0			0.00
Sub Total A(1)	8455532	0	8455532	41.09	5688783	0	5688783	27.64	(13.45)

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2017)				No. of Shares held at the end of the year (31.03.2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total A(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = A(1) + A(2)	8455532	0	8455532	41.09	5688783	0	5688783	27.64	(13.45)
(B) Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0		0
b) Banks/ FI	128144	0	128144	0.62	31051	0	31051	0.15	(0.47)
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Foreign Portfolio Investors	609354	0	609354	2.96	0	0	00	0.00	(2.96)
Sub Total B(1)	737498	0	737498	3.58	31051	0	31051	0.15	(3.43)
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	1593916	0	1593916	7.75	1562444	0	1562444	7.59	(0.15)
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs.1 lakh	7056878	15	7 056893	34.29	9494510	10	9494520	46.14	11.85
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	1888312	0	1888312	9.18	2754985	0	2754985	13.39	4.21
c) Others (specify)									
i) Clearing Members	275902	0	275902	1.34	417007	0	417007	2.03	0.69
ii) NRIs	556410	0	556410	2.70	614903	0	614903	2.99	0.28
iii) Trust	11	0	11	0.00	11	0	11	0	00
d) NBFCs registered with RBI	13530	0.0	13530	0.07	14300	0	14300	0.07	00
Sub Total B(2)	11401164	15	11401179	55.40	14858160	10	14858170	72.20	16.88
Total Public Shareholding (B) = B(1) + B(2)	12138662	15	12138677	58.99	14889211	10	14889221	72.36	13.45
C. Shares held by Custodians for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A + B + C)	20577989	15	20578004	100.00	20577994	10	20578004	100.00	0.00



(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the end of the year (31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/ Encumbered to total shares	
1	Pravin Shivdas Herlekar	1280226	6.22	6.22	2210226	10.7407	92.3550	4.5194
		75000	10.00	0.36	75000	0.36	100.00	00.00
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
		0	0	0	0	0	0	0
		190000	0.92	0	0	0	0	(0.92)
		761800	3.702	97.828	1250595	6.0773	000	2.3753
	TOTAL	2307026	11.211	00	3535821	17.1825	00	5.9714
2	Omkar Pravin Herlekar	3377409	16.41	0	165	0.0008	000	(16.4119)
		1874091	9.11	0	11091	0.0539	000	(9.0534)
		0	0	0	1207200	5.8665	99.9100	(5.8665)
		0	0	0	37500	0.1822	00.00	(0.1822)
	TOTAL	5251500	25.52	0.00	1255956	6.1034	99.9100	(19.4166)
3	Rishikesh Pravin Herlekar	327006	1.59	0	327006	1.59	0.00	0.000
		190000	0.92	0	190000	0.92	0.00	0.00
		517006	2.51	0	517006	2.51	0.00	0.00
6	Svaks Biotech India Private Limited	380000	1.85	0.00	380000	1.85	0.00	0.00

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
1.	Pravin Shivdas Herlekar	2307026	11.211	01.04.2017	At the Beginning of the year			2307026	11.21
				07.04.2017	sell	-111205	0.54	2195821	10.67
				14.04.2017	sell	-95000	0.46	2100821	10.21
				22.09.2017	Buy	60000	0.29	2160821	10.50
				22.09.2017	Sell	-60000	0.29	2100821	10.21
				27.09.2017	Sell	-130000	0.63	1970821	9.58
				27.09.2017	Buy	130000	0.63	2100821	10.21
				13.10.2017	Sell	-130000	0.63	1970821	9.58
				13.10.2017	Buy	130000	0.63	2100821	10.21
				29.12.2017	Inter-se	800000	3.89	2900821	14.10
				16.02.2018	Inter-se	635000	3.09	3535821	17.18
				31.03.2018	At the End of the year			3535821	17.18

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)		Date	Reason	Increase/ Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company	No. of shares	% of total shares of Company
3.	Omkar Pravin Herlekar	5251500	25.52	01.04.2017	At the Beginning of the year			5251500	25.52
				26.05.2017	Sell	-280000	1.36	4971500	24.16
				02.06.2017	Buy	500000	2.43	5471500	26.59
				02.06.2017	Sell	-500000	2.43	4971500	24.16
				13.06.2017	Sell	-70000	0.34	4901500	23.82
				30.06.2017	Buy	360069	1.75	5261569	25.57
				30.06.2017	Sell	-360069	1.75	4901500	23.82
				14.07.2017	Buy	1875000	9.11	6776500	32.93
				14.07.2017	Sell	-1875000	9.11	4901500	23.82
				21.07.2017	Sell	-292175	1.42	4609325	22.40
				28.07.2017	Sell	-315869	1.53	4293456	20.86
				04.08.2017	Sell	-1050000	5.10	3243456	15.76
				04.08.2017	Buy	800000	3.89	4043456	19.65
				25.08.2017	Sell	-200000	0.97	3843456	18.68
				08.09.2017	Sell	-45000	0.22	3798456	18.46
				15.09.2017	Sell	-490000	2.38	3308456	16.08
				15.09.2017	Sell	-35000	0.17	3273456	15.91
				20.09.2017	Sell	-195000	0.95	3078456	14.96
				22.09.2017	Sell	-125000	0.61	2953456	14.35
				27.09.2017	Buy	100000	0.49	3053456	14.84
				27.09.2017	Sell	-100000	0.49	2953456	14.35
				06.10.2017	Sell	-300000	1.46	2653456	12.89
				24.11.2017	Buy	538000	2.61	3191456	15.51
				24.11.2017	Buy	29500	0.14	3220956	15.65
				24.11.2017	Sell	-538000	2.61	2682956	13.04
				01.12.2017	Buy	8000	0.04	2690956	13.08
				29.12.2017	Inter-se	-800000	3.89	1890956	9.19
				02.02.2018	Buy	425000	2.07	2315956	11.25
				02.02.2018	Sell	-425000	2.07	1890956	9.19
				16.02.2018	Inter-se	-635000	3.09	1255956	6.10
				31.03.2017	At the End of the year			1255956	6.10
	Rishikesh Pravin Herlekar	517006	2.5124	No Change				517006	2.51
	Svaks Biotech India Private Limited	380000	1.85	No Change				380000	1.85

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)		Increase/ Decrease in Shareholding@	Cumulative Shareholding during the year (31.03.2018)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
1.	Premier Investment Fund Limited#	258543	1.26	(258543)	0	0
2.	Oriou Capital LLP	0	00	192755	192755	0.94
3.	Rahul Mahajan	0	0	124999	124999	0.61
4.	Goldman Sachs (Singapore) Pte #	243484	1.18	(243484)	0	0.00



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2017)		Increase/ Decrease in Shareholding@	Cumulative Shareholding during the year (31.03.2018)	
		No. of shares	% of total shares of Company		No. of shares	% of total shares of Company
5.	Prasad Ramakant Dhonde	0	00	110000	110000	0.53
6.	Deenar Krishnarao Toraskar	103595	0.50	0	103595	0.50
7.	Karvy Stock broking Limited- Client account BSE CM	39710	0.19	69590	109300	0.53
8..	Bodhivriksha Advisors LLP#	100000	0.49	(100000)	0	0
9.	Ravi Kumar Kowtha	100000	0.49	(100000)	100000	0.49
10.	Globe Capital Market	35579	0.17	64174	99753	0.48
11.	ICICI Bank Limited	97620	0.47	(81498)	16122	0.08
12.	Dipti Kanta Sahoo	48115	0.23	46885	95000	0.46
13.	Shree Bahubali Stock Broking Limited	92623	0.45	(71920)	20703	0.10
14.	Rao Manish Verma*	0	0.00	80000	80000	0.39
15.	Sunil Jain#	77200	0.38	(77200)	0	0.00
16.	Shekar Sivasubramanian*	0	0	74532	74532	0.36
17.	Sharekhan Financial Services Pvt Ltd#	69498	0.34	(69398)	100	0.00
18.	IL and FS Securities Services Limited	35933	0.17	32081	68,014	0.33
19.	Morgan Stanley Mauritius Company Limited#	67827	0.33	(67827)	0	0.00

NOTES:

* Not in the list of Top 10 shareholders as on April 1, 2017. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2018.

ceased to be in the list of Top 10 shareholders as on March 31, 2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2017.

@ The shares of the Company are traded on a daily basis and hence the date wise increase/ decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Directors & KMP's Name	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company
Directors							
1.	Pravin Herlekar	2307026	11.21	01-04-2016	-	2307026	11.21
				07.04.2017	-111205	2195821	10.67
				14.04.2017	-95000	2100821	10.21
				22.09.2017	60000	2160821	10.50
				22.09.2017	-60000	2100821	10.21
				27.09.2017	-130000	1970821	9.58
				27.09.2017	130000	2100821	10.21
				13.10.2017	-130000	1970821	9.58
				13.10.2017	130000	2100821	10.21
				29.12.2017	800000	2900821	14.10
				16.02.2018	635000	3535821	17.18
				31.03.2018	At the End of the year	3535821	17.18

Sr. No.	Directors & KMP's Name	Shareholding at the beginning of the year (01.04.2016)		Date	Increase/ Decrease in Shareholding	Cumulative Shareholding during the year	
		No. of shares	% of total shares of Company			No. of shares	% of total shares of Company
2.	Rishikesh Herlekar	517006	2.51	No Change		0	0
3.	Sanjivani Patore	0	0	No Change		0	0
4.	Vikas Telvekar	0	0	No Change		0	0
5.	Sitendu Sharma	0	0	No Change		0	0
6.	Laxmikant Kabra	0	0	No Change		0	0
7.	Prakash Rao	0	0	No Change		0	0
8.	Bhavana Shewakramani	0	0	No Change		0	0
KMP's							
9.	Sunny D. Pagare	0	0	No Change		0	0

V. INDEBTEDNESS:

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

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	1,19,27,75,441	98,57,54,625	--	2,17,85,30,066
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	33,46,253	16,58,680	--	50,04,933
Total (i+ii+iii)	1,19,61,21,694	98,74,13,305		2,18,35,34,999
Addition	7,90,978	28,11,65,730	--	1,07,21,43,730
Reduction	32,53,68,445	65,16,33,587	--	97,70,02,032
Net change	4,65,609,555	(370467857)	--	9,51,41,698
i) Principal Amount	1,66,17,31,249	61,69,45,448	--	2,27,86,76,697
ii) Interest due but not paid	4,56,94,698	27,99,047	--	4,84,93,745
iii) Interest accrued but not due	---	--	--	--
Total (i+ii+iii)	1,70,74,25,947	61,97,44,495	--	2,32,71,70,443

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(in Rs.)

Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/or Manager (Rs.)			Total Amount
		Pravin S. Herlekar	Rishikesh P. Herlekar &	Prakash H. Rao	
1.	Gross salary	60,00,000	15,75,316	12,42,000	88,17,316
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	as % of profit				
	others, specify				



Sr. No.	Particulars of Remuneration	Name of Managing Director, Whole-time Directors and/or Manager (Rs.)			Total Amount
		Pravin S. Herlekar	Rishikesh P. Herlekar &	Prakash H. Rao	
5.	Others, please specify				
	Total (A)	60,00,000	15,75,316	12,42,000	88,17,316
	Ceiling as per the Act	In terms of the Companies Act, 2013, the remuneration payable to Managing Director & Whole Time Director in aggregate shall not exceed 10% of the net profit of the Company. The remuneration paid to Managing Director and Whole Time Director is well within the said limit.			

B. Remuneration to other Directors

1. Independent Directors

(in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount
	Sanjivani S. Patare	Vikas N. Telvekar	Sitendu K. Sharma	Bhavana Shewakramani	
Fees for attending Board and Committee Meetings	1,70,000	82,500	1,90,000	35,000	4,77,500
Commission	-	-	-	-	
Others, please specify	-	-	-	-	
Total (1)	1,70,000	82,500	1,90,000	35,000	4,77,500

2. Other Non-Executive Directors

(in Rs.)

Particulars of Remuneration	Name of Directors	Total Amount
	Laxmikant R. Kabra	
Fees for attending Board and Committee Meetings	1,60,000	1,60,000
Commission		
Others, please specify (Professional Charges)		
Total (2)	1,60,000	1,60,000
Total (B) = (1+2)		6,37,500
Total Managerial Remuneration (A+B)		94,54,816
Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profit of the Company. The remuneration paid to the Directors is well within the said limit.	

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Company Secretary	
		Sunny D. Pagare	
1.	Gross salary	8,37,480	8,37,480
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- as % of profit		
	- others, specify		
5.	Others, please specify		
	Total	8,37,480	8,37,480

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2017.

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give details)
------	------------------------------	-------------------	--	----------------------------	------------------------------------

A. COMPANY

Penalty	NIL				
Punishment					
Compounding					

B. DIRECTORS

Penalty	NIL				
Punishment					
Compounding					

C. OTHER OFFICERS IN DEFAULT

Penalty	NIL				
Punishment					
Compounding					



ANNEXURE C

REPORT ON THE CSR ACTIVITIES

As on the Financial Year ended on March 31, 2018

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

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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

2. **Composition of CSR Committee:**

The Corporate Social Responsibility Committee of the Company comprises of following directors as on March 31, 2018:

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

3. **Average Net Profit of the Company for the last three financial years: 803.30 Lakhs**
4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above): 16.07 Lakhs**
5. **Details of CSR spent during the financial year:**
- (a) Total amount to be spent for the financial year: 16.07 Lakhs
- (b) Amount unspent if any: 16.07 Lakhs
6. **Manner in which the amount spent during the financial year is detailed below:**

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

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

The committee could not identify any suitable projects and required more time to achieve its CSR objectives. We have carried forward the unutilized amounts into the coming year, and will be piloting the same towards CSR activities, in addition to the amount required to be spend on CSR activities during the Financial Year 2018-19.

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

8. **Responsibility statement of CSR Committee:**

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

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

Date: May 30, 2018

Place: Badlapur

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

ANNEXURE D**DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES**

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

1. **The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:** (Explanation: (i) The expression "median" means the numerical value separating the higher half of the population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) If there is even number of observations, the median shall be average of the two middle values.)

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2017-18 (In Rs.)	% increase in Remuneration in the Financial Year 2017-18	Ratio of Remuneration of each Director/ KMP to median remuneration of employees
1.	Mr. Pravin S. Herlekar Chairman & Managing Director	60,00,000	0	22.28
2.	Mr. Rishikesh P. Herlekar Executive Director	15,75,316	0	5.85
3.	Adv. Sanjivani S. Patare Non-Executive and Independent Director	1,70,000	-	0.63
4.	Dr. Vikas N. Telvekar Non-Executive and Independent Director	82,500	-	0.31
5.	CA Sitendu K. Sharma Non-Executive and Independent Director	1,90,000	-	0.71
6.	CA Laxmikant R. Kabra Non-Executive and Non-Independent Director	1,60,000	-	0.59
7.	Mr. Prakash H. Rao Executive Director	12,95,280	0	4.81
8.	CS. Bhavana Shewakramani Independent Director	35,000	-	0.13
9.	CS Sunny D. Pagare Company Secretary	8,72,040	0	3.24

Notes:

- * Percentage increase in remuneration not reported as they were for the part of the Financial Year.
 - ^ Calculated on annualized basis.
 - Remuneration includes commission paid to Executive Director and sitting fees paid to Non-Executive Directors.
 - The remuneration to Directors is within the overall limits approved by the shareholders.
2. **The numbers of permanent employees on the rolls of the Company:** 98 (As on March 31, 2018)
3. **Average percentile increase already made in the salaries of the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** There is no change / increase in remuneration.
4. **Affirmation that the remuneration is as per the remuneration policy of the Company:** It is hereby affirmed that the Remuneration paid to the Directors is as per the Remuneration Policy of the Company.

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

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended on March 31, 2018

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

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

Date: May 30, 2018
Place: Badlapur

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

ANNEXURE E**Form No. MR-3
SECRETARIAL AUDIT****REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

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

To,

The Members,
Omkar Speciality Chemicals Limited
B-34, MIDC, Badlapur (East),
Badlapur -421503

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Omkar Speciality Chemicals Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and The Companies Act, 1956 (the Old Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period)
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) I further report that having regard to the compliance system prevailing in the Company and on the representation given by the Company's officials, the Company has complied with the following laws applicable specifically to the Company:



- a) Hazardous Waste (Management and Handling) Rules, 1989
- b) Patents Act, 1970
- c) Trade Mark Act, 1999
- d) The Explosives Act, 1884
- e) The Manufacture, Storage & Import of Hazardous Chemicals Rules, 1989
- f) The Environmental Protection Act, 1986

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

- (i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India with effect from July 1, 2015.

- (ii) The Listing Agreements as entered into by the Company with Stock Exchanges (BSE) & (NSE);

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- 1) The Company has not conducted the Board Meeting in the calendar quarter ending on December, 2017.
- 2) The gap between two consecutive Board Meetings on one occasion exceeds 120 days.
- 3) The Company has conducted four meetings of Audit Committee during the financial year under consideration and gap between two Audit Committees exceeds 120 days in one occasion.
- 4) The Company has conducted the Board Meeting for the approval of the financial results for the quarter ended September 30, 2017 on February 5, 2018 and published the financial results in the newspaper dated February 6, 2018.
- 5) The Chief Financial Officer of the Company resigned on June 30, 2017 and the Company is in the process of appointing the new Chief Financial Officer.

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the Composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through, while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the Company had the following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.:

- 1) The Hon'ble National Company Law Tribunal on April 13, 2017 approved the Scheme of Arrangement ("Scheme") between Omkar Speciality Chemicals Limited, Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited and Lasa Supergenerics Limited for:
 - a) The merger of Lasa Laboratory Private Limited, Urdhwa Chemicals Company Private Limited, Rishichem Research Limited, Desh Chemicals Private Limited with Omkar Speciality Chemicals Limited; and
 - b) The demerger of the Veterinary API Undertaking of Merged Omkar Speciality Chemicals Limited into Lasa Supergenerics Limited.

For Niles A. Pradhan & Co,
Practicing Company Secretaries

Niles A. Pradhan
Proprietor

Place: Mumbai
Date: May 30, 2018

FCS: 5445
COP: 3659

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

ANNEXURE –I

To,

The Members,

Omkar Speciality Chemicals Limited

B-34, MIDC, Badlapur (East) Badlapur -421503

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believed that the processes and practices that I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Nilesh A.Pradhan & Co,
Practicing Company Secretaries

Nilesh A.Pradhan
Proprietor

Place: Mumbai

Date: May 30, 2018

FCS: 5445
COP: 3659



MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMIC OUTLOOK

Despite a slight softening of momentum, the near-term global outlook is expected to essentially hover at about 3.1 percent, supported by accommodative monetary policies in advanced economies, and significant fiscal stimulus in the United States.

However, the global activity is expected to slow down as advanced-economy growth is anticipated to decelerate, and the recovery in major commodity-exporting emerging market and developing economies will level off.

According to a recent World Bank report, activity in advanced economies is expected to grow 2.2 percent during 2018, before easing to a two percent rate of expansion next year. This is because central banks are gradually removing monetary stimulus. World Bank's Global Economic Prospects says that the overall growth in emerging market and developing economies is expected to strengthen to 4.5 percent in 2018, before reaching 4.7 percent in 2019, as the recovery in commodity exporters matures, and commodity prices level off following this year's increase.

This outlook is subject to considerable downside risks. The possibility of disorderly financial market volatility has increased, and the vulnerability of some emerging market and developing economies to such disruption has risen. Trade protectionist sentiment has also mounted, while policy uncertainty and geopolitical risks remain elevated.

According to World Bank, the projected decline in consumption of growth in commodities in the future could create challenges for the two-third of developing countries that depend on commodity exports for revenues. Hence, it reinforces the need for economic diversification and strengthening fiscal and monetary frameworks.

Further, the elevated corporate debt can heighten financial stability concerns and weigh on investments. Corporate debt, and in some countries, foreign currency debt has risen rapidly since the global financial crisis, making them more vulnerable to rising borrowing costs.

Policymakers in the emerging market and developing economies need to be prepared to cope with possible bout of financial market volatility. Rising debt levels may make countries more vulnerable to higher interest rates. This underlines the importance of rebuilding buffers against financial shocks.

INDIAN ECONOMIC FORECAST

Last fiscal was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. The growth during the first half of the year suffered despite global tailwinds.

Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, and exports having shown some uptick. We believe that the economic outlook in India remained promising during FY17-18 and is expected to strengthen further in FY18-19. However, the signs of green shoots should not be taken for granted as downside risks remain.

Investment and exports, supported by the smoother implementation of the goods and services tax (GST) have been a major growth engine for the economy. However, inflation continues to hang around within the target band, with upside risks by way of rising oil prices and increase in housing allowance for public employees.

The current account deficit is expected to increase. Job creation in the formal sector may remain sluggish, leaving the vast majority of workers in low-productivity, low-paid activities.

Fiscal and monetary policies are expected to broadly remain neutral. To reduce the relatively high public debt-to-GDP ratio, there is a need to arrest contingent fiscal liabilities by way of better governance of public enterprises. Investing more in education and training, combined with modernisation of labour laws, would also help in creating better jobs, and fuel inclusive growth.

According to World Bank, India's economy is robust and resilient. It has the potential to deliver sustained growth.

In India, growth is projected to advance 7.3 percent during 2018-19, and 7.5 percent in 2019-20. Similarly, the growth in South Asia is projected to strengthen to 6.9 percent in 2018, and to 7.1 percent in 2019.

India is said to retain the tag of the fastest growing country among the world's major emerging economies. On the other hand, China is expected to slow down slightly from 6.9 percent in 2017 to 6.5 percent in 2018, 6.3 percent in 2019, and 6.2 percent in 2020.

The biggest challenge for 2018 is to maintain economic recovery in the face of increasing inflationary pressures, coupled with a higher fiscal deficit, besides mounting debt burden. The way out of this conundrum lies in the revival of consumer demand and private investments.

GLIMPSE OF INDIAN CHEMICAL INDUSTRY

Indian chemical companies support a sizable and highly diversified industry that includes commodities, speciality, polymers, agrochemicals and a range of other product segments. The overall chemical industry is expected to grow from \$139 billion in 2014 to \$214 billion by 2019. By 2025, the Indian chemical industry is projected to reach \$403 billion.

However, major challenge remains for the Indian chemical companies. The industry is highly fragmented with intense rivalry among companies. Because of 100 percent FDI allowed by the government, domestic players are facing stiff competition from foreign multinationals that have the ability to exert strong price pressures on local markets. Huge capital requirements, patent protection and R&D costs present another set of challenges.

But for every challenge there is an equivalent opportunity. The fact remains that the center of gravity for the global chemical industry is moving to the East, and Indian chemical companies are well-positioned to take advantage of this transition.

EXPANDING INDIAN SPECIALITY CHEMICALS INDUSTRY

Specialty chemicals, which comprise low volume, high value chemicals with specific applications, constitute a significant part of the Indian chemical industry. With current market growth rate, by 2020, India is expected to double its share in the global market.

The Indian chemicals sector is pegged at \$160 billion, with specialty chemicals representing about 20 percent of the entire chemical industry value. The specialty chemical sector is poised to grow by about 10 percent annually to almost double the market size by FY25, according to India Ratings.

The specialty chemicals sector registered double-digit growth over FY13-FY17, supported by subdued oil prices and strong domestic and export demand.

India Ratings expects FY19 to be a strong year for the domestic specialty chemicals sector on account of a continued increase in demand from end-user industries, and tight global supply due to stringent environmental norms in China.

Specialty chemical end-use industries such as textile, automotive, personal care, construction chemicals and agrochemicals, as well as application-driven segments such as surfactants, paints, coatings and colorants, is expected to witness high growth in the medium-term.

However, per capita chemical consumption in the country remains low compared to developed countries and emerging economies such as China, which indicates latent demand potential in the Indian market.

The implementation of strict environmental norms in China has reduced the competitive advantages for its firms, especially inefficient smaller firms that became unviable.

In 2017, an estimated 40 percent of the chemical manufacturing capacity in China was temporarily shut down for safety inspections, with over 80,000 manufacturing units charged and fined for breaching permissible emission limits.

India Ratings expects the supply of major chemicals from China to remain subdued in FY19, which will favourably impact volume and pricing for Indian exporters.

Higher-than-expected growth in demand, along with stable feedstock availability at low prices and ability to comply with regulatory norms, will further help to strengthen the growth of the sector.

GLOBAL SPECIALTY CHEMICALS INDUSTRY: THEN, AND NOW

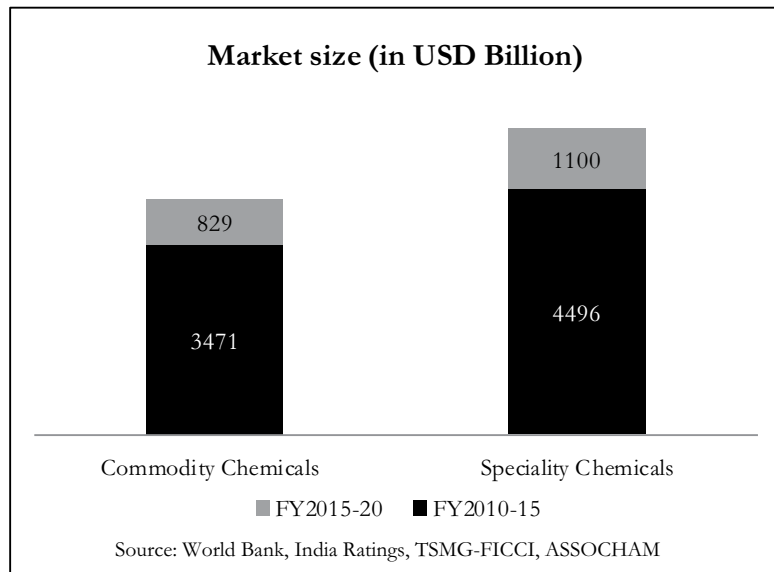
Globally, the chemical industry recorded sales of \$4.3 trillion during FY15, of which specialty chemicals recorded sales of \$829 billion, which is 20 percent of the global chemical industry sales.

Industry estimates indicate that the chemical industry could record a CAGR of 5.4 percent to reach \$5.6 trillion by the end of 2020. Similarly, specialty chemicals could grow at a slightly faster rate at 5.8 percent CAGR to reach \$1.1 trillion by the end of 2020.



GLOBAL GROWTH PROSPECTS OF BASIC AND SPECIALITY CHEMICALS INDUSTRY

(Market size in USD billion)



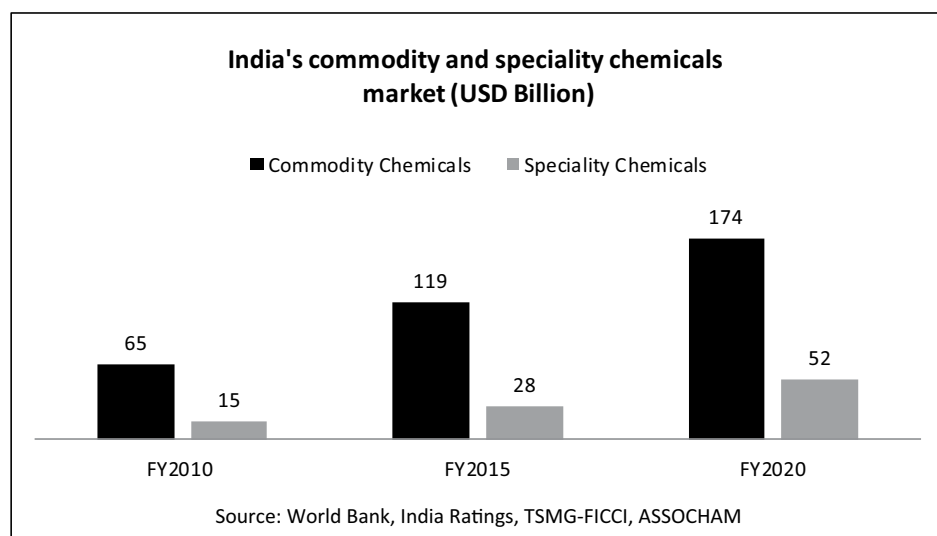
INDIA'S RANKING IN THE SPECIALTY CHEMICALS INDUSTRY

During FY15-16, Indian chemical industry's revenue stood at \$147 billion, which was less than 4 percent of the global chemical industry market share of \$4.3 trillion.

On the other hand, the Indian specialty chemicals industry that stood at \$28 billion accounted for 3.4 percent of the overall global specialty chemicals industry, and 20 percent of the Indian chemical industry during 2015-16. The Indian specialty chemicals industry reported annual growth of 14 percent during FY10-FY15, which proved that that growth in specialty chemicals was slightly stronger than the growth in the overall chemicals industry.

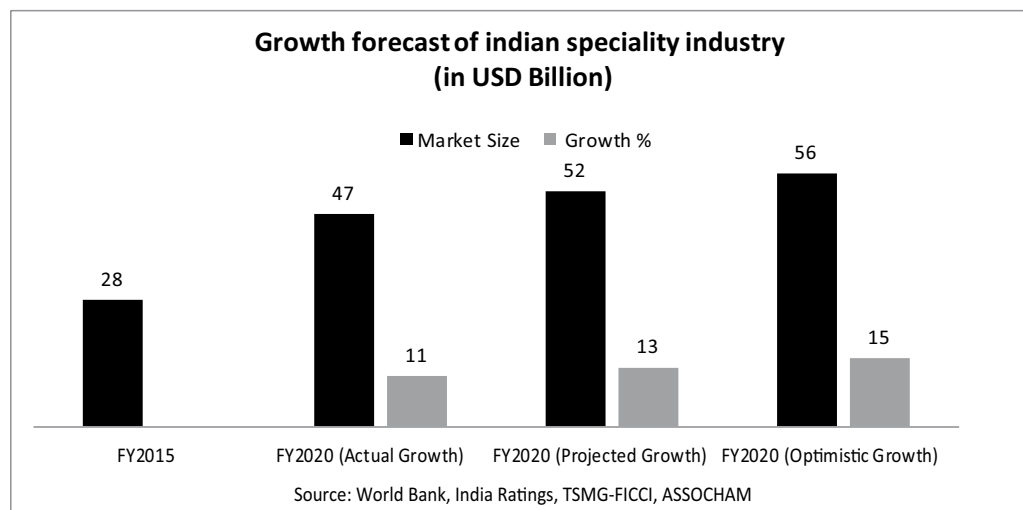
Specialty chemicals industry is expected to grow annually at 13 percent to a market size of \$52 billion till 2020, thanks to the increasing consumption and high growth in end-use industries.

FUTURE OUTLOOK OF THE INDIAN SPECIALITY CHEMICALS MARKET



According to TSMG-FICCI, specialty chemicals industry is expected to grow at 13 percent per annum to a market size of \$52 billion till 2020 on the back of increasing consumption and high growth in end-use industries.

GROWTH FORECAST OF INDIAN SPECIALITY COMPANIES



India's specialty chemicals industry is poised to grow at 13 percent, as against the global growth rate of 6 percent. This will help India to increase its share in the global specialty chemicals market from 3.4 percent in 2015-16, to 5 percent by end of 2020.

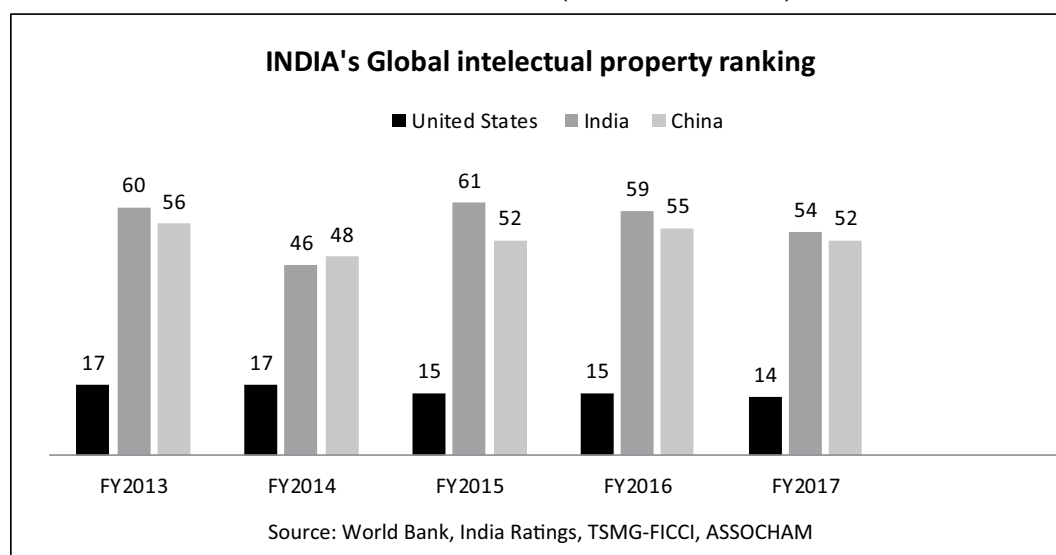
INDIA'S RANK ON THE GLOBAL INNOVATION INDEX

According to US Chambers of Commerce report, India has increased substantially its score in the International Intellectual Property (IP) Index, ranking 44th among 50 nations. Yet, India remains among the bottom 10.

India, as a member of the WTO, recognises patents and the Indian legal system is considered reasonably fair. This encourages specialty chemical companies to engage in contract research and manufacturing services (CRAMS) or contract synthesis and manufacturing (CSM).

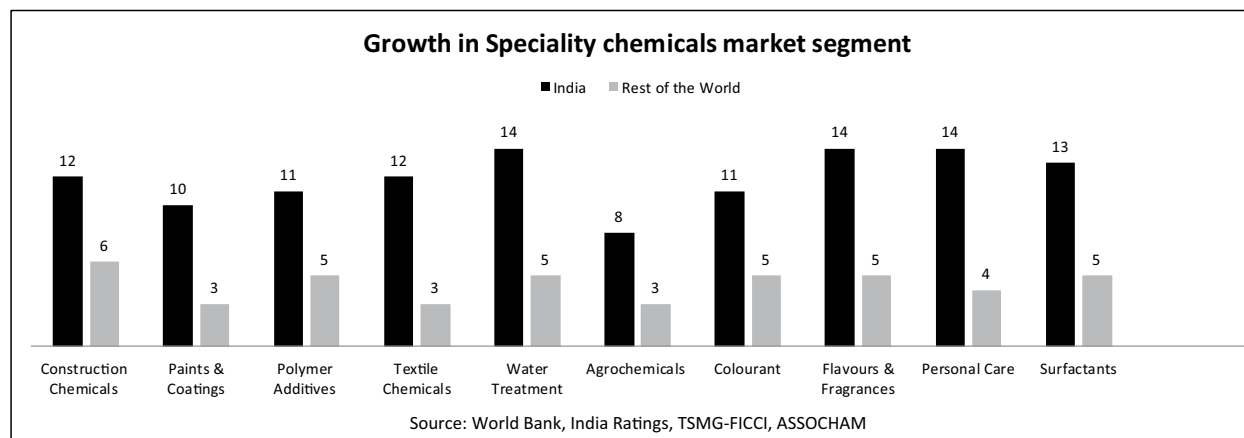
Such tie ups depend primarily on the comfort of IPR protection. In India, chemical, specialty chemical, and agrochemical companies have used this strategy. It is worth noting that India and China's IPR rankings are not substantially different. However, both countries have taken measures to improve their rankings, but India's seems to have improved at a faster pace and reduced the gap.

INTELLECTUAL PROPERTY INDICATORS (INDIA VS CHINA)





TRENDS AND FUTURE OF THE SPECIALITY CHEMICALS MARKET SEGMENTS



INDIAN PHARMACEUTICAL INDUSTRY

The Indian pharmaceuticals market witnessed growth at a CAGR of 5.64 percent, during FY11-16, with the market size growing from \$20.95 billion in FY11 to \$27.57 billion in FY17. The industry's revenues grew by 7.4 percent during FY17.

The annual turnover of the Indian pharmaceutical industry grew by 5.5 percent during FY2017. During March 2018, the market grew at 9.5 percent year-on-year, with sales of \$1.56 billion.

By 2020, India is likely to be among top three pharmaceutical markets by incremental growth and sixth largest market globally in absolute size.

Increase in the size of middle class households coupled with the improvement in medical infrastructure and increase in the penetration of health insurance in the country will also influence in the growth of the pharmaceutical sector.

PHARMA INTERMEDIATES MARKET

From being an import-dependent industry in the 50s, the Indian pharmaceuticals sector has come a long way to evolve as a whopping \$27.57 billion giant today. It's not only self-sufficient in terms of pharmaceutical products, but has also achieved global recognition as a manufacturer and supplier of low-cost, high-quality bulk drugs and formulations to over 50 countries.

India is currently among the top five global manufacturers of APIs. The production of APIs continues to swell with an increasing number of international companies making a beeline to India to meet their API supply needs.

With India having the largest number of USFDA-approved manufacturing facilities, the number of drug master filings (DMF) by Indian companies is also mounting every year.

Greater production of APIs has led to enhanced demand for pharmaceutical intermediates. The total size of the Indian market for synthetic pharmaceutical intermediates was estimated at \$1200 million in 2016 and is growing at a steady rate of 5-10 percent.

The key drugs driving sales and hence, the production of APIs and intermediates, have been antibiotics and anti-infectives, cardiovascular system, central nervous system drugs, respiratory drugs (cough, cold, and anti-asthmatics medicines), anti-inflammatory drugs, and the fast-growing segment of anti-diabetics.

Indian fine chemical manufacturers have the technical expertise and R&D capabilities to produce niche, complex, and high-quality intermediates belonging to these therapy areas.

INDIAN NUTRACEUTICALS INDUSTRY

According to ASSOCHAM, the Indian nutraceuticals market stood at \$2.8 billion in 2015, and is expected to touch \$8.5 billion by 2022.

In 2015, India accounted for a share of around 2 percent of the global market. By 2022, this share is anticipated to increase to a value of approximately 3 percent owing to country's large population base, increasing urban belt and awareness. The overall market is classified into dietary supplements and functional food & beverages, with the former estimated to occupy the larger chunk of around 65 percent in 2015. The food & beverages market is expected to grow with a higher growth rate. This is due to the increasing visibility of such products in modern retail formats and promotional activities through TV advertisements.

In 2015, the Indian dietary supplements market was valued at \$1.8 billion. However, with growing awareness, number of people opting for dietary supplements on their own has also increased. Higher purchasing power has prompted Indians to be more health conscious and adopt a healthy diet routine completed with consumption of nutritional supplements.

The demand for the vitamin and mineral supplements may increase in the future due to the unhealthy eating habits and stress in daily lifestyle. People may benefit from the extra nutrients found in these supplements. A multi-vitamin and mineral supplement will help in safeguarding against periodic nutrient shortfalls in the diet. Due to these reasons, the vitamin and mineral market in India is anticipated to reach \$2.1 billion by 2022.

FLAVOURS AND FRAGRANCES MARKET

Flavours, fragrances and nutraceutical ingredients are important sub-segments of the Indian specialty chemicals space.

With a strong linkage to consumer facing industries, including personal care, food and beverages and nutraceuticals, these segments are witnessing strong market demand. Segments like nutraceutical ingredients, which have traditionally been exports-focused, will now reap the benefit of a strong upsurge in the domestic market, as a fledgling end-user market like nutraceuticals witnesses exponential growth in India.

An abundance of raw materials, especially natural herbs and spices, gives India an inherent advantage in the natural base ingredients space. Strong chemistry skills place India in an advantageous position to become a global supplier of choice for synthetic base chemicals.

Given India's natural advantages in these segments, we expect the industry to grow at a healthy rate and high-quality Indian players to outgrow most of their global peers.

The global flavors and fragrances market continues to show promising rates of growth after recovering from the effects of the global recession. The total global market reached \$21.4 billion in 2016, and is expected to grow at an average annual rate of 3.2 percent year-on-year to reach \$25 billion in 2018.

Out of the total global market, flavors account for approximately 54 percent, and fragrances for the remaining 46 percent. Out of the key global regions, combined flavours and fragrances has a large market in Asia-Pacific, followed by North America and Western Europe.

FUTURE OUTLOOK

"Make in India" campaign is also expected to add impetus to the emergence of India as a manufacturing hub for the chemicals industry in the medium term. Heightened levels of M&A interest by players across the spectrum. The increased globalisation of the sector, sustained market opportunities and the emergence of Indian leaders are combining to create an exciting period for speciality chemicals. India can play a dominant role in the global speciality chemicals industry as it has got an advantage of skilled human resources and a big consumer market. The government has to look at policies that favour the boosting of per capita consumption of speciality chemicals in India as this is one of the fastest growing sectors in the chemical industry.

Financial Performance:

Particulars	2017-18	2016-17
Total Revenue	20,132.43	34,726.48
Total Expenditure	27,528.71	32,043.09
Profit Before Tax & Exceptional Items	(7,396.28)	2,683.39
Profit Before Tax	(12,654.82)	(13,678.81)
Tax Expenses	(2,258.02)	(2,742.92)
Profit After Tax	(10,371.94)	(10,896.13)

Following are the factors which had major impact on the financial performance of the Company during FY 2017-18:

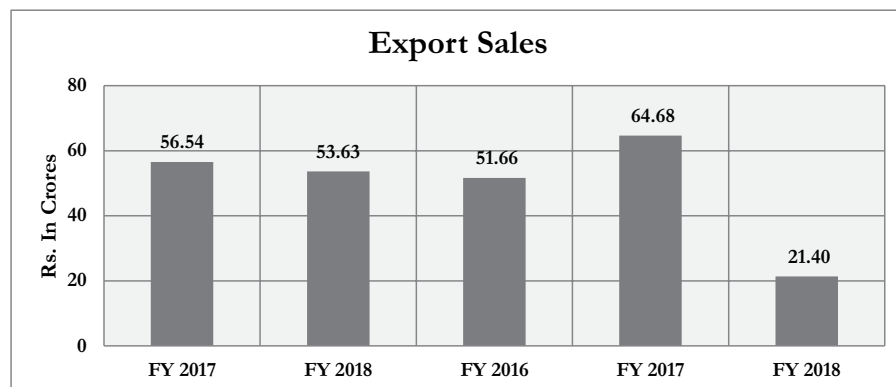
- The Company has adopted Ind AS with effect from April 1, 2017 with comparatives being restated. Accordingly, the impact of transition has been provided in the Opening Reserves as at April 1, 2016 ("transition date"). The financial statement prepared as per previous GAAP for the year ended March 31, 2017 has been restated to realign with the accounting policies and other accounting principles adopted for Ind AS.



- The Company has recorded inventory obsolescence to the extent of Rs. 40.00 crores due to inferior quality of the material received from the vendors and nonmoving/slow moving inventory to the extent of Rs. Rs. 4.00 crores due to change in our product mix. This was on account of discontinuing of some of our products which were of commodity nature.

Exports:

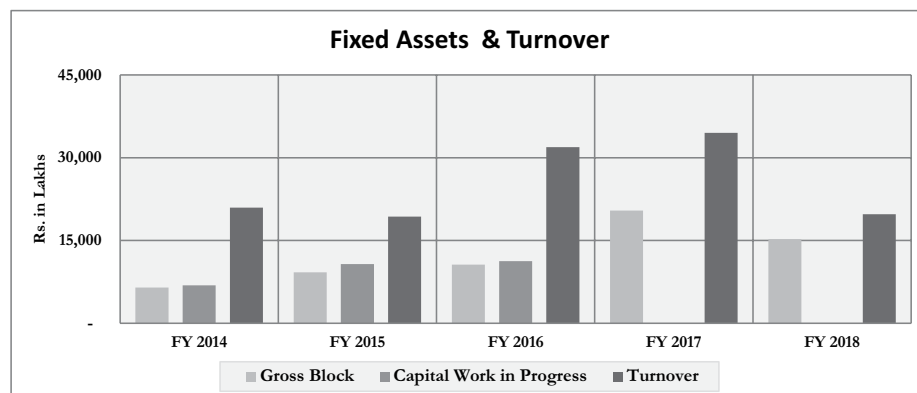
The Company's exports on decreased from Rs. 64.68 cr. in FY 2016-17 to Rs. 21.40 cr. in FY 2017-18. The export trend of the last five years is given below.



Working Capital Cycle:

The Company is continuously reviewing the status of working capital cycle and taking the necessary steps to reduce the cycle by maintaining minimum inventories, bring down the receivables by focusing more on the exports etc.

Omkar Chemicals: Investing in Future Growth:



Capacity Utilisation:

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

Production Units	Activity Undertaken	In Tonne Per Annum			Capacity Utilisation %age
		Volumetric Capacity	Rated Capacity	Production in FY 18	
Unit No 1, Badlapur	Inorganic Derivatives	1100	800	484.53	60.57
Unit No 2, Badlapur	Organic Intermediates	1325	900	528.59	58.73
Unit No 3, Badlapur	Dedicated facility for Selenium Sulphide	75	20	9.87	49.35
Unit No. 4, Badlapur	Centralize Warehouse	-	-	-	-
Total		2500	1720	1022.99	

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

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

Other factors which influence the tonnage capacity include:

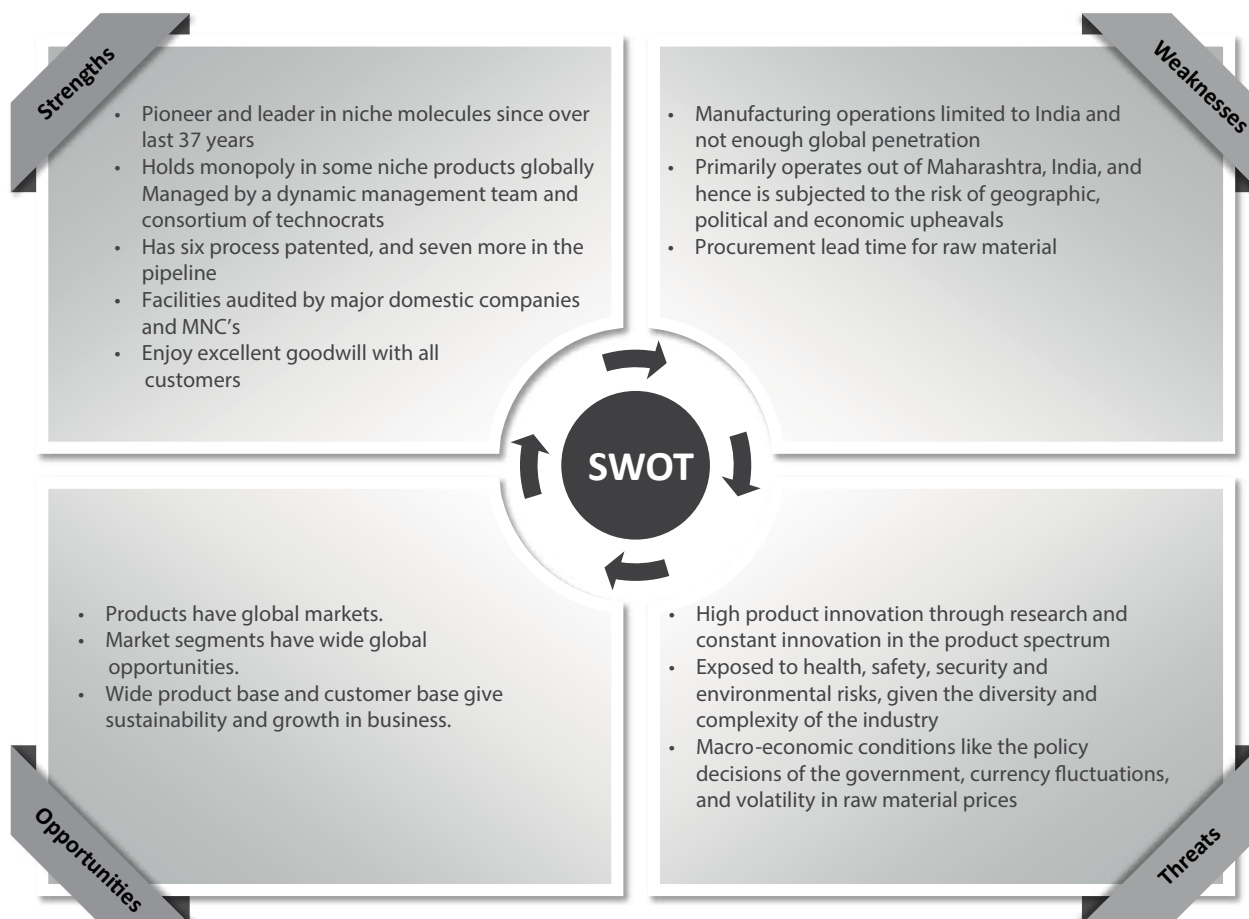
- Processing required for recovery of solvents for reuse.
- Reactor occupancy for recovery of by-products or side streams and purification thereof.
- Down time arising out of cleaning of equipments for changeover of products in line with the SOP.

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

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

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

SWOT ANALYSIS:



**Human Resources:**

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

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

Internal Control Systems:

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

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

Cautionary Statement:

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

REPORT ON CORPORATE GOVERNANCE

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

COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders and firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standard of regulatory compliance.

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

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

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

BOARD OF DIRECTORS:

The Board of Directors provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

• Size & Composition of the Board:

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, with varied professional background. With a view to achieving a sustainable and balanced development, the Company witnesses diversity at the Board level, supporting the attainment of its strategic objectives and its sustainable development. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. As on March 31, 2018, the Board comprised of 8 (Eight) Directors out of which 5 (Five) were Non-Executive Directors of which 4 (Four) Directors were Independent Directors. The board is chaired by full time Executive Director. Except Managing Director and Independent Directors, all other Directors are liable to retire by rotation.

• Category and Attendance of Directors:

The names and categories of Directors, their attendance at the Board Meetings held during the year and at the last Annual General Meeting, as also the number of Directorships and Committee positions held by them in public limited Companies are given below:

Name of Director	Category #	No. of Directorship(s) (Excluding the Company)*	No. of Committee Membership (Excluding the Company)@		Board Meetings		Attendance at last AGM
			Member	Chairman	Held	Attended	
Mr. Pravin Herlekar, <i>Chairman & Managing Director</i> [§]	P.D & E.D	1	Nil	Nil	8	8	Yes
Mr. Rishikesh Herlekar [§]	E.D	1	Nil	Nil	8	8	Yes



Name of Director	Category #	No. of Directorship(s) (Excluding the Company)*	No. of Committee Membership (Excluding the Company)@		Board Meetings		Attendance at last AGM
			Member	Chairman	Held	Attended	
Adv. Sanjivani Patare	I.N.E.D	Nil	Nil	Nil	8	8	No
Dr. Vikas Telvekar	I.N.E.D	Nil	Nil	Nil	8	5	Yes
CA Sitendu Sharma	I.N.E.D	1	2	1	8	8	Yes
CA Laxmikant Kabra	N.E.D	2	3	1	8	8	Yes
Mr. Prakash Rao	E.D	Nil	Nil	Nil	8	8	Yes
Ms. Bhavana Shewakramani	I.N.E.D	Nil	Nil	Nil	4	2	Yes

Notes:

P.D – Promoter Director, E.D – Executive Director, N.E.D – Non-Executive Director and I.N.E.D – Independent Non-Executive Director.

* Directorship excludes Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships

@ Includes Audit Committee and the Stakeholders Relationship Committee only

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

None of the Directors of the Board holds office in more than twenty (20) Companies and in more than ten (10) Public Companies. None of Directors of the Board is a member of more than ten (10) Committees and Chairman of more than five Committees (Committees being Audit Committee and Stakeholders Relationship Committee, as per Regulation 26 of the SEBI Listing Regulations, 2015), across all the companies in which he/she is a Director. All the Directors have made the requisite disclosures regarding committee positions held by them in other companies.

- Board Diversity:**

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

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

- Familiarization Programme for Board Members:**

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

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

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

- Meetings of the Board:**

The Board meets in executive session, at least 4 (four) times during a Financial Year, mostly at the quarterly intervals inter alia to review quarterly financial statements and other items on the Agenda. Additional meetings are held, if deemed necessary, to

conduct the business. 8(Eight) Board Meetings were held during the year and the gap between two meetings did not exceed 120 (One Hundred And Twenty) days except during disclosure of quarterly results for the period ended September 30, 2017 which was on account of change in statutory auditors and finalization of financial results as per Ind-AS. Further, consequent to applicability of Ind-AS, all assets were revalued and accordingly effect was given in the financial statements, which delayed the finalization and adoption of quarterly results. The necessary quorum was present for all the meetings. During the year 2017-18, information as mentioned in Schedule II Part A of the SEBI Listing Regulations, 2015, has been placed before the Board for its consideration.

Board meeting held during the Financial Year 2017-18 are detailed below:

Date of Board Meeting	Board Strength	No. of Directors Present
May 02, 2017	7	6
May 20, 2017	7	6
June 16, 2017	7	6
July 26, 2017	7	7
August 14, 2017	8	8
August 24, 2017	8	8
February 05, 2018	8	7
February 05, 2018	8	7

- Independent Directors:**

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

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

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on March 31, 2018, as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25 of SEBI Listing Regulation, 2015. The Independent Directors at the meeting evaluated:

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

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

BOARD COMMITTEES:

Your Company has Eight (8) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Internal Complaints Committee, Whistle Blower Committee and Resources Committee as on March 31, 2018.

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



- **AUDIT COMMITTEE:**

The role of the Audit Committee flows directly from the Board of Director's overview function on Corporate Governance, which holds the management accountable to the Board and the Board accountable to the stakeholders. The Audit Committee ensures prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The Audit Committee, inter alia, provides reassurance to the Board on the existence of an effective internal control environment. The members of the Audit Committee have wide exposure and knowledge in area of accounts, audit, finance, taxation, internal controls etc.

- **Terms of reference:**

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

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

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

- (12) Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee.

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

The Audit Committee is empowered to do the following:

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

- **Composition and other Details of Audit Committee:**

As on March 31, 2018, the Audit Committee comprised of three (3) Non-Executive Directors, two (2) of which were Independent Directors, CA Sitendu Sharma, Adv. Sanjivani Patare and CA Laxmikant Kabra. The Audit Committee is chaired by CA Sitendu Sharma. All members of the Audit Committee are financially literate and have expertise in accounting and financial management.

The Audit committee is chaired by CA Sitendu Sharma.

In addition to the Audit Committee members, Chief Financial Officer, Heads of Finance and Accounts, Internal Auditors, Cost Auditors, Statutory Auditors and other executives are invited to the Audit Committee Meetings, on need basis.

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

- **Internal Audit and Control:**

M/s. Dipika D. Patel & Associates, Chartered Accountants, Mumbai is the Internal Auditor of the Company for the financial Year 2017-18. Internal Audit Plan and their remuneration is approved by the Audit Committee. The reports and findings of the Internal Auditor and the Internal Control System are periodically reviewed by the Audit Committee.



• **Meetings and Attendance:**

The Audit Committee met Four (4) times during the Financial Year 2017-18. Details of the attendance of the members of the Audit Committee at its meetings held during the Financial Year 2017-18 are given below:

Meetings	Name of Director/ Attendance		
	CA Sitendu Sharma – Chairman	Adv. Sanjivani Patare, Member	CA Laxmikant Kabra, Member
May 20, 2017	P	P	P
August 14, 2017	P	P	P
February 05, 2018	P	P	P
February 05, 2018	P	P	P

P-Present, A-Absent, N/A- Not Applicable

Note:

The Chairman of the Audit Committee, CA Sitendu K. Sharma, was present at the Annual General Meeting of the Company held on September 27, 2017.

• **NOMINATION & REMUNERATION COMMITTEE:**

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

• **Terms of reference:**

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

- (1) 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;
- (2) 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;
- (3) Formulation of criteria for evaluation of performance of Independent Directors and the Board Devising a policy on Board diversity;
- (4) 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.
- (5) Taking an overview of human resources & industrial relations policies of the Company.
- (6) Any other matter that may be referred by the Board from time to time.

• **Composition and other Details of Nomination and Remuneration Committee:**

As on March 31, 2018, the Nomination and Remuneration Committee comprised of three (3) Non-Executive Independent Directors, out of which two (2) were independent Directors. The Committee comprises of - CA Sitendu Sharma, CA Laxmikant Kabra and Dr. Vikas Telvekar. The Committee is chaired by CA. Sitendu Sharma.

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

- **Meetings and Attendance:**

The Nomination and Remuneration Committee meets in the first quarter of the Financial Year to recommend to the Board, the commission to be paid to the Directors, the Directors retiring by rotation to be reappointed at the Annual General Meeting etc. Apart from this, the Nomination and Remuneration Committee meets as and when there is any business to be transacted which has been assigned to it.

During the year under review, the Nomination and Remuneration Committee met One (1) time. Details of the attendance of the members of the Nomination and Remuneration Committee at its meetings held during the Financial Year 2017-18 are given below:

Date of the Meetings	Name of Director/ Attendance		
	CA. Sitendu Sharma Chairman %	Dr. Vikas Telvekar, Member	Laxmikant Kabra, Member
May 20, 2017	P	A	P

P-Present, A-Absent, NA- Not Applicable

Note:

The Chairman of the Nomination and Remuneration Committee, CA. Sitendu Sharma, was present at the Annual General Meeting of the Company held on September 27, 2017

- **Performance Evaluation of the Board, its Committees and Individual Directors:**

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

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

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

- **REMUNERATION OF DIRECTORS:**

- **Nomination And Remuneration Policy:**

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

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

(1) *Appointment Criteria and Qualifications*

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



- (b) *A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.*
- (c) *The Company shall not appoint or continue the employment of any person as Managing Director or Whole Time Director or manager, who is below the age of twenty one years or has attained the age of seventy years.*

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

(2) *Term/ Tenure*

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

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director, Whole Time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

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

- (b) *Independent Director:*

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

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

(3) *Evaluation*

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

(4) *Removal*

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

(5) *Retirement*

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

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

Remuneration to Director, Key Managerial Personnel and Senior Management:

- (1) *Fixed pay: Managing Director, Whole Time Director, Executive Director, Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.*
- (2) *Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director, Whole Time Director or Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Shareholder and Central Government.*

- (3) *Provisions for excess remuneration: If any Managing Director, Whole Time Director or Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he/ she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.*

Remuneration to Non-Executive/ Independent Director:

- (1) *Remuneration/ Commission:*

The remuneration/ commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

- (2) *Sitting Fees:*

The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

- (3) *Limit of Remuneration/ Commission:*

Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

- (4) *Stock Options:*

An Independent Director shall not be entitled to any stock option of the Company.

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

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

• **Details of Remuneration to all Directors:**

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

The details of remuneration paid to each Director for the Financial Year ended March 31, 2018 along with their holding as on March 31, 2018 are as under:

(Amount in Rs.)

Sr. No.	Name of Director	Equity Shares held	Salary and Perquisites	Commission	Sitting Fees*	Total Remuneration
1	Mr. Pravin Herlekar ^s	3535821	60,00,000	-	NA	60,00,000
2	Mr. Rishikesh Herlekar ^s	517006	15,75,316	NIL	NA	15,75,316
3	Mr. Prakash Rao	NIL	12,42,000	NIL	NA	12,42,000
4	Adv. Sanjivani Patare	NIL	NA	NIL	1,70,000	1,70,000
5	Dr. Vikas Telvekar	NIL	NA	NIL	82,500	82,500
6	CA Sitendu Sharma	NIL	NA	NIL	1,90,000	1,90,000
7	CA Laxmikant Kabra	NIL	NA	NIL	1,60,000	1,60,000
8	Bhavana Shewakramani	NIL	NA	NIL	35,000	35,000

NA- Not Applicable



NOTES:

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

* Inclusive of all Taxes

Your Company has no stock option plans and hence, such instrument does not form part of the remuneration package payable to any Executive Director and/ or Non-Executive Director. The Company does not have any policy for severance fees or any other payment to the directors. No pension will be paid by the Company to any of the Directors. Your Company did not advance any loans to any of the Executive and/ or Non-Executive Directors during the period under review.

• **STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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

• **Terms of reference:**

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

1. Approve and monitor the process of transfer, transmission, splitting, consolidation and dematerialization and rematerialisation, etc. and other securities related formalities.
2. Review and oversee the process of resolving of shareholders /investors/ security-holders grievances.
3. Review the performance of Bigshare Services Private Limited, Registrar and Share Transfer Agent, and also recommend measures for overall improvement for better investor services.
4. Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification/ amendment or modification as may be applicable.

• **Composition and other Details of Stakeholders Relationship Committee:**

As on March 31, 2018, the Stakeholders Relationship Committee comprised of three (3) Directors, Two(2) of whom were Independent Directors. The committee comprises of Adv. Sanjivani Patare , CA Sitendu Sharma, Mr. Prakash Rao. The Committee is chaired by Adv. Sanjivani Patare, Non- Executive Independent Director.

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

• **Meetings and Attendance:**

The Stakeholders Relationship Committee met One (1) time during the Financial Year 2017-18. Details of the attendance of the members of the Stakeholders Relationship Committee at its meetings held during the Financial Year 2017-18 are given below:

Name of the Committee Member	Position	Committee Meetings Held	Committee Meetings Attended
Adv. Sanjivani Patare, Chairperson	Independent, Non- Executive Director	1	1
CA Sitendu Sharma	Independent, Non- Executive Director	1	1
Mr. Prakash Rao	Executive Director	1	1

• **Investor Grievances:**

Number of Shareholders complaints received during Financial Year 2017-18: 03

Number not resolved to the satisfaction of Shareholders: NIL

Number of Complaints pending/ unattended: NIL

Number of share transfers remained pending for over 15 days during Financial Year 2017-18: NIL

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

Name, designation and address of the Compliance Officer:

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

• **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

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

• **Terms of reference:**

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

- 1) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made there under;
- 2) To recommend the amount of expenditure to be incurred on the CSR activities;
- 3) To monitor the implementation of the framework of the CSR Policy;
- 4) 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.

• **Composition and other Details of Corporate Social Responsibility Committee:**

As on March 31, 2018, the Corporate Social Responsibility Committee comprised of four (4) Directors including two (2) Independent Directors of the Company. Mr Pravin Herlekar is the Chairman of the Committee. The Committee comprised of Mr. Pravin Herlekar, CA Sitendu Sharma CA Laxmikant Kabra, and Mr. Prakash Rao.

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

• **Meetings and Attendance:**

During the year under review, the Corporate Social Responsibility Committee met once on March 31, 2018. All members attended the meeting.

Name of the Committee Member	Position	Committee Meetings Attended
Mr. Pravin Herlekar	Chairman & Managing Director	1
CA Laxmikant Kabra	Independent, Non- Executive Director	1
Mr. Prakash Rao	Executive Director	1
Mr. Sitendu Sharma	Independent Director	1

As per Section 135, the Company was required to spend Rs. 16.07 Lakhs for the Financial Year 2017-18.

The CSR Policy, as approved by the Board, has been placed on the Company's website and can be accessed through the web link: <http://www.omkarchemicals.com/Policies/CSR-policy-28-1-16.pdf>



- **RISK MANAGEMENT COMMITTEE:**

The Risk Management Committee was voluntarily constituted by the Company.

- **Terms of reference:**

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

- 1) Framing the Risk Management Plan and Policy;
- 2) Overseeing implementation of Risk Management Plan and Policy;
- 3) Monitoring Risk Management Plan and Policy;
- 4) Validating the process of risk management;
- 5) Validating the procedure for risk minimization;
- 6) Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management process;
- 7) Continually obtaining assurance from the management that all known and emerging risks have been identified and mitigated or managed;
- 8) Performing such other functions as may be necessary or appropriate for the performance of its oversight functions.

- **Composition and other Details of Risk Management Committee:**

As on March 31, 2018, the Risk Management Committee comprised of Three (3) Directors including One (1) Independent Director of the Company, The Committee comprised of CA Sitendu Sharma, Mr. Rishikesh Herlekar and Mr. Prakash Rao. CA Sitendu Sharma is the Chairman of the Committee.

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

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

- **RESOURCE COMMITTEE:**

The Resource Committee was voluntarily constituted by the Company

- **Terms of reference:**

Terms of reference of Resource Committee are as follows:-

1. To approve and monitor investment for an amount not exceeding Rs. 10,00,00,000/- (Rupees Ten Crores Only) in any one Committee Meeting and subject to maximum of Rs. 30,00,00,000/- (Rupees Thirty Crores Only) between two Board Meetings and to monitor the ongoing projects and to review the project progress reports for various project and review Capital Investment and Expenditure related to the same;
2. To borrow, otherwise than on debentures, money for the purpose of Company's business at any one time not exceeding Rs.10,00,00,000/- (Rupees Ten Crores Only);
3. To approach any financial Institution, Banks and or any other bodies corporate on behalf of the Company;
4. To provide Corporate Guarantee to any of its Associate/Group / Subsidiary Companies;
5. To negotiate the terms and conditions of the financial assistance on behalf of the Company;
6. To approve draft and authorize execution of the Loan Agreement(s), Deed(s) of Hypothecation and other documents, including undertaking(s) and/or declarations, agreements and other papers which the Company may be required to sign for availing any financial assistance;
7. To affix Common seal of the Company in accordance with the Articles of Association of the Company on Loan Agreement(s), Deed(s) of Hypothecation and other documents which the Company may be required to sign for availing any financial assistance;
8. To authorize opening and closing of bank accounts;
9. To authorize additions/ deletions to the signatories pertaining to banking transactions;
10. To delegate authority to the Company officials to represent the Company at various courts and any government authorities;
11. To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference.

- **Composition and other Details of Resource Committee:**

As on March 31, 2018, the Resource Committee comprised of 4(Four) Directors including 2(Two)Independent Directors of the Company, Mr. Pravin Herlekar, Mr. Rishikesh Herlekar, CA Sitendu Sharma , CA Laxmikant Kabra. Mr. Pravin Herlekar is the Chairman of the Committee.

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

- **Meeting and Attendance:**

During the year under review, Resource committee met One (1) time during the Financial Year 2017-18. Details of the attendance of the members of the Resource Committee as its meetings held during the Financial Year 2017-18 are given below:

Meetings	Name of Director / Attendance			
	Mr. Pravin Herlekar - Chairman	Mr. Rishikesh Herlekar	CA Laxmikant Kabra	CA Sitendu Sharma
April 22, 2017	P	P	P	P

P- Present, A-Absent, NA-Not Applicable

- **RIGHT ISSUE COMMITTEE :**

The Right Issue Committee was voluntarily constituted by the Company.

- **Terms of reference:**

Terms of reference of Right Issue Committee are as follows:-

1. To decide on the terms of Right issue;
2. To decide on rights entitlement, fractional entitlements;
3. To decide on the timings of the issue;
4. To appoint various intermediaries or any other matter incidental thereto; and
5. To make any applications to the regulatory authorities as may be required.

- **Composition and other Details of Right Issue Committee:**

The Board at its Meeting held on June 16, 2017, constituted a Rights Issue Committee. The Committee comprises Executive Director, Independent Non-executive Director and Non-Executive Director, Mr. Pravin Herlekar, Executive Director, CA Sitendu Sharma, Independent Non-executive Director and Non-Executive Director CA Laxmikant Kabra. Mr. Pravin Herlekar act as a Chairman of the Committee.

The Right Issue Committee be and is hereby empowered to do the following act:-

- a) To seek information from any employee as considered necessary;
- b) To obtain outside legal professional advice as considered necessary;
- c) To secure attendance of outsiders with relevant expertise; and
- d) To investigate any activity within terms of reference.

- **SUBSIDIARY COMPANIES:**

The Company does not have any subsidiary Company(ies).

- **CODE OF CONDUCT:**

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



- GENERAL BODY MEETINGS:**

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

Particulars	2014-15	2015-16	2016-17
Date	September 26, 2015	September 26, 2016	September 27, 2017
Time	11.00 a.m.	4.30 p.m.	11.00 a.m.
Venue	Sanjeevani Hall, Near Monginis Cake Shop, Badlapur (East) – 421503, Thane		
Details of Special Resolutions passed	<ol style="list-style-type: none"> 1. Re-Appointment of Mr. Pravin Herlekar as Chairman and Managing Director and Mr. Omkar Herlekar as Whole Time Director. 2. Appointment of Mr. Rishikesh Herlekar and Mr. Prakash Rao as an Executive Director. 3. Grant of Employee Stock Options to the employees of the Company under OSCL ESOP 2015. 4. Grant of Employee Stock Options to the employees of the Subsidiary Companies of the Company under OSCL ESOP 2015. 5. Grant of Options to issue Securities equal to or exceeding one per cent but not exceeding four per cent of the issued capital of the Company during anyone Financial Year to identified employees under OSCL ESOP 2015. 	<ol style="list-style-type: none"> 1. Appointment of Mr. Subhash P. Mali as an Executive Director. 	<ol style="list-style-type: none"> 1. Appointment of Mr. Rishikesh Herlekar as an Whole Time Director 2. Appointment of Ms. Bhavana Shewakramani as an Independent Director 3. Issue of Equity Shares on rights issue basis.

- Postal Ballot Resolution:**

Issue of equity shares of the Company on a rights issue.

During the year, members of the Company have approved the resolutions, stated in the below table by requisite majority, by means of Postal Ballot, including Electronic Voting (e-voting). The Postal Ballot Notice dated May 18, 2018 along with the Postal Ballot Form was sent in electronic form to the members whose e-mail addresses were registered with the Company / respective Depository Participants. In case of physical shareholding, copies of the Postal Ballot Notice along with Postal Ballot Form were sent in physical, by permitted mode along with self-addressed postage pre-paid Business Reply Envelope.

The details of the voting pattern are given below:

Resolutions passed through Postal Ballot	Votes in favour of the resolution (%)	Votes against the resolution (%)
Increase in Authorized Share Capital and consequent alteration to the Capital Clause of the Memorandum of Association	99.74	0.26
Amendment in the Resolution no. 10 passed in the Annual General Meeting held on September 27, 2017.	99.71	0.29

The Company had published a notice in the newspaper on June 1, 2018 and June 2, 2018 in Business Standards and Mumbai Lakshdeep respectively in compliance with the provisions of the Companies Act, 2013 and Secretarial Standard - 2. The voting period commenced from June 3, 2018 at 9:00 a.m. (IST) and ended on July 2, 2018 at 5:00 p.m. (IST).

There is no immediate proposal for passing any resolution through Postal Ballot.

V. MEANS OF COMMUNICATION

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

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

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

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

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

Newspapers	Date of publication of results for the Quarter ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Business Standard (All Editions) (English)	May 23, 2017	August 15, 2017	February 06, 2018	February 06, 2018
Mumbai Lakshdeep (Mumbai) (Marathi)	May 23, 2017	August 15, 2017	February 06, 2018	February 06, 2018

Comprehensive information about the Company, its businesses and operations and press releases can be viewed on the Company's website at www.omkarchemicals.com.

The "Investor Relations" section on the website gives information relating to financial results, annual reports, scheme of arrangement, schedule of Analyst/ Institutional Investor meetings and presentations made to analysts and at Annual General Meetings. Information about unclaimed dividends is also available on the website, under the head "Unclaimed/ Unpaid Dividend".

The quarterly shareholding pattern, official news releases, presentations made to Institutional Investors and Analysts, etc. are uploaded on NEAPS and BSE Listing Centre of NSE and BSE respectively and also posted on the Company's website. Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Listing Centre. They are also displayed on the Company's website.

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

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

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

• **GENERAL SHAREHOLDER INFORMATION:**

Date, Time and Venue of AGM	Monday September 24, 2018 at 11:00 a.m. @ Sanjeevani Hall, near Monginis cake shop, Badlapur (E), Thane – 421503.	
a. Financial Year	April 1 to March 31	
b. Tentative Financial Calendar	Results for Quarter Ending June, 2018 September, 2018 December, 2018 March, 2019	To be published On or before August 14, 2018 On or before November 14, 2018 On or before February 14, 2019 On or before May 30, 2019



Name & Address of Stock Exchanges		Stock Code/ Symbol	ISIN Number for NSDL/ CDSL (Dematerialized shares)
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001		533317	INE474L01016
The National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051		OMKARCHEM	
Annual Listing Fee and Annual Custodial Fee:	The Company has paid the Annual Listing Fees of the Stock Exchanges and Annual Custodial Fees of the Depositories for the Financial Year 2018-2019.		

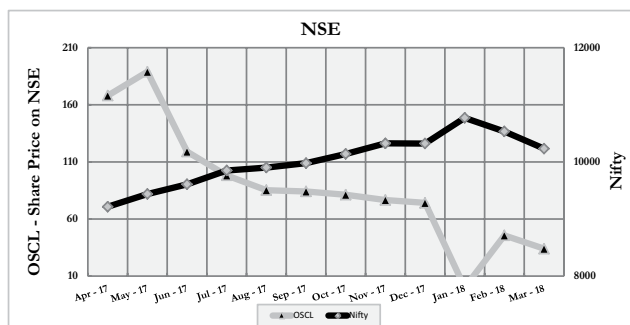
- Stock Price Data:**

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

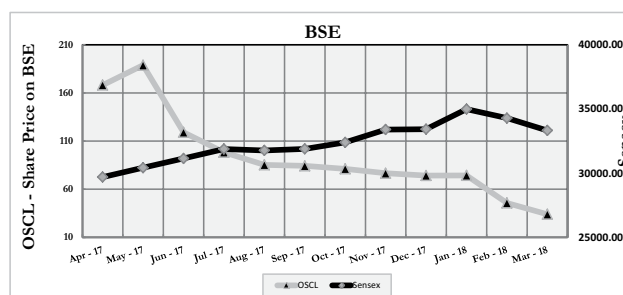
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2017	183.2	152.6	183.4	152.05
May 2017	205.9	169.75	206	169.45
June 2017	203.65	74.85	203.95	74.35
July 2017	120.05	77	121.9	76.5
August 2017	97	73.5	96	73
September 2017	95.5	73.8	95.9	73.8
October 2017	90.8	75.5	91.05	75.05
November 2017	82.75	71.25	82.75	72.9
December 2017	78.9	71.5	78.85	71.1
January 2018	82.05	68	82	69.75
February 2018	75.8	35.3	74.5	35.3
March 2018	39.8	27.6	39.8	27.45

Graphical presentation of movement of Company's Stock Price as compared to Nifty and Sensex from April 1, 2017 to March 31, 2018 is as follows:

Stock Price Data: BSE Limited (Sensex)



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



- Depositories of the Company:**

National Securities Depository Limited

4th and 5th Floor, 'A' Wing, Trade World,
Kamala Mills Compound,
Lower Parel, Mumbai 400 013, India.

Tel.: +91 (22) 2499 4200

Fax : +91 (22) 2497 6351

E-mail: info@nsdl.com

Website: www.nsdl.com

Central Depository Services (India) Limited

25th Floor, Marathon Futurex, N.M.Joshi Marg Lower Parel
(East), Mumbai 400 013, India.

Tel.: +91 (22) 2272 3333

Fax: +91 (20) 2272 3199

E-mail: investors@cdslindia.com

Website: www.cdslindia.com

- **Registrar and Share Transfer Agent (“RTA”):**

Bigshare Services Private Limited

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East)
Mumbai - 400 059.

Tel: 022 62638200

Fax : 022 62638299

Website: www.bigshareonline.com

- **Share Transfer System:**

Trading in Equity Shares of the Company through recognized Stock Exchanges is permitted only in dematerialised form. The Company has appointed M/s. Bigshare Services Private Limited as its Registrars and Share Transfer Agents. Share transfers are processed and the share certificates duly endorsed are returned within a period of thirty (30) days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfers/ transmission etc. of the Company's shares to the Stakeholder's Relationship Committee of the Board, which meets regularly to approve the share transfers and other related work. A summary of transfer/ transmission etc. of shares of the Company so approved by the said committee is placed periodically before the Board at its meeting. As of March 31, 2018, there were no pending share transfers pertaining to the year under review. The Company also obtains a half yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI Listing Regulation, 2015, from a Practicing Company Secretary and files the same with BSE & NSE. Further, the company periodically files with BSE & NSE, a certificate stating that all activities in relation to both physical and electronic share transfer facility are in compliance.

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

- **Distribution of Shareholding as on March 31, 2018:**

Shareholding Nominal value		Shareholders		Total Shares	Shares amount Nominal Value	
From	To	No.	%		No.	%
1	5000	19118	80.6871	2920383	29203830	14.1918
5001	10000	2264	9.5552	1835133	18351330	8.9179
10001	20000	1173	4.9506	1809579	18095790	8.7938
20001	30000	398	1.6798	1025502	10255020	4.9835
30001	40000	178	0.7512	647160	6471600	3.1449
40001	50000	155	0.6542	725674	7256740	3.5265
50001	100000	235	0.9918	1716095	17160950	8.3395
100001	& above	173	0.7301	9898478	98984780	48.1022
TOTAL		236954	100.00	20578004	205780040	100.00

- **Categories of shareholders:**

Category	Shares As on March 31, 2018		Shares As on March 31, 2017	
	No.	%	No.	%
Promoter & Promoters Group*	5688783	27.65	8439327	41.09
Banks and Financial Institutions	31051	0.15	128144	0.62
Foreign Portfolio Investors	0	0	609354	2.96
Bodies Corporate & Trusts	1576755	7.66	1607457	7.81
Foreign Nationals and NRIs	614903	2.99	556410	2.70
Indian Public	12249505	59.53	8961410	43.55
Clearing Members	417007	2.03	275902	1.34
Total	20578004	100	20578004	100



NOTES:

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

- Statement showing Shareholding more than 1% of the Share Capital as on March 31, 2018:**

Sr. No.	Names of Shareholders	Number of Shares	Percentage of Capital
1.	Pravin Herlekar*	3460821	16.818
2.	Omkar Herlekar*	1207200	5.8665
3.	Rishikesh Herlekar*	327006	1.5891
4.	Svaks Biotech India Private Limited*	380000	1.85

NOTE

* Promoters & Promoters Group

- Dematerialization of Shares and Liquidity:**

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

The statuses of shares held in physical and dematerialized forms, as on March 31, 2018, are given below:

Shares held	Shareholders		Shares Held	
	No.	%	No.	%
Physical Form	1	0.00	10	0.00
Electronic Form with NSDL	13665	57.67	11783877	57.26
Electronic Form with CDSL	10028	42.32	8794117	42.73
Total	23694	100.00	20578004	100.00

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

As on March 31, 2018, the Company has no GDR/ ADR/ Warrants or any such Convertible Instruments outstanding and there is no likely impact on the Company's Equity Shares in the Financial Year 2017-18.

- Commodity Price Risks and Commodity Hedging Activities:** Not applicable

- Foreign exchange risk and hedging Activities:**

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

- Plant locations:**

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

- **Address for Correspondence:**

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

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

- **OTHER DISCLOSURES:**

- **MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:**

Related party transactions in the ordinary course of business are reported to the Audit Committee. None of them were (i) not in the normal course of business, or (ii) not on arm's length basis, or (iii) in conflict with the interests of the Company at large, including the related party transactions that are disclosed under Note No. 34 of the Financial Statements. There are no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly. The Board has received disclosures from the Senior Management relating to material, financial and commercial transactions, where they and / or their relatives have personal interest.

The Board has approved a policy on dealing with related party transactions, and the same has been uploaded on the Company's website on following web link: <http://www.omkarchemicals.com/Policies/RPT%20%20&%20Material%20Non-listed%20Subsidiaries.pdf>

- **STATUTORY COMPLIANCE, PENALTIES AND STRICTURES:**

There have been no instances of any penalties or strictures imposed on the Company on any matter relating to the capital market, either by Stock Exchanges, Securities and Exchange Board of India or any statutory authority during the last three (3) years except during disclosure of quarterly results for the period ended September 30, 2017 which was on account of change in the statutory auditors and finalization of financial results as per Ind- AS.

- **ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS:**

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

- **WHISTLE BLOWER POLICY:**

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

The Whistle Blower Policy is available on the website of the Company on following web link: <http://www.omkarchemicals.com/Policies/Whistle%20Blower%20Policy.pdf>.

- **CEO/ CFO CERTIFICATION:**

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

- **RISK MANAGEMENT PROCEDURE:**

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



- MANDATORY REQUIREMENTS:**

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

- DISCRETIONARY REQUIREMENTS:**

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

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

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

I, Pravin Herlekar, Chairman & Managing Director of Omkar Speciality Chemicals Limited, declare that all the Members of the Board of Directors and Senior management personnel have affirmed the Compliance with the Code of Conduct for the period from April 1, 2017 to March 31, 2018.

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

Date: May 30, 2018
Place: Badlapur

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

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members

Omkar Speciality Chemicals Limited

We have examined the compliance of conditions of Corporate Governance by OMKAR SPECIALITY CHEMICALS LIMITED ("Company") for the year ended on March 31, 2018, as stipulated in Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the Listing Agreement with the Stock Exchange.

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

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

- 1) The gap between two consecutive Board Meetings on one occasion exceeded 120 days.
- 2) The gap between two Audit Committees exceeded 120 days in one occasion.
- 3) The Company had conducted the Board Meeting for the approval of the financial results for the quarter ended September 30, 2017 on February 5, 2018 and published the financial results in the newspaper dated February 6, 2018.

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

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

NILESH A. PRADHAN

Proprietor

FCS: 5445

COP: 3659

Place: Mumbai

Date: May 30, 2018



INDEPENDENT AUDITOR'S REPORT

To the Members of Omkar Speciality Chemicals Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Omkar Speciality Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Basis for Qualified Opinion:

- i. The Company has negative net worth as at March 31, 2018. In our opinion, negative net worth along with other matters indicate the existence of material uncertainty that may cast doubt about the Company's ability to continue as going concern. The financial results have been prepared assuming that the company will continue as a going concern. Also the financial statements do not include any adjustments that might result from the outcome of qualifications as per the succeeding paragraphs.
- ii. The existing software used for inventory records is not satisfactory.
- iii. The Company has not furnished the confirmations of certain trade payables and trade receivables. In view of the same, we are unable to comment on the consequential impact, if any.
- iv. The Internal Financial Control over Financial Reporting (IFCR) in the Company requires to be strengthen significantly. Adequate IFCR policies, procedures should be laid down and overall internal controls and operating effectiveness needs to be strengthened.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in Basis of Qualified Opinion paragraph above, the aforesaid Ind AS 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 of the state of affairs of the Company as at March 31, 2018, its loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following matters;

1. The Company has not spent the provision made on account of Corporate Social Responsibility (CSR). The unspent amounts are as under:

Sn.	Year to which pertain	Rs (in lakhs)
1.	Provision for CSR FY 2016-17	51.08
2.	Provision For CSR F.Y.15-16	46.45
3.	Provision For CSR FY 2014-15	42.06

2. The Company has not made appointment of Chief Financial Officer as required by Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Our opinion is not modified in respect of this matter.

Other Matters

1. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 20, 2017 and May 23, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and except for the matters described in Basis of Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the matters described in Basis of Qualified Opinion paragraph, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**" in which, we have expressed a qualified opinion;
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements- Refer Note 33A iv, v, 33B i to iii and 33Bb to the Ind AS financial statements.
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018.

For Desai Saksena & Associates

Chartered Accountants

Firm's registration number: 102358W

Sd/-

Dr S.N.Desai

Partner

Membership number: 32546

Mumbai 30th May 2018

Annexure - A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31st March 2018, we report that:

- (i) In respect of Company's property plant and equipment (PPE):
 - (a) The Company has a PPE register, however this register does not contain the details required as per the requirement of CARO, 2016.
 - (b) The Company has a regular programme of physical verification of its property plant and equipment by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property plant and equipment were verified during the year and no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company, other than those mentioned below.

Sn	Particular	Original Cost Rs. in lakhs	Written Down Value Rs.in lakhs
1	Land	118.98	110.87
2.	Building	184.91	143.92

- (ii) in respect of the Company's inventories:

In view of point ii, under the paragraph Basis for qualified opinion, no opinion can be expressed on the requirements of paragraph 3(ii) of the Order.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured or provided any guarantees or security to parties covered under section 185 of the Act. The Company has not granted loans, no investments has been made, no guarantees or security are given to parties covered under section 186 of the Act. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Goods and Services tax, duty of Customs, duty of Excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018, for a period of more than six months from the date they became payable, other than Reverse Charge Mechanism (RCM) and Tax Deducted at source as under:

Sn.	Nature of Statutory Liability	Year to which Pertains	Rs. (in lakhs)
1	Reverse Charge Mechanism	2017-2018	5.40
2	Tax Deducted at Source*	From 2010 to 2017	2.10

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

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

Sn.	Name of the Statute	Nature of dues	Financial Year to which it Pertains	Forum Where Dispute is pending	Amount in Rs.
1	Income Tax ct,1961**	Income Tax	2008-09	Commissioner of Income Tax (A)	103.11*
2	Income Tax ct,1961**	Income Tax	2009-10	Commissioner of Income Tax (A)	305.45*
4	Income Tax ct,1961**	Income Tax	2010-11	Commissioner of Income Tax (A)	245.03*
5	Value Added ax,2002	VAT	2005-06	Deputy Commissioner (A)	42.68
7	Central Sales Tax Act,1956**	CST	2010-11	Deputy Commissioner (A)	84.53*
8	Value Added Tax, 2002	VAT	2011-12	Sales Tax Tribunal	222.48
9	Value Added Tax,2002 and Central Sales Tax Act,1956	VAT & CST	2013-14	Joint Commissioner (A)	Vat - 84.40 CST - 98.19
10	Central Excise Act,1944**	Excise Duty	2012-2013	CESTAT	37.16

* Amounts are net of payments made.

** Amounts are including penalty

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

Sn.	Name of the Bank	Nature of Facility	Nature of Overdue	Overdue Amt.	Default in Number of days
1	Bank of Baroda	Term Loan	Interest	131.86	19 to 59
2	Bank of Baroda	Cash Credit	Principal and Interest	5185.21	31 to 74
3	NKGSB	Cash Credit	Interest	10.35	1
4	Axis Bank	Cash Credit	Principal and Interest	783.52	11 to 75

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

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

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting standard (IND AS) 24, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.



- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Desai Saksena & Associates

Chartered Accountants

Firm's registration number: 102358W

Sd/-

Dr. S. N. Desai

Partner

Membership number: 32546

Mumbai May 30, 2018

Annexure B to the Independent Auditor's Report of even date on the Ind AS Financial Statements of Omkar Speciality Chemicals Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Omkar Speciality Chemicals Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with the generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

In our opinion, according to the information and explanations given to us and based on our audit procedures performed, the following material weakness has been identified in the operating effectiveness of the Company's internal financial controls over financial reporting as at March 31, 2018:

- i. The existing software used for inventory records is not satisfactory.
- ii. The Company has not furnished the confirmations of certain trade payables and trade receivables.
- iii. The Internal Financial Control over Financial Reporting (IFCR) in the Company requires to be strengthened significantly. Adequate IFCR policies, procedures should be laid down and overall internal controls and operating effectiveness needs to be strengthened.

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

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

Qualified Opinion

In our opinion, except for the material weakness described above in the Basis for Qualified Opinion paragraph, the Company has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

We have considered the material weakness identified and reported above in determining the nature, timing and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2018, and the material weakness has affected our opinion on the standalone financial statements of the Company and we have issued a qualified opinion on the standalone financial statements.

For Desai Saksena & Associates

Chartered Accountants

Firm's registration number: 102358W

Sd/-

Dr.S.N.Desai

Partner

Membership number: 32546

Mumbai, May 30, 2018



BALANCE SHEET AS AT MARCH 31, 2018

(Amount in INR Lakhs)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	3	7,598.36	8,237.13	12,106.43
(b) Capital Work-in-Progress	3	-	-	8,796.45
(c) Investment Property	5	14.91	42.78	43.61
(d) Intangible Assets	4	15.83	12.47	15.18
(e) Financial Assets				
(i) Investments	6	94.48	13.90	1,391.46
(ii) Loans	6	25.38	174.96	2,653.32
(f) Deferred Tax Asset (Net)	12	1,593.38	1,401.70	-
(g) Other Non-Current Assets	11	756.82	1,659.40	389.61
		10,099.16	11,542.35	25,396.07
Current assets				
(a) Inventories	7	432.56	7,101.05	5,966.28
(b) Financial Assets				
(i) Investments	6	997.14	-	-
(ii) Trade Receivables	8	1,030.14	7,819.36	7,823.43
(iii) Cash and Cash Equivalents	9	135.92	448.55	132.99
(iv) Bank Balances Other than (iii) above	10	9.87	609.19	530.41
(v) Loans	6	1.01	2,962.03	2,501.28
(vi) Other Financial Assets	6	-	87.17	68.12
(c) Other Current Assets	11	906.01	130.98	1,193.01
		3,512.65	19,158.33	18,215.53
TOTAL		13,611.81	30,700.68	43,611.60
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	13	2,057.80	2,057.80	2,057.80
(b) Other Equity	14	(14,566.35)	(2,339.32)	15,325.94
		(12,508.55)	(281.52)	17,383.74
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	7,640.18	5,790.35	7,855.99
(ii) Other Financial Liabilities	16	30.72	8.92	69.74
(b) Provisions	19	55.18	178.87	153.37
(c) Deferred Tax liabilities	12	-	-	776.16
(d) Other Non-Current Liabilities	18	-	(123.12)	(75.11)
		7,726.08	5,855.02	8,780.15
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	14,631.53	11,161.63	9,548.96
(ii) Trade Payables	17	-	-	-
Micro, Small and Medium Enterprises		-	-	-
Others		1,821.29	11,925.28	5,311.24
(iii) Other Financial Liabilities	16	1,311.44	1,471.25	1,439.56
(b) Other Current Liabilities	18	337.62	124.39	149.82
(c) Provisions	19	292.39	444.63	998.12
		18,394.27	25,127.18	17,447.70
TOTAL		13,611.81	30,700.68	43,611.59

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 42

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

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

Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

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

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

Sd/-
Sunny Pagare
Company Secretary
(M. No.: F8896)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR Lakhs)

Particulars	Notes	For the year March 31, 2018	For the year March 31, 2017
REVENUE			
Revenue from Operations	20	19,763.93	34,501.67
Other income	21	368.50	224.81
Total Revenue (I)		20,132.43	34,726.48
EXPENSES			
Cost of materials consumed	22	15,578.13	19,652.32
Purchases of stock-in-trade	23	4,354.88	-
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	24	1,108.59	3,987.57
Employee benefits expense	25	392.38	870.36
Finance costs	26	2,612.78	2,182.79
Depreciation and amortization expense	27	815.74	1,089.94
Other expenses	28	2,666.21	4,260.11
Total Expenses (II)		27,528.71	32,043.09
Profit/(loss) before exceptional items (I-II)		(7,396.28)	2,683.39
Exceptional Items	29	5,258.55	16,362.20
Loss before tax		(12,654.83)	(13,678.81)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		55.91	(675.40)
Deferred tax		(2,313.93)	(2,067.53)
Loss for the year		(10,396.80)	(10,935.88)
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		24.86	39.76
Income tax effect		-	-
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Other Comprehensive income for the year, net of tax		24.86	39.76
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(10,371.95)	(10,896.12)
Earnings per share for profit attributable to equity shareholders	31		
Basic and Diluted EPS		(50.52)	(53.14)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements. 1 to 42

As per our report of even date attached
For **DESAI SAKSENA & ASSOCIATES**
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Company Secretary
(M. No.: F8896)

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



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Loss before tax	(12,654.83)	(13,678.81)
Adjustments for:		
Depreciation and amortisation expense	815.74	1,089.94
Finance costs	2,612.78	2,182.79
Interest income	(35.54)	(51.71)
Impairment of property, plant and equipments & Demerger Effect	5,258.55	17,632.23
Inventory obsolescence	-	211.38
Loss allowance on financial assets	-	116.25
Sundry Debit/Credit Balances Written Off/Back (Net)	25.49	744.28
Profit on sale of investment property	(20.36)	-
Unrealised foreign currency (gain)/loss	(81.51)	(94.19)
Other adjustments	476.19	(3,124.47)
Change in operating assets and liabilities:		
Trade payables	(10,022.48)	6,448.94
Other financial liabilities	(1,164.74)	(628.63)
Provisions	(251.07)	(488.23)
Other liabilities	310.86	(196.56)
Trade receivables	6,789.22	(112.18)
Inventories	6,668.49	(1,346.15)
Other bank balance	599.32	(78.78)
Other financial assets	3,197.77	1,998.56
Other assets	127.55	(569.63)
Cash generated from operations	2,651.43	10,055.04
Less: Income taxes paid	(55.91)	675.40
Net cash inflow from operating activities	2,595.52	10,730.44
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment	(5,431.72)	(8,887.26)
Proceed from sale of property, plant and equipment	-	2,837.21
Proceed from sale of investment property	47.45	-
Payments for purchase of intangible assets	(13.04)	-
Proceed from sale of intangible assets	6.71	(2.82)
Purchase of Investments	(1,077.72)	-
Proceed from sale of investment	-	1,377.56
Merger/demerger of business units	-	(7,366.30)
Interest received	35.54	51.71
Net cash outflow from investing activities	(6,432.77)	(11,989.90)

(Amount in INR Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	7,253.28	6,423.78
Repayment of borrowings	(2,143.38)	(2,893.97)
Finance costs	(1,586.06)	(1,583.29)
Dividend paid (including Dividend distribution tax)	-	(371.51)
Net cash inflow (outflow) from financing activities	3,523.84	1,575.01
Net increase (decrease) in cash and cash equivalents	(313.41)	315.55
Cash and Cash Equivalents at the beginning of the financial year	448.55	132.99
Cash and Cash Equivalents at end of the year	135.14	448.54
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Balances with banks on current accounts	135.02	447.58
Cash on hand	0.90	0.97
Balances per statement of cash flows	135.92	448.55

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
2. Previous years figures have been regrouped /rearranged /recast wherever necessary to confirm to this year's classification.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements 1 to 42

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

For and on behalf of the Board of Directors

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

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

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

Sd/-
Sunny Pagare
Company Secretary

Place : Mumbai
Date : May 30, 2018



STATEMENT OF CHANGES IN EQUITY AS AT MARCH 31, 2018

A Equity Share Capital

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2017			
Numbers	20,578,004	-	20,578,004
Amount	2,057.80	-	2,057.80
March 31, 2018			
Numbers	20,578,004	-	20,578,004
Amount	2,057.80	-	2,057.80

B Other Equity

(Amount in INR Lakhs)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	
As at April 1, 2016	7,370.69	830.40	-	7,124.85	15,325.94
Profit for the period	-	-	-	(10,935.88)	(10,935.88)
Other Comprehensive Income	-	-	-	39.76	39.76
Total Comprehensive Income for the year	-	-	-	(10,896.12)	(10,896.12)
Less: Goodwill /Capital Reserve due to demerger	(7,366.30)	-	-	-	(7,366.30)
Fair Valuation of unsecured loans & Others				597.15	597.15
As at March 31, 2017	4.39	830.40	-	(3,174.12)	(2,339.32)
Profit for the period	-	-	-	(10,396.80)	(10,396.80)
Other Comprehensive Income	-	-	-	24.86	24.86
Total comprehensive income for the year	-	-	-	(10,371.94)	(10,371.94)
Issue of equity shares (net)		-	-	-	-
Fair Valuation of unsecured loans & Others				(1,855.08)	(1,855.08)
As at March 31, 2018	4.39	830.40	-	(15,401.14)	(14,566.35)

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements 1 to 42

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

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

Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

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

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

Sd/-
Sunny Pagare
Company Secretary
(M. No.: F8896)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Corporate Information

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

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

2 Significant Accounting Policies

2.1 Basis of preparation

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

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

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

- Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification (refer accounting policy regarding financial instruments),
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations,

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

2.2 Summary of significant accounting policies

(a) Property, plant and equipment

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

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

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

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



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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The residual values are not more than 5% of the original cost of the asset.

(b) Investment properties

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

(c) Intangible assets

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

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

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

Amortisation methods and periods

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

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

(d) Research and development

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

Expenditure on Regulatory Approval

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

(e) Impairment of non financial assets

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

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

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

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

(f) Foreign currency translation**(i) Functional and presentation currency**

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

(ii) Transactions and balances

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

(g) Financial Instruments

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

Initial Recognition

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



Classification and Subsequent Measurement: Financial Assets

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

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

the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

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

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

(ii) Fair Value through other comprehensive income

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

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

(iii) Fair Value through Profit or Loss

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

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

Classification and Subsequent Measurement: Financial liabilities

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

(i) Financial Liabilities at FVTPL

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

(ii) Other Financial Liabilities:

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

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

Impairment of financial assets

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

Derecognition of financial assets

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

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

Derecognition of financial liabilities

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

Equity investment in subsidiaries and associates

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

Offsetting of financial instruments

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

Derivative financial instruments

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

(h) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

(i) Taxes

(i) Current income tax

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

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



(ii) Deferred tax

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

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

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

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

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

(iii) Minimum alternate Tax

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

(j) Inventories:

Raw material, packing material and stores:

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

Finished Goods and Work in process

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

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

(k) Revenue recognition

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

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

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

(i) Sale of goods

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

(ii) Interest income

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

(iii) Dividend income

Dividends are recognised when right to receive is established.

(iv) Export Benefits

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

(l) Employee Benefit Obligations:

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The company operates the following post-employment schemes:

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

Gratuity obligations

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

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

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

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

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



Defined contribution plans

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

(m) Government Grants

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

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

(n) Leases

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

(i) As a lessee

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

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

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

(o) Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

(p) Borrowing Costs:

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

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

(q) Segment Reporting - Identification of Segments

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

(r) Earnings per share**Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Cash and cash equivalents

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

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

(t) Current/non current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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



(u) Rounding of amounts

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

3 Significant accounting judgments, estimates and assumptions

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

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

(i) Fair value measurement of Financial Instruments

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

(ii) Estimation of net realizable value for inventories

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

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

(iii) Impairment of non - financial assets

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

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

(iv) Recoverability of trade receivables

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

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

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

(vi) Valuation of deferred tax assets

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

(vii) Defined benefit plans

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

3. PROPERTY, PLANT AND EQUIPMENT

(Amount in INR Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at March 31, 2017	Additions	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Leasehold Land	2,564.96	-	-	-	2,564.96	40.57	40.57	-	-	81.14	2,483.82	2,524.39
Factory Building	3,563.41	2.99	-	-	3,566.40	174.72	174.85	-	-	349.57	3,216.83	3,388.69
Plant & Machinery (R&D)	322.37	0.73	-	-	323.10	108.97	72.44	-	-	181.41	141.69	213.40
Plant & Machinery	2,518.27	167.75	-	-	2,686.02	666.92	450.36	-	-	1,117.28	1,568.74	1,851.35
Electrical Installation	227.65	-	-	-	227.65	54.34	51.86	-	-	106.20	121.45	173.31
Furniture and Fixtures	56.98	1.25	-	-	58.24	11.26	11.38	-	-	22.64	35.60	45.72
Office Equipment	22.32	-	-	-	22.32	9.03	3.62	-	-	12.65	9.67	13.28
Computer	13.85	0.34	-	-	14.19	7.42	3.90	-	-	11.32	2.87	6.43
Motor Car and Cycle	27.17	-	-	-	27.17	6.61	2.86	-	-	9.47	17.69	20.56
Assets less than Rs 5,000/-	-	0.15	-	-	1.15	-	0.15	-	-	0.15	-	-
	9,316.98	173.07	-	-	9,490.04	1,079.85	811.99	-	-	1,891.69	7,598.36	8,237.13
Capital Work in Progress	-	5,258.55	(5,258.55)	-	-	-	-	-	-	-	-	-
Total	9,316.98	5,431.77	(5,258.55)	-	9,490.04	1,079.85	811.99	-	-	1,891.69	7,598.36	8,237.13

(Amount in INR Lakhs)

Particulars	Gross Block					Accumulated Depreciation					Net Block	
	As at April 1, 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 31, 2017	As at April 1, 2016	During the period	Deductions/ Adjustments	Disposal under the scheme of demerger*	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Leasehold Land	2,812.58	-	-	(247.62)	2,564.96	-	40.57	-	-	40.57	2,524.39	2,812.58
Factory Building	4,178.19	6.42	-	(621.20)	3,563.41	-	174.72	-	-	174.72	3,388.69	4,178.19
Plant & Machinery (R&D)	339.64	1.32	-	(18.59)	322.37	-	108.97	-	-	108.97	213.40	339.64
Plant & Machinery	4,377.27	32.24	-	(1,891.23)	2,518.27	-	666.92	-	-	666.92	1,851.35	4,377.27
Electrical Installation	273.31	5.30	-	(50.96)	227.65	-	54.34	-	-	54.34	173.31	273.31
Furniture and Fixtures	58.81	3.89	-	(5.72)	56.98	-	11.26	-	-	11.26	45.72	58.81
Office Equipments	22.40	0.76	-	(0.84)	22.32	-	9.03	-	-	9.03	13.28	22.40
Computer	10.63	4.27	-	(1.05)	13.85	-	7.42	-	-	7.42	6.43	10.63
Motor Car and Cycle	33.62	17.46	(23.91)	-	27.17	-	8.71	(2.10)	-	6.61	20.56	33.62
Assets less than Rs 5,000/-	-	1.63	-	-	1.63	-	1.63	-	-	1.63	-	-
	12,106.43	73.29	(23.91)	(2,837.21)	9,318.61	-	1,083.58	(2.10)	-	1,081.48	8,237.13	12,106.43
Capital Work in Progress	8,796.45	8,835.78	(17,632.23)	-	-	-	-	-	-	-	-	8,796.45
Total	20,902.88	8,909.07	(17,656.14)	(2,837.21)	9,318.61	-	1,083.58	(2.10)	-	1,081.48	8,237.13	20,902.88

Notes:

i. Leased Assets

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

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Land			
Cost	2,564.96	2,564.96	2,812.58
Accumulated Depreciation	81.14	40.57	-
Net carrying amount	2,483.82	2,524.39	2,812.58

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

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



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

None of the property, plant and equipment is pledged as security against borrowings by the company.

iii. **Impairment Loss**

During the year ended March 2018, the impairment loss of INR 5,258.55 Lakhs (March 31, 2017 : INR 17,632.23 Lakhs) represented the write down value of certain property, plant and equipment to the recoverable amount as estimated by the management. This was recognised in the statement of profit and loss as exceptional item. The recoverable amount of the impaired property, plant and equipment is based on the net realisable value.

iv. **Contractual Obligations**

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

4. INTANGIBLE ASSETS

(Amount in INR Lakhs)

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at March 31, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Patent	4.92	-	1.63	6.55	0.74	0.39	(1.13)	-	6.55	4.18
Computer Software	13.09	13.04	-	26.13	4.80	2.58	9.47	16.85	9.28	8.29
Total	18.01	13.04	1.63	32.68	5.54	2.97	8.34	16.85	15.83	12.47

Particulars	Gross Block				Accumulated Amortisation				Net Block	
	As at April 1, 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	During the period	Deductions/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Patent	4.92	-	-	4.92	-	0.74	-	0.74	4.18	4.92
Computer Software	10.27	2.82	-	13.09	-	4.80	-	4.80	8.29	10.27
Total	15.19	2.82	-	18.01	-	5.54	-	5.54	12.47	15.18

5. INVESTMENT PROPERTY

(Amount in INR Lakhs)

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

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at April 1, 2016 (Deemed Cost)	Additions	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	During the period	Deductions/ Adjustments	As at March 31, 2017	As at March 31, 2017	As at April 1, 2016
Residential Premises	43.61	-	-	43.61	-	0.83	-	0.83	42.78	43.61

Notes : Amount recognised in the statement of profit and loss for investment properties

Particulars	As at March 31, 2018	As at March 31, 2017
Rental Income	-	-
Direct Operating expenses from property that generated rental income	-	-
Direct Operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation		
Depreciation	0.78	0.83
Profit from investment properties	(0.78)	(0.83)

6. FINANCIAL ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(A) INVESTMENTS			
Non Current			
(1) Investments carried at Cost			
Unquoted			
Investments in Equity Instruments of Subsidiaries			
NIL Equity Shares of INR 10 each in Rishichem Research Limited (March 31, 2017 : NIL ; April 1, 2016 : 54,000)	-	-	130.10
NIL Equity Shares of INR 100 each in Desh Chemicals Private Limited (March 31, 2017 : NIL ; April 1, 2016 : 4,950)	-	-	71.11
NIL Equity Shares of INR 10 each in Urdhwa Chemicals Company Private Limited (March 31, 2017 : NIL ; April 1, 2016 : 3,54,440)	-	-	354.44
NIL Equity Shares of INR 10 each in Lasa Laboratory Private Limited (March 31, 2017 : NIL ; April 1, 2016 : 32,10,000)	-	-	550.12
	-	-	1,105.77
Investments in Preference Shares			
NIL Compulsory Convertible Preference Shares of INR 10 each in Lasa Laboratory Private Limited (March 31, 2017 : NIL ; April 1, 2016 : 27,40,000)	-	-	274.00
(2) Investments carried at fair value through Profit and Loss			
Investments in Equity Instruments - Others			
Quoted			
100 Equity Shares of INR 2 each in UPL Limited (March 31, 2017 : NIL ; April 1, 2016 : NIL)	0.73	-	-
86,445 Equity shares of INR 10 each in Lasa Supergenerics Limited (March 31, 2017 : 50,000 ; April 1, 2016 : 50,000)	78.36	5.00	5.00
	79.09	5.00	5.00
Unquoted			
NIL Saraswat Co-Op Bank Limited (March 31, 2017 : 5,000 ; April 1, 2016 : NIL)	-	0.50	-
10 Equity Shares of INR 100 each in Janta Sahakari Bank Limited (Schedule Bank) (March 31, 2017 : 10 ; April 1, 2016 : 10)	0.01	0.01	0.01
50,500 Equity Shares of INR 10 each in NKGSBL (Schedule Bank) (March 31, 2017 : NIL ; April 1, 2016 : NIL)	5.05	-	-
	5.06	0.51	0.01
Investments in Mutual Funds			
Quoted			
1,00,000 Equity shares of INR 10 each in Baroda Pioneer Mutual fund (March 31, 2017 : 1,00,000 ; April 1, 2016 : 1,00,000)	10.33	8.39	6.68
Total	94.48	13.90	1,391.46
Aggregate amount of quoted investments	89.42	13.39	11.68
Aggregate amount of unquoted investments	5.06	0.51	1,379.78
Aggregate amount of unquoted investments	5.06	0.51	1,379.78
Investments carried at fair value through profit and loss	94.48	13.90	11.69
Investments carried at cost	-	-	1,379.77



(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Investments carried at fair value through Profit and Loss			
Quoted			
Investments in Equity Instruments	-	-	-
11,00,000 Equity shares of INR 10 each in Lasa Supergenics Limited (March 31, 2017 : NIL ; April 1, 2016 : NIL)	997.14	-	-
Total	997.14	-	-
Aggregate amount of quoted investments	997.14	-	-
Market value of quoted investments	997.14	-	-
Aggregate amount of impairment in the value of investments	-	-	-
Investments carried at fair value through profit and loss	997.14	-	-
(B) LOANS			
Non Current			
Unsecured, considered good unless otherwise stated			
Deposits with Body Corporates and Others *	25.38	26.47	41.92
Other loans and advances	-	148.49	2,611.40
Total	25.38	174.96	2,653.32
* Having maturity after 12 months from the reporting date and earmarked for specific purpose.			
Current			
Unsecured, considered good unless otherwise stated			
Loans to Lasa Supergenics Limited	-	2,959.57	2,500.00
Loans to Staff	1.01	0.56	1.13
Others	-	1.90	0.15
Total	1.01	2,962.03	2,501.28
(C) OTHER FINANCIAL ASSETS			
Current			
Financial assets carried at amortised cost			
Prepaid Expenses	-	-	-
Other	-	87.17	68.12
Total	-	87.17	68.12

7. INVENTORIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(Valued at lower of Cost and Net Realisable value)			
Raw materials	210.58	5,941.91	820.43
Work-in-process	160.93	988.93	4,734.24
Finished goods	61.05	168.23	410.49
Stores and spare parts	-	1.98	1.12
Total	432.56	7,101.05	5,966.28

The Company has recorded allowances for inventory obsolescence and on non moving inventories to the extent of INR 55.93 crores during the year 2017-18 . This is included as part of Cost of Materials Consumed and Changes in Inventories of Finished goods. Work -in - Process and Stock in trade in the Statement of profit and Loss. 2.Refer to Note 15- Borrowings regarding security for working capital loans.

8. TRADE RECEIVABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Trade Receivables from customers	1,030.14	7,819.36	7,823.43
	1,030.14	7,819.36	7,823.43
Breakup of Security details			
Unsecured, considered good	1,030.14	7,819.36	7,823.43
Doubtful	2,519.13	2,519.13	2,402.88
	3,549.27	10,338.49	10,226.31
Allowance for bad and doubtful debts			
Doubtful	2,519.13	2,519.13	2,402.88
	2,519.13	2,519.13	2,402.88
	1,030.14	7,819.36	7,823.43

9. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks on current accounts	135.02	447.58	132.08
Cash on hand	0.90	0.97	0.91
	135.92	448.55	132.99

10. OTHER BANK BALANCES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits with banks to the extent held as margin money	9.87	609.19	530.41
	9.87	609.19	530.41

11. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Advances to Suppliers	197.20	715.10	389.61
Prepaid expenses	13.70	29.98	-
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	536.03	914.32	-
Other non current assets	9.89	-	-
Total	756.82	1,659.40	389.61
Current			
Duty Drawback Receivable	11.36	4.68	-
Balances with Statutory, Government Authorities (Excise, Custom, Service tax, Sales tax, GST and Income Tax)	894.65	126.30	1,193.01
Total	906.01	130.98	1,193.01



12. INCOME TAX

Deferred Tax

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax relates to Asset:			
Temporary difference in the carrying amount of property, plant and equipment	1,842.65	1,847.98	(664.54)
Temporary difference in the carrying amount of financial liabilities at amortised cost	-	(363.46)	(14.68)
Loss allowance on financial assets	-	104.08	103.87
Revaluation of Land and buildings to fair value	(268.52)	(268.52)	(268.52)
Provision for employee benefits	19.25	61.30	52.56
Others	-	20.32	15.16
	1,593.38	1,401.70	(776.16)

Movement in deferred tax liabilities/assets

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance as of April 1	1,401.70	(776.16)
Tax income/(expense) during the period recognised in profit or loss	2,313.93	2,067.53
Tax income/(expense) during the period recognised in OCI	-	-
Other Adjustments	(2,122.25)	110.33
Closing balance as at March 31	1,593.38	1,401.70

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unrecognised deferred tax assets			
Unrecognised tax losses	5,296.74	650.24	310.53
Unrecognised tax credits	256.09	256.09	256.09

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

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

Major Components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

Income tax recognised in profit or loss

(Amount in INR Lakhs)

Particulars	2017-18	2016-17
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	55.91	(675.40)
Deferred tax		
Relating to origination and reversal of temporary differences	(2,313.93)	(2,067.53)
Income tax expense recognised in profit or loss	(2,258.02)	(2,742.93)

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

Particulars	March 31, 2018	March 31, 2017
Accounting profit before income tax	(12,654.83)	(13,678.81)
Enacted tax rate in India	30.90%	30.90%
Income tax on accounting profits	(3,910.34)	(4,226.75)
Tax Effect of		
Depreciation	(293.37)	(182.95)
Expenses not allowable or considered separately under Income Tax	7.43	8.16
Expenses allowable and others	(22.20)	(147.99)
Other adjustments	28.90	4,241.44
Recognition of deferred tax relating to origination and reversal of temporary differences	(2,313.93)	(2,067.53)
Tax expense relating to earlier years	55.91	(675.40)
Losses carried forward to future years	4,189.57	308.09
Tax at effective income tax rate	(2,258.03)	(2,742.93)

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured using the effective rate that will apply in India for the future periods(31.20%).

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

(Amount in INR Lakhs)

Particulars	Equity Share of INR 10 each		Preference Share of INR 100 each	
	Number	Amount	Number	Amount
At April 1, 2016	35,000,000	3,500.00	-	-
Increase/(decrease) during the year	6,950,000	695.00	2,750,000	2,750.00
At March 31, 2017	41,950,000	4,195.00	2,750,000	2,750.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	41,950,000	4,195.00	2,750,000	2,750.00

Terms/rights attached to equity shares

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

In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive assets of the company after distribution of all preferential amount and preferential shareholders.

ii. Issued Capital

(Amount in INR Lakhs)

Particulars	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	20,578,004	2,057.80
Issued during the period	-	-
At March 31, 2017	20,578,004	2,057.80
Issued during the period	-	-
At March 31, 2018	20,578,004	2,057.80



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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
Omkar Pravin Herlekar*	1,568,456	7.62%	5,251,500	25.52%
Pravin Herlekar	3,535,821	17.18%	2,290,821	11.13%
Anjali Herlekar	-	-	-	-
SBI Magnum Midcap Fund	-	-	-	-

Name of the shareholder	As at April 1, 2016	
	Number	% holding
Equity shares of INR 10 each fully paid		
Omkar Pravin Herlekar	884,483	4.30%
Pravin Herlekar	10,258,874	49.85%
Anjali Herlekar	1,208,240	5.87%
SBI Magnum Midcap Fund	1,463,755	7.11%

Mr. Omkar Herlekar holds 15,68,456 Equity Shares out of which 3,12,500 shares are encumbered as on 31st March 2018*.

- iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL
- v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

14. OTHER EQUITY

Reserves and Surplus

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities Premium Reserve	4.39	4.39	7,370.69
General Reserve	830.40	830.40	830.40
Retained Earnings	(15,401.14)	(3,174.12)	7,124.85
	(14,566.35)	(2,339.32)	15,325.94

(a) Securities Premium Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	4.39	7,370.69
Add/(Less):		
Goodwill /Capital Reserve due to demerger	-	(7,366.30)
Closing balance	4.39	4.39

The amount received in excess of face value of the equity shares is recognised in Share premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) General Reserve

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	830.40	830.40
Add/(Less):	-	-
Closing balance	830.40	830.40

(c) Retained Earnings

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance	(3,174.12)	7,124.85
Net Profit/(Loss) for the period	(10,396.80)	(10,935.88)
Add/(Less):		
Fair Valuation of unsecured loans & Others	(1,855.08)	597.15
<i>Items of Other Comprehensive Income directly recognised in Retained Earnings</i>		
Remeasurement of gains (losses) on defined benefit plans	24.86	39.76
Income tax effect	-	-
Closing balance	(15,401.14)	(3,174.12)

15. BORROWINGS

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current Borrowings			
Secured			
Term Loans from Banks	3,767.16	4,820.62	8,502.38
Unsecured			
Term Loans from Others			
From Related parties	4,824.28	2,076.85	-
From Others	48.74	6.55	458.30
(A)	8,640.18	6,904.02	8,960.68
Current Maturity of Non Current Borrowings			
Term Loans from Banks	1,000.00	1,113.67	1,104.69
(B)	1,000.00	1,113.67	1,104.69
Total	7,640.18	5,790.35	7,855.99
Secured			
Working capital loan			
From banks			
Unsecured	13,307.11	7,097.54	7,129.66
Working capital loan			
From others	1,027.45	1,007.91	2,392.80
Unsecured			
Other Loans			
From related parties	-	2,900.00	9.11
Financial institutions and others	296.97	156.18	17.39
Total	14,631.53	11,161.63	9,548.96



Details of Securities :

A) Bank of Baroda(Current and Non-current)

- i) All the credit facilities of Bank of Baroda are secured by way of mortgage over all immovable fixed assets and hypothecation over all movable fixed assets (both present and future) of the company and hypothecation over all current assets (both present and future) of the company. The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Shivdas Herlekar, Mr. Rishikesh Pravin Herlekar and Mr. Omkar Pravin Herlekar (Ex-director). The Company has requested to remove the personal guarantee of Mr. Omkar Herlekar and same is under process.
- ii) Rate of interest applicable to the credit facilities in FY 2016-17 and 2017-18 is 13.35%p.a. and 13.65%p.a respectively
- iii) Number of installment pending -15 numbers (P.Y. 19 Installments).
- iv) Installment amount INR 2.5 crores.
- v) Last installment due on 31.10.2021 (P.Y. 31.10.2021)
- vi) Maturity Profile of Term Loan outstanding from Bank of Baroda is as under:

Description	2017-18	2016-17
1st year	1,113.67	1,000.00
2nd year	1,000.00	1,040.96
3rd year	1,000.00	1,000.00
After 3rd year	1,750.00	750.00
Total	4,863.67	3,790.96

B) NKGSB Bank(current)

- i) Mortgage over non-agricultural land bearing survey No.9, Hissa No. 2, located at Kharwai , Badlapur, Dist : Thane, Maharashtra-421503, owned by chairman and managing director of the company Mr. Pravin Herlekar.
- ii) Hypothecation over stock and book debts (both present and future) of the company subject to consent for seeding of pari-passu charge from the Bank of Baroda for the same. Company has not received this consent letter as on date.
- iii) Pledge of Fixed deposit of INR 300.00 lakhs held by the promoter directors.
- iv) The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Herlekar, Mrs. Anjali Herlekar and Mr. Rishikesh Herlekar.
- v) Rate of interest applicable to the credit facilities in FY 2017-18 is 13% p.a.

C) Axis Bank(current)

- i) Pledge of INR 12.80 lakhs shares of Omkar Speciality Chemicals Ltd. held by promoters. The Company has to maintain at any point of time at or above 150.00% of INR 10.00 crores at 52 weeks low price.
- ii) The said loans are further secured by personal guarantee of Promoter Directors of the company viz. Mr. Pravin Herlekar and Mr. Omkar Herlekar.
- iii) Rate of interest applicable to the credit facilities in FY 2016-17 and 2017-18 is 11.65% p.a.

Amount and period of default in repayment of borrowings

(Amount in INR Lakhs)

Sn.	Name of the Bank	Nature of Facility	Nature of Overdue	Overdue Amt.	Default in Number of days
1	Bank of Baroda	Term Loan	Interest	131.86	19 to 59
2	Bank of Baroda	Cash Credit	Principal and Interest	5185.21	31 to 74
3	NKGSB	Cash Credit	Interest	10.35	1
4	Axis Bank	Cash Credit	Principal and Interest	783.52	11 to 75

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Borrowings	14,631.53	11,161.63	9,548.96
Non-current Borrowings	7,640.18	5,790.35	7,855.99
Net Debt	22,271.71	16,951.98	17,404.95

(Amount in INR Lakhs)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at April 1, 2016	7,855.99	9,548.96	17,404.95
Cash Inflows	6,004.84	418.94	6,423.78
Cash Outflows	(1,187.71)	(1,706.26)	(2,893.97)
	12,673.12	8,261.64	20,934.76
Interest Expense	545.86	1,037.43	1,583.29
Interest Paid	(545.86)	(1,037.43)	(1,583.29)
Other non cash adjustments	(6,882.78)	2,900.00	(3,982.78)
Net Debt as at March 31, 2017	5,790.34	11,161.64	16,951.98
Cash Inflows	-	7,253.28	7,253.28
Cash Outflows	(1,050.18)	(1,093.20)	(2,143.38)
	4,740.16	17,321.72	22,061.88
Interest Expense	499.75	1,086.00	1,585.75
Interest Paid	(499.75)	(1,086.31)	(1,586.06)
Other non cash adjustments	2,900.00	(2,689.86)	210.14
Net Debt as at March 31, 2018	7,640.16	14,631.55	22,271.71

16. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Financial Liabilities at amortised cost			
Other payable	30.72	8.92	69.74
Total	30.72	8.92	69.74
Current			
Financial Liabilities at amortised cost			
Current maturities of long term debts	1,000.00	1,113.67	1,104.69
Interest accrued but not due on borrowings	-	36.88	40.40
Creditors for capital goods	99.85	139.06	206.71
Other payable	211.59	181.64	87.76
Total	1,311.44	1,471.25	1,439.56



17. TRADE PAYABLES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Trade Payables to Micro, Small and Medium Enterprises (Refer Note 39)	-	-	-
Trade Payables to Others	1,821.29	11,925.28	5,311.24
Total	1,821.29	11,925.28	5,311.24

18. OTHER LIABILITIES

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Provision for Gratuity	-	(123.12)	(75.11)
	-	(123.12)	(75.11)
Current			
Advance received from Customers	322.58	43.31	67.36
Unclaimed dividend	1.98	1.15	1.15
Statutory Liabilities	13.06	79.93	81.31
Total	337.62	124.39	149.82

19. PROVISIONS

(Amount in INR Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non Current			
Provision for employee benefits - Gratuity	55.18	178.87	153.37
Total	55.18	178.87	153.37
Current			
Provision for CSR	139.59	139.59	100.00
Provision for Taxation (Net)	152.80	241.37	898.12
Other Provisions	-	62.84	-
Total	292.39	444.63	998.12

20. REVENUE FROM OPERATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sales and Services (including excise duty)		
Domestic Sales	17,527.94	27,891.23
Exports Sales	2,139.57	6,467.85
Job Work Charges	96.42	142.59
	19,763.93	34,501.67

Sale of goods includes excise duty collected from customers of INR 605.21 Lakhs (March 31, 2017: INR 2,827.72 Lakhs).

21. OTHER INCOME

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest income	35.54	51.71
Duty drawback receivable	78.04	71.18
Net gain on sale of Investment property	20.36	-
Net gain on disposal of property, plant and equipment	-	0.05
Miscellaneous Income	35.78	7.68
Net gain on sale of Investments	117.27	-
Foreign Exchange Fluctuation Gain (Net)	81.51	94.19
	368.50	224.81

22. COST OF MATERIALS CONSUMED

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock	5,941.91	820.43
Add : Purchases & Reversal of Provision	9,846.81	24,773.80
Less : Closing Stock	(210.59)	(5,941.91)
	15,578.13	19,652.32

23. PURCHASES OF STOCK-IN-TRADE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchases of Stock-In-Trade	4,354.88	-
	4,354.88	-

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

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Inventories as at the beginning of the year		
Finished goods	168.23	410.49
Work - in - progress	988.93	4,734.24
Reversal of Provision	173.41	
Total	1,330.57	5,144.73
Less : Inventories as at the end of the year		
Finished goods	61.05	168.23
Work - in - progress	160.93	988.93
Total	221.98	1,157.16
Net decrease / (increase) in inventories	1,108.59	3,987.57



25. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus (Note refer below)	348.24	832.99
Contribution to provident and other funds	19.33	25.00
Staff welfare expenses	24.81	12.37
	392.38	870.36

Note :

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and Wages	371.03	541.71
Leave Excess Provision Written Back	(30.69)	(29.39)
Directors Remuneration	89.56	95.45
Bonus, Gratuity and other incentives	23.22	39.72
Contract Labour Charges	-	266.21
Gratuity Excess Provision Written Back	(109.21)	(83.36)
Employers Contribution to ESIC & Other Funds	4.33	2.65
	348.24	832.99

26. FINANCE COST

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses (Note refer below)	2,406.55	2,512.40
Other Borrowing Costs	206.22	81.17
Gross Total	2,612.77	2,593.57
Less: Interest Capitalised	-	(410.78)
Net Total	2,612.78	2,182.79

Note :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Expenses includes :		
On loans for fixed periods from banks	974.25	480.73
On cash credit and other facilities from banks	1,432.30	2,031.67
Total	2,406.55	2,512.40

27. DEPRECIATION AND AMORTISATION EXPENSE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on tangible assets	812.77	1,084.40
Amortisation on intangible assets	2.97	5.54
	815.74	1,089.94

28. OTHER EXPENSES

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Other Manufacturing Expenses		
Factory Electricity charge	101.54	95.27
Water Charges	13.59	12.02
Packing and Testing Charges	2.64	4.27
Laboratory Expenses	224.84	402.68
Contract Labour Charges	319.71	-
Consumable Stores	128.80	108.17
Excise duty	605.21	2,827.72
Processing Charges	133.95	93.23
Repairs and maintenance		
Plant and Machinery	25.33	23.47
Buildings	118.37	1.73
Freight Inward	33.45	40.54
Sundry Factory Expenses	5.64	12.03
	1,713.08	3,621.13
Administrative, Selling and Distribution Expenses		
Sales promotion expenses	22.46	8.18
Commission on Sales	49.44	38.79
Conveyance & travelling expenses	5.24	6.52
Freight & Transportation - Sales	88.32	118.66
Postage, Telephone/Telegram/Internet Charges	22.19	28.80
Repairs and maintenance-others	15.72	11.81
Insurance	19.53	17.89
Printing & Stationery	8.25	8.06
Professional Charges	173.92	146.27
Rates & Taxes	18.43	23.13
Payments to auditors (<i>Refer note below</i>)	15.37	7.04
Corporate social responsibility expenditure (<i>Refer note below</i>)	-	46.39
Miscellaneous expenses	514.25	177.45
	953.13	638.99
Total	2,666.21	4,260.11

(a) Details of Payments to Auditors

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
As auditor		
Audit Fee	13.64	6.00
Taxation Audit Fees	1.00	1.00
Other services (Payment Made to Previous auditors)	0.73	0.04
	15.37	7.04

(b) Corporate social responsibility expenditure

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contribution to charity foundation	-	-
Contribution to slum rehabilitation program	-	-
Total	-	-



29. EXCEPTIONAL ITEMS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Impairment of Property, plant and equipment	5,258.55	16,362.20
	5,258.55	16,362.20

30. RESEARCH AND DEVELOPMENT COSTS

The Company during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2018 INR 31.64 Lakhs (March 31, 2017: INR 450.16 Lakhs) details of which are as follows :

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
i. On Capital Items	0.83	16.12
ii. On items which have been expensed during the year*	31.64	450.16
Total	32.47	466.28
Total Research & Development Expenditure (i + ii)	32.47	466.28

* Includes amount of INR NIL paid to external agency in current year (Previous Year INR NIL).

31. EARNINGS PER SHARE

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Basic earnings per share (INR)	(50.52)	(53.14)
(b) Diluted earnings per share (INR)	(50.52)	(53.14)
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(10,396.80)	(10,935.88)
<i>Diluted earnings per share</i>		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(10,396.80)	(10,935.88)
Adjustments for calculation of Diluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	(10,396.80)	(10,935.88)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	20,578,004	20,578,004
Adjustments for calculation of Diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share	20,578,004	20,578,004

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

32. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Leave Encashment	1.38	5.14	6.52	1.92	7.00	8.91
Gratuity	-	55.17	55.17	-	55.74	55.74
Total Employee Benefit Obligation	1.38	60.31	61.68	1.92	62.74	64.65

(i) Leave Encashment

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

The amount of the provision of INR 1.38 Lakhs (March 31, 2017: INR 1.92 Lakhs) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employment obligations**a) Defined benefit plans - Gratuity**

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a **unfunded plan** and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows :

(Amount in INR Lakhs)

Particulars	Present value of obligation
As at April 1, 2016	79.09
Current service cost	13.20
Interest expense/(income)	5.80
Total amount recognised in profit or loss	19.01
<i>Remeasurements</i>	
(Gain)/Loss from change in demographic assumptions	3.14
(Gain)/Loss from change in financial assumptions	1.30
Experience (gains)/losses	(44.21)
Total amount recognised in other comprehensive income	(39.76)
Benefit payments	(2.59)
As at March 31, 2017	55.74
Current service cost	7.08
Past Service Cost -(vested benefits)	10.00
Interest expense/(income)	3.31
Total amount recognised in profit or loss	20.39
<i>Remeasurements</i>	
(Gain)/Loss from change in financial assumptions	(1.11)
Experience (gains)/losses	(4.34)
Total amount recognised in other comprehensive income	(5.45)
Benefit paid	(15.51)
As at March 31, 2018	55.17



The significant actuarial assumptions were as follows:

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest / Discount Rate	7.54%	6.89%	7.46%
Rate of Increase in Compensation	3.00%	3.00%	3.00%
Expected average remaining service	6.96	7.13	
Employee Attrition Rate	PS: 0 to 42 : 10%	PS: 0 to 42 : 10%	PS: 0 to 42 : 4.5%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is shown below:

(Amount in INR Lakhs)

Assumptions	Discount rate		Salary escalation rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
March 31, 2018				
Impact on defined benefit obligation	(1.58)	1.74	1.69	(1.55)
% Impact	-2.86%	3.15%	3.06%	-2.82%
March 31, 2017				
Impact on defined benefit obligation	(2.24)	2.47	2.31	(2.18)
% Impact	-4.02%	4.43%	4.14%	-3.91%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

(Amount in INR Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Expected outflow First	6.11	8.67
Expected outflow Second	9.64	8.55
Expected outflow Third	7.09	11.61
Expected outflow Fourth	9.92	9.44
Expected outflow Fifth	3.82	12.19
Expected outflow Six to Ten years	21.85	37.24
Total expected payments	58.44	87.69

The average duration of the defined benefit plan obligation at the end of the reporting period is 6.62 years (March 31, 2017: 5.71 years).

b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 19.33 Lakhs (March 31, 2017: INR 25.00 Lakhs)

33. COMMITMENTS AND CONTINGENCIES**A. Commitments**

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
i. Letter of Credits	-	5,039.98	3,851.62
ii. Bank Guarantee	7.63	-	-
iii. Estimated Amount of Contracts remaining to be executed on capital account	-	-	4.06
iv. Pending Export obligation Interest thereon	272.85	-	-
v. Pending litigation against MIQ logistics and interest thereon	35.66	-	-

B. Contingent Liabilities

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Claim against the company not acknowledged as debt			
Income tax matter	653.59	13.36	211.48
Contingent Liability in respect of sale tax demands against which company has filled appeal /granted stay order	532.28	20.08	20.08
Excise duty	37.16	-	-

Note :

- a) Amounts are net of payments made.
- b) A vendor M/s Ela Enterprises has filled a case in NCLT for a sum of Rs.107.63 lakhs. The Company has accounted for the said liability. However due to delay in payments due to cash flow issue, payment is delayed.

C. Financial Guarantees

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
The company has given guarantee to the bank on behalf of Lasa Supergenerics Limited (Erst while Urdhwa Chemical Co Private Limited and Erst while Lasa Laboratory Private Limited).	5,100.00	5,100.00	7200.00

34. RELATED PARTY TRANSACTIONS**(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

Nature of Relationship	Country of Incorporation
List of related parties :	
Subsidiary	
Rishichem Research Limited (Ceases to be subsidiary w.e.f. April 2, 2015)	India
Desh Chemicals Private Limited (Ceases to be subsidiary w.e.f. April 2, 2015)	India
Lasa Laboratories Private Limited (Ceases to be subsidiary w.e.f. April 2, 2015)	India
Urdhwa Chemicals Company Private Limited (Ceases to be subsidiary w.e.f. April 2, 2015)	India
Enterprises over which Key management personnel are able to exercise significant influence	
Svaks Biotech India Private Limited	India
Key Management Personnel	
Pravin S. Herlekar, Chairman and Managing Director	
Rishikesh P. Herlekar, Whole Time Director	
Omkar Herlekar, Whole Time director (till May 02, 2017)	
Anjali P. Herlekar, Non-Executive Director (till May 23, 2016)	
Prakash Rao, Executive Director	
Laxmikant R. Kabra, Non-Executive, Non-Independent Director	
Sitendu Sharma, Independent Director	
Vikas N. Telvekar, Independent Director	
Bhavana Shewakramani, Independent Director	
Sanjivani S. Patare, Independent Director	

**(ii) Transactions with related parties**

The following transactions occurred with related parties

(Amount in INR Lakhs)

Name	Nature of Transaction	Year ended March 31, 2018	Year ended March 31, 2017
Mr. Pravin.S. Herlekar	Remuneration paid	60.00	60.00
	Loan taken	1,449.01	5,737.09
	Loan repaid	2,085.00	-
Mr. Omkar Herlekar	Remuneration paid	1.39	16.65
Mr. Rishikesh P. Herlekar	Remuneration paid	15.40	6.38
	Loan taken	199.27	7.75
Mr. Prakash Rao	Remuneration paid	12.42	12.42
Ms. Anjali P. Herlekar	Loan taken	-	260.00

(iii) Outstanding balances

(Amount in INR Lakhs)

Name	March 31, 2018	March 31, 2017	April 1, 2016
Trade Receivables			
Urdhwa Chemicals Company Private Limited	-	-	1,949.12
Lasa Laboratory Private Limited	-	-	759.28

(iv) Loans to/from related parties

(Amount in INR Lakhs)

Name	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Loans from related parties			
Pravin Herlekar	Beginning of the year	5,737.09	-
	Loans taken	1,449.01	5,737.09
	Loan repaid	2,085.00	-
	End of the year	5,101.10	5,737.09
Rishikesh Herlekar	Beginning of the year	16.86	9.11
	Loans taken	199.27	7.75
	Loan repaid	-	-
	End of the year	216.13	16.86
Anjali Herlekar	Beginning of the year	260.00	-
	Loans taken	-	260.00
	Loan repaid	-	-
	End of the year	260.00	260.00

(v) Other balances with related parties

(Amount in INR Lakhs)

Name	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Urdhwa Chemicals Company Private Limited	Opening balance	-	5,786.27
	Transfer on demerger	-	(5,786.27)
	Closing balance	-	-
Lasa Laboratory Private Limited	Opening balance	-	1,998.47
	Transfer on demerger	-	(1,998.47)
	Closing balance	-	-
Desh Chemicals Private Limited	Opening balance	-	63.43
	Transfer on demerger	-	(63.43)
	Closing balance	-	-

Note:

The loans transactions with related parties and outstanding balances as at reporting date are excluding the impacts of fair valuation as required by Ind AS.

(vi) Key management personnel compensation

(Amount in INR Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Short term employee benefits	89.21	95.45
Post-employment benefits*	-	-
Long term employee benefits*	-	-
	89.21	95.45

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

(vii) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has issued guarantees to the lenders of a subsidiary company amounted to NIL (March 31, 2017 : INR 5,100 lakhs, April 1, 2016 : INR 5,100 Lakhs). For the year ended March 21, 2018, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.



35. SEGMENT REPORTING

The company primarily operates in one business segment only i.e. Chemical Products, which is the only reportable segment. There is no other segment which requires reporting as per Ind AS 108 "Operating Segments".

Information about geographical areas

Revenue from external customers

The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

(Amount in INR Lakhs)		
Particulars	March 31, 2018	March 31, 2017
India	17,624.35	28,033.82
Outside India	2,139.57	6,467.85
	19,763.93	34,501.67

Revenue arising from sale of products to two customers amounted to INR 4,657.89 Lakhs and 2,032.32 Lakhs (March 31, 2017: NIL), exceeds 10% of revenue from operations of the Company.

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR Lakhs)						
Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Amortised cost						
Trade Receivables	1,030.14	7,819.36	7,823.43	1,030.14	7,819.36	7,823.43
Loans	26.39	3,136.99	5,154.60	26.39	3,136.99	5,154.60
Cash and Cash Equivalents	135.92	448.55	132.99	135.92	448.55	132.99
Other Bank Balances	9.87	609.19	530.41	9.87	609.19	530.41
Other Financial Assets	-	87.17	68.12	-	87.17	68.12
FVTPL						
Investments in Equity Instruments	1,081.29	5.51	5.01	1,081.29	5.51	5.01
Investments in Mutual Funds	10.33	8.39	6.68	10.33	8.39	6.68
Total	2,293.94	12,115.16	13,721.24	2,293.94	12,115.16	13,721.24
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	23,271.71	18,065.65	18,509.64	23,271.71	18,065.65	18,509.64
Trade Payables	1,821.29	11,925.28	5,311.24	1,821.29	11,925.28	5,311.24
Other financial liabilities	342.15	366.50	404.61	342.15	366.50	404.61
Total	25,435.16	30,357.43	24,225.49	25,435.16	30,357.43	24,225.49

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement:

(Amount in INR Lakhs)

Particulars	Year ended Year ended March 31, 2018			Total	Year ended Year ended March 31, 2017			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets								
Financial Investments at FVTPL								
Quoted Mutual Funds	10.33	-	-	10.33	8.39	-	-	8.39
Quoted Equity Instruments	1,076.23	-	-	1,076.23	5.00	-	-	5.00
Unquoted Equity Instruments	-	-	5.06	5.06	-	-	0.51	0.51
Total Financial Assets	1,086.56	-	5.06	1,091.62	13.39	-	0.51	13.90

Particulars	April 1, 2016			Total
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Financial Assets				
Financial Investments at FVTPL				
Quoted Mutual Funds	6.68	-	-	6.68
Quoted Equity Instruments	5.00	-	-	5.00
Unquoted Equity Instruments	-	-	0.01	0.01
Total Financial Assets	11.68	-	0.01	11.69



iii. Fair value measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity shares.

There have been no transfers among Level 1, Level 2 and Level 3 during the period

iv. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

v. Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting periods.

vi. Reconciliation of fair value measurement of financial assets classified as FVTPL(Level 3):

(Amount in INR Lakhs)	
Particulars	Unquoted equity shares
As at April 1, 2016	0.01
Remeasurement recognised in profit and loss	-
Purchases	0.50
Sales	-
As at March 31, 2017	0.51
Remeasurement recognised in profit and loss	-
Purchases	4.55
Sales	-
As at March 31, 2018	5.06

37. FINANCIAL RISK MANAGEMENT

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee and finance team oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's activity exposes it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the company manages the risk.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

To manage the credit risk, Company periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to Customer. Company monitors the payment track record of the customers, restrict credit limited in accounting software, credit rating etc. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which company has also availed borrowings.

ii. Provision for expected credit losses - Trade Receivables

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Exposure - Trade Receivables

(Amount in INR Lakhs)

Particulars	Past Due		
	Up to 6 Months	More than 6 Months	Total
As at March 31,2018	466.02	564.13	1,030.15
As at March 31,2017	7,130.78	688.58	7,819.36
As at April 1,2016	7,028.86	794.57	7,823.43

iii. Reconciliation of loss allowance provision - Trade receivables

(Amount in INR Lakhs)

Particulars	
Loss allowance on April 1, 2016	2,402.88
Changes in loss allowance	(116.25)
Loss allowance on March 31, 2017	2,519.13
Changes in loss allowance	-
Loss allowance on March 31, 2018	2,519.13



iv. Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 172.17 Lakhs (March 31, 2017: INR 4,281.90 Lakhs, April 1, 2016: INR 5,886.12 Lakhs). The company does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The group monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet operational needs. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities

(Amount in INR Lakhs)

Particulars	Carrying Amount	Total	On demand	0-12 months	More than 12 months
March 31, 2018					
Borrowings	23,271.71	23,271.71	14,631.53	1,000.00	7,640.18
Trade payables	1,821.29	1,821.29	1,821.29	-	-
Other financial liabilities	342.15	342.15	-	311.44	30.72
Total financial liabilities	25,435.16	25,435.16	16,452.82	1,311.44	7,670.90
March 31, 2017					
Borrowings	18,065.65	18,065.65	11,161.63	1,113.67	5,790.35
Trade payables	11,925.28	11,925.28	11,925.28	-	-
Other financial liabilities	366.50	366.50	-	357.58	8.92
Total financial liabilities	30,357.43	30,357.43	23,086.91	1,471.25	5,799.27
April 1, 2016					
Borrowings	18,509.64	18,509.64	9,548.96	1,104.69	7,855.99
Trade payables	5,311.24	5,311.24	5,311.24	-	-
Other financial liabilities	404.61	404.61	-	334.87	69.74
Total financial liabilities	24,225.49	24,225.49	14,860.20	1,439.56	7,925.73

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

(i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR). The Company has natural hedge of exports against import and any excess in import if any, is cover by forward contract.

(a) Foreign currency risk exposure

(Amount in INR Lakhs)

	USD	EURO	Total
March 31, 2018			
Trade Receivables	5.53	1.96	7.50
Bank balance in EEFC accounts	0.92	-	0.92
Trade Payables	(9.13)	-	(9.13)
Net exposure to foreign currency risk	(2.68)	1.96	(0.71)
March 31, 2017			
Trade Receivables	74.22	-	74.22
Bank balance in EEFC accounts	0.09	-	0.09
Trade Payables	(57.13)	-	(57.13)
Net exposure to foreign currency risk	17.18	-	17.18
April 1, 2016			
Trade Receivables	34.01	0.35	34.36
Bank balance in EEFC accounts	-	-	-
Trade Payables	(11.31)	-	(11.31)
Net exposure to foreign currency risk	22.70	0.35	23.05

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(Amount in INR Lakhs)

	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(0.03)	0.03	0.17	(0.17)
EURO	0.02	(0.02)	-	-
Net Increase/(decrease) in profit or loss	(0.01)	0.01	0.17	(0.17)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable and competitive cost of funding.

However, during the periods presented in the financial statements, the Company has primarily borrowed funds under interest rate arrangements which are linked to base rates of the banks. With all other variables held constant, the following table demonstrates the impact of change in interest rate on profit and loss -

(Amount in INR Lakhs)

Rate sensitivity	Increase / Decrease In sale price (per Qtls)	Effect on Profit before tax	
For year ended March 31,2018	0.30	+ / (-)	16.80
For year ended March 31,2017	(0.35)	+ / (-)	(19.60)

(iii) Inventory price risk

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



38. CAPITAL MANAGEMENT

For the purpose of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payable, less cash and cash equivalents and other bank balances.

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	23,271.71	18,065.65	18,509.64
Trade payables	1,821.29	11,925.28	5,311.24
Other payables	342.15	366.50	404.61
Less: Cash and cash equivalents	(135.92)	(448.55)	(132.99)
Less: Other bank balance	(9.87)	(609.19)	(530.41)
Net Debt	25,289.37	29,299.69	23,562.09
Equity share capital	2,057.80	2,057.80	2,057.80
Other equity	(14,566.35)	(2,339.32)	15,325.94
Total Equity	(12,508.55)	(281.52)	17,383.74
Total Equity and Net Debt	12,780.82	29,018.17	40,945.83
Gearing ratio	197.87	100.97	57.54

*Includes revaluation of property, plant and equipments (PPE)

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

The Company has not received the required information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures as required under Schedule III of the Companies Act, 2013 relating to amounts unpaid as at the year end together with interest paid/ payable, etc., have not been made.

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

- Investment made are given under Note 6.
- Details of loans given are disclosed in Note 6.
- Details of guarantees/security given are disclose in Note 33.

41. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.

42. FIRST TIME ADOPTION OF IND AS

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

i. Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at fair value on the date of transition to Ind AS and used that as its deemed cost.

ii. Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model.

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

iii. Investments in subsidiaries

In separate financial statements, a first-time adopter that subsequently measures an investment in a subsidiary, joint ventures or associate at cost, may measure such investment at cost (determined in accordance with Ind AS 27) or deemed cost (fair value or previous GAAP carrying amount) in its separate opening Ind AS balance sheet.

Selection of fair value or previous GAAP carrying amount for determining deemed cost can be done for each subsidiary, associate and joint venture. The company elects to carry all its investments in subsidiaries and associates at previous GAAP carrying amount as deemed cost.

iv. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Accordingly, the classification and measurement of financial assets have been done on the basis of the facts and circumstances that existed at the date of transition and end of comparative year.



43. FIRST TIME ADOPTION OF IND AS

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

i. Reconciliation of equity as at date of transition (April 1, 2016)

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	7,731.00	4,375.43	12,106.43
(b) Capital Work-in-Progress		11,267.46	(2,471.01)	8,796.45
(c) Investment Property		43.61	-	43.61
(d) Intangible Assets		15.18	-	15.18
(e) Financial Assets				
(i) Investments		1,391.46	-	1,391.46
(ii) Loans		2,653.32	-	2,653.32
(f) Other Non-Current Assets		389.61	-	389.61
		23,491.65	1,904.42	25,396.07
Current assets				
(a) Inventories		6,177.66	(211.38)	5,966.28
(b) Financial Assets				
(i) Trade Receivables	4	10,226.32	(2,402.88)	7,823.43
(ii) Cash and Cash Equivalents		132.99	-	132.99
(iii) Bank Balances Other than (iii) above		530.41	-	530.41
(iv) Loans		2,501.29	-	2,501.29
(v) Other Financial Assets		68.12	-	68.12
(c) Other Current Assets	10	1,544.92	(351.91)	1,193.01
		21,181.70	(2,966.17)	18,215.52
TOTAL		44,673.35	(1,061.75)	43,611.59
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		2,057.80	-	2,057.80
(b) Other Equity	7	16,086.53	(760.59)	15,325.94
		18,144.33	(760.59)	17,383.74
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	9	7,922.73	(66.75)	7,855.99
(ii) Other Financial Liabilities		88.84	(19.10)	69.74
(b) Provisions		153.37	-	153.37
(c) Deferred Tax liabilities (Net)	3	804.16	(28.00)	776.16
(d) Other Non-Current Liabilities		-	(75.11)	(75.11)
		8,969.10	(188.96)	8,780.15
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		9,548.96	-	9,548.96
(ii) Trade Payables		-	-	-
Micro, Small and Medium Enterprises		-	-	-
Others		5,051.95	259.29	5,311.24
(iii) Other Financial Liabilities		1,439.56	-	1,439.56
(b) Other Current Liabilities		149.81	-	149.81
(c) Provisions		1,369.62	(371.51)	998.12
		17,559.91	(112.22)	17,447.70
TOTAL		44,673.35	(1,061.75)	43,611.59

ii. Reconciliation of equity as at March 31, 2017

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipment	1	16,792.08	(8,554.95)	8,237.13
(b) Investment Property		42.78	-	42.78
(c) Intangible Assets		12.47	-	12.47
(d) Financial Assets				-
(i) Investments		13.90	-	13.90
(ii) Loans		174.96	-	174.96
(e) Deferred Tax Asset (Net)	3	(720.56)	2122.26	1401.70
(f) Other Non-Current Assets		1,659.40	-	1,659.40
		17,975.03	(6,432.68)	11,542.35
Current assets				
(a) Inventories		7,312.43	(211.38)	7,101.05
(b) Financial Assets				
(i) Trade Receivables	4	10,345.01	(2,525.65)	7,819.36
(ii) Cash and Cash Equivalents		448.55	-	448.55
(iii) Bank Balances Other than (ii) above		609.19	-	609.19
(iv) Loans		2,962.03	-	2,962.03
(v) Other Financial Assets		87.17	-	87.17
(c) Other Current Assets	4	492.84	(361.87)	130.99
		22,257.22	(3,098.90)	19,158.33
TOTAL		40,232.25	(9,531.58)	30,700.67
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		2,057.80	-	2,057.80
(b) Other Equity	7	6,218.90	(8,558.22)	(2,339.32)
		8,276.70	(8,558.22)	(281.52)
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	9	6,870.49	(1,080.14)	5,790.35
(ii) Other Financial Liabilities		38.31	(29.39)	8.92
(b) Provisions		178.87	-	178.87
(c) Other Non-Current Liabilities		-	(123.12)	(123.12)
		7087.67	(1232.65)	5855.02
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		11,161.63	-	11,161.63
(ii) Trade Payables				
Micro, Small and Medium Enterprises		-	-	-
Others		11,665.99	259.29	11,925.28
(iii) Other Financial Liabilities		1,471.25	-	1,471.25
(b) Other Current Liabilities		124.39	-	124.39
(c) Provisions		444.63	-	444.63
		24,867.90	259.29	25,127.18
TOTAL		40,232.26	(9,531.58)	30,700.68



iii. Reconciliation of total comprehensive income for the year ended March 31, 2017

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
REVENUE				
Revenue from operations		34,501.67	-	34,501.67
Other income		224.81	-	224.81
Total Revenue (I)		34,726.47	-	34,726.48
EXPENSES				
Cost of materials consumed		19,652.32	-	19,652.32
Changes in inventories of finished goods, work-in-process and Stock-in-Trade		3,987.57	-	3,987.57
Employee benefits expense	6	983.11	(112.75)	870.36
Finance costs	9	1,943.09	239.69	2,182.79
Depreciation and amortization expense	1	824.46	265.48	1,089.94
Other expenses		4,137.35	122.77	4,260.11
Total Expenses (II)		31,527.90	515.19	32,043.09
Profit/(loss) before exceptional items and tax (I-II)		3,198.57	(515.19)	2,683.39
Exceptional Items		6,321.38	10,040.82	16,362.20
Loss before tax		(3,122.80)	(10,556.01)	(13,678.81)
Tax expense:				
Current tax		(675.40)	-	(675.40)
Deferred tax	3	109.42	(2,176.94)	(2,067.53)
Loss for the year		(2,556.82)	(8,379.07)	(10,935.88)
OTHER COMPREHENSIVE INCOME				
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Remeasurement of gains (losses) on defined benefit plans	6	-	39.76	39.76
Income tax effect		-	-	-
Other Comprehensive income for the year, net of tax		-	39.76	39.76
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		(2,556.82)	(8,339.31)	(10,896.12)

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016

(Amount in INR Lakhs)

Particulars	Note	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		8,276.70	18,144.33
Adjustments :			
Fair Valuation as deemed cost for property, plant and equipment	1	(8,554.95)	1,904.42
Non / Slow moving inventory			
Expected credit loss on trade receivables	4	(2,525.65)	(2,402.88)
Expected credit loss on other assets	4	(361.87)	(351.91)
Fair valuation of financial instruments	9	1,080.14	66.75
Other long term benefits		152.51	94.21
Other adjustments		(470.67)	(99.16)
Adjustments for deferred tax	3	2,122.26	28.00
Total adjustments		(8,558.22)	(760.59)
Total equity as per Ind AS		(281.52)	17,383.74

v. **Reconciliation of total comprehensive income for the year ended March 31, 2017**

(Amount in INR Lakhs)

Particulars	Note	2016-17
Profit after tax as per previous GAAP		(2,556.82)
Adjustments:		
Fair Valuation as deemed cost for property, plant and equipment	1	(10,306.30)
Expected credit loss on trade receivables	4	(122.77)
Interest expenses on accounted using effective interest rate	9	(239.69)
Acturial (gain)/ Loss on employee defined benefit fund recognised in Other Comprehensive Income	6	112.75
Effect of deferred tax on Ind AS adjustments	3	2,176.94
Total adjustments		(8,379.07)
Profit after tax as per Ind AS		(10,935.88)
Other Comprehensive Income(Net of tax)	8	39.76
Total comprehensive income as per Ind AS		(10,896.12)

vi. **Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017**

There are no material adjustments to the Statement of Cash flows as reported under the previous GAAP.

C. Notes to first-time adoption:**Note 1: Property, Plant and Equipment**

The company has considered the fair value of land, building, plant and machinery, electrical installation, plant and machinery (R&D), laboratory equipments and capital work in progress and were based on valuation performed by an accredited independent valuer using replacement cost method on the date of transition to Ind AS for the purpose of deemed cost. The adjustments are recognised in correlation to the underlying transaction in retained earnings.

Note 2: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

Note 3: Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

Note 4: Trade Receivables and Other Financial assets

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL). The Company also required to account for loss allowance on other financials assets based on the Expected Credit Loss model.



Note 5: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Note 6: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Note 7: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 8: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

Note 9: Borrowings

"Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

Under the previous GAAP, below market rate borrowings from promoters are recorded at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value on initial recognition. Accordingly, the company has fair valued the below market rate borrowings and the difference between the fair value and transaction value has been recognised in retained earnings on the date of transition."

Note 10: Proposed dividend

Under Ind AS dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements.

1 to 42

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

Sd/-
Dr. S.N.Desai
Partner
Membership No. 032546
Place : Mumbai
Date : May 30, 2018

For and on behalf of the Board of Directors

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

Sd/-
Sunny Pagare
Company Secretary
(M. No.: F8896)

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

Notes



Notes



PROXY FORM

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

OMKAR SPECIALITY CHEMICALS LIMITED

CIN: L24110MH2005PLC151589

Reg. Off.: B-34, M.I.D.C., Badlapur (E) Dist: Thane, Maharashtra.

Tel No. +91(0251) 2690651, 2697340, Fax: +91(0251) 2691572, 2697347

E-mail: info@omkarchemicals.com, Website: www.omkarchemicals.com

13th Annual General Meeting - September 27, 2018

Name of the member(s):
Registered address:
E-mail Id:
Folio No/ Client Id: DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint:

1. Name: Address:
E-mail Id: Signature: or failing him;
2. Name: Address:
E-mail Id: Signature: or failing him;
3. Name: Address:
E-mail Id: Signature: or failing him;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 13th Annual General Meeting of the Company, to be held on Thursday, September 27, 2018 at 11.00 a.m. at Sanjeevani Hall, next to Monginis Cake Shop, Badlapur (East), Thane- 421503, Maharashtra and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Financial Statements for the Financial year ended March 31, 2018.		
2	Re-appointment of CA Laxmikant R. Kabra (DIN: 00061346 who retires by rotation and being eligible, seeks re-appointment.		
3	Re-appointment of Mr. Rishikesh P. Herlekar (DIN: 05240009) who retires by rotation and being eligible, seeks re-appointment.		
Special Business			
4	Approval of Cost Auditors Remuneration.		

Signed this..... day of..... 2018

.....
Signature of shareholder

.....
Signature of Proxy holder(s)

AFFIX
Re. 1/-
REVENUE
STAMP

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 person can act as proxy on behalf of Members upto and not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Bank. Further, a Member holding more than ten percent, of the total share capital of the Bank carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

* it is optional to put a '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

OUR MANAGEMENT TEAM



Mr. Pravin S. Herlekar
Chairman & Managing
Director



Mr. Rishikesh Herlekar
Whole-Time Director



Mr. Prakash Rao
Executive Director



Mr. Sunny Pagare
Company Secretary &
Compliance Officer



Mr. Vaman Acharya
Sr. Manager Finance
& Accounts



Mr. Subhash Ambatkar
Vice President Projects &
Maintenance



Mr. Deepak H. Ranjane
Assistant Manager -
Research & Development



Mr. Kusumakar S. Golatkar
General Manager
Commercial



Mr. Sunil Vankundre
Manager - Quality Assurance



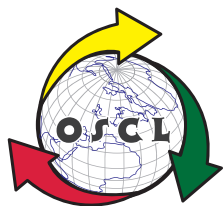
Mr. Ramyash Patel
Manager Accounts



Ms. Smruti Naik
Sr. Executive



Mr. Rajesh Jagde
Management
Representative



OMKAR

Always the leaders

OMKAR SPECIALITY CHEMICALS LIMITED

CIN : L24110MH2005PLC151589

B-34, MIDC, BADLAPUR (EAST), THANE - 421503

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