



# OMKAR SPECIALITY CHEMICALS LIMITED

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

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

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

CIN : L24110MH2005PLC151589

Ref. No.: OSCL/SE/2019-20/29

Date: November 13, 2019

To,

Corporate Relations Department <b>BSE LIMITED</b> P.J. Towers, 1 <sup>st</sup> Floor, Dalal Street, Mumbai – 400001. BSE Code: 533317	Corporate Services Department <b>NATIONAL STOCK EXCHANGE OF INDIA LIMITED</b> Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. NSE Symbol: OMKARCHEM
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Dear Sir/Madam,

**Re: Outcome of Board Meeting held today i.e. November 13, 2019.**

In furtherance of our letter bearing Ref. No.: OSCL/SE/2019-20/21 dated November 07, 2019 and pursuant to Regulation 30 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) 2015, read with Schedule III to the Listing Regulations, we would like to inform you that the Board of Directors of Omkar Speciality Chemicals Limited at its meeting held today, i.e., on Wednesday, November 13, 2019 at 12.00 p.m. and concluded at 5.45 p.m. inter alia, has approved / noted the following:-

- Upon recommendation of the Audit Committee, the Board of Directors has approved the unaudited Financial Results as per Indian Accounting Standards (IND AS) for the Quarter and half year ended September 30, 2019 (enclosed herewith);
- The Board of Directors took note of the Limited Review Report of the Statutory Auditors on the Unaudited Financial Results for the Quarter and half year ended September 30, 2019 (enclosed herewith);
- The Board reviewed the operation of the Company and placed on record the appreciable growth achieved by the company during the quarter ended September 30, 2019 against all odds.

The Board also discussed at length the opportunities available to the Company to penetrate in to global markets in following major segments:

- 1) Pharmaceuticals
- 2) Flavours &frangances
- 3) Neutraceuticals
- 4) Industrial Chemicals
- 5) Agro Chemicals
- 6) CRAMS



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- Considering the above business opportunities available to the Company, the Board has decided to strengthen the Company's operational team. This responsibility has been entrusted on Mr. Rishikesh P. Herlekar, who will oversee and implement the operations relating to R&D, commercial launch of the patented products, strengthening customer relations, regulatory compliance of the Company's production facilities, etc. Mr. Rishikesh Herlekar is appointed as the Chief Executive Officer (CEO) of the Company to address the targeted growth of the Company.

Consequent to the above decision, Mr. Rishikesh Herlekar has stepped down as a Whole-time Director & Chief Financial Officer (CFO) of the Company to take charge of Chief Executive Officer and fully focus on the above activities.

- Board has also decided to expedite the process of restructuring / settlement of the Company's financial liabilities and has appointed Mr. Vaman Acharya as Chief Financial Officer (CFO) of the Company.

Mr. Vaman Acharya is MBA Finance professional and has over 15 years of operational experience in Accounting, Banking, Financial processes & compliances regarding Legal, Regulatory and Direct & Indirect Taxation matters. He is also proficient in Internal Controls and Audit Exercises.

- There is a need to appoint an Independent Director for the proper composition of Board of Directors. We are in the process of finding a suitable candidate for the position of Independent Director. We will fill the vacancy in the due course.

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

Thanking you,

Yours sincerely,

For **OMKAR SPECIALITY CHEMICALS LIMITED**

Sd/-

**SUNNY PAGARE**

**COMPANY SECRETARY & COMPLIANCE OFFICER**

(M.No. F8896)



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## Statement of Unaudited Financial Result for the Quarter and half Year ended September 2019

Sr. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-19	30-Jun-19	30-Sep-18	30-Sep-19	30-Sep-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(I)	Revenue from Operations	1,896.59	1,069.73	1,002.46	2,966.32	2,261.11	4,265.21
(II)	Other income	4.37	31.00	119.24	35.37	207.76	246.08
(III)	<b>Total Income (I+II)</b>	<b>1,900.96</b>	<b>1,100.73</b>	<b>1,121.70</b>	<b>3,001.69</b>	<b>2,468.87</b>	<b>4,511.29</b>
(IV)	Expenses						
	Cost of materials consumed	1,503.96	792.33	686.77	2,296.29	1,509.90	2,608.01
	Purchases of Stock-in-Trade	-	-	-	-	211.75	211.75
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(24.20)	(15.94)	(117.90)	(40.14)	(53.18)	19.93
	Employee benefits expense	97.55	93.36	102.79	190.91	220.01	438.33
	Finance costs	124.43	114.57	583.54	239.00	1,185.02	1,461.90
	Depreciation and amortization expense	166.14	169.21	212.23	335.35	404.75	798.87
	Other expenses	209.97	161.11	289.64	371.08	536.26	1,117.60
	<b>Total expenses (IV)</b>	<b>2,077.85</b>	<b>1,314.64</b>	<b>1,757.07</b>	<b>3,392.49</b>	<b>4,014.51</b>	<b>6,656.39</b>
(V)	Profit/(Loss) before exceptional items and tax (III-IV)	(176.89)	(213.91)	(635.37)	(390.80)	(1,545.64)	(2,145.10)
(VI)	Exceptional items	-	-	-	-	-	(993.01)
(VII)	<b>Profit/ (Loss) before tax (V) - (VI)</b>	<b>(176.89)</b>	<b>(213.91)</b>	<b>(635.37)</b>	<b>(390.80)</b>	<b>(1,545.64)</b>	<b>(1,152.09)</b>
(VIII)	Tax expenses						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	119.26	2.98	72.10	122.24	133.16	535.37
	(3) Prior period tax Adjustment	-	-	-	-	-	-
	(4) MAT credit entitlement/ (utilised)	-	-	-	-	-	-
(XI)	<b>Profit for the period VI= (VII-VIII)</b>	<b>(296.15)</b>	<b>(216.89)</b>	<b>(707.47)</b>	<b>(513.04)</b>	<b>(1,678.80)</b>	<b>(1,687.46)</b>
(X)	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	2.18	2.19	3.18	4.37	6.37	14.15
	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (XI+X)</b>	<b>(293.97)</b>	<b>(214.70)</b>	<b>(704.29)</b>	<b>(508.67)</b>	<b>(1,672.43)</b>	<b>(1,673.31)</b>
(XII)	Paid-up Equity Share Capital	2,057.80	2,057.80	2,057.80	2,057.80	2,057.80	2,057.80
	Face Value (of Rs. 10/- each)	10.00	10.00	10.00	10.00	10.00	10.00
(XIII)	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	-	-	-	-	-	(19,680.87)
(XIII)	Earnings per equity share						
	(1) Basic	(1.44)	(1.05)	(3.44)	(2.49)	(8.16)	(8.20)
	(2) Diluted	(1.44)	(1.05)	(3.44)	(2.49)	(8.16)	(8.20)

### Notes

- The above Standalone Financial Results which are published in accordance with the regulation 33 of SEBI (LODR) Regulations, 2015 have been reviewed and recommended by Audit Committee and has been approved by the Board of Directors at its meeting held on Wednesday, November 13, 2019.
- The Company is operating in a single segment i.e. "Manufacturing and sale of Chemicals". All other activities of the Company revolve around its main business. Hence, there is only one primary reportable business segment as defined by Accounting Standard-18 as notified by the Companies (Accounting Standards) Rules, 2006.
- After being classified as non-performing asset, the Company is in discussion with its Bankers for suitable settlement of its current debt inclusive of outstanding interest. Bank of Baroda and Axis Bank have not debited any interest pending the said proposal. Hence, the Company has not provided interest for the quarter ended 30th Sept 2019 and Half year ended 30th Sept 2019 Rs.524.75 lacs and Rs.1050.31 Lacs respectively on various credit facilities/loans from the said Banks. The Statutory Auditors have qualified their Review Report in respect of the said matter. The necessary net effect shall be given in the books once the banks conclude decision on our proposal.
- The results for the Quarter ended Sept 30th, 2019 have been subjected to Limited Review by the Statutory Auditors of the Company. The statutory auditors have expressed an qualified audit opinion.
- The figures for the previous periods have been re-grouped/re-arranged wherever considered necessary.

For OMKAR SPECIALITY CHEMICALS LIMITED

  
PRAVIN HERLEKAR  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00525610



Place : Mumbai  
Date : 13-11-2019



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## UNAUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

(Rs. in Lakhs)

Sr. No.	Particulars	As at 30-09-2019	As at
		(Unaudited)	March 31, 2019
			(Audited)
<b>I</b>	<b>ASSETS</b>		
	(a) Property, Plant and Equipment	6,448.97	6,817.02
	(b) Capital Work-in-Progress	-	-
	(c) Investment Property	13.75	14.14
	(d) Intangible Assets	10.46	12.04
	(e) Financial Assets	-	-
	(i) Investments	29.29	34.87
	(ii) Loans	23.68	23.53
	(f) Deferred Tax Asset (Net)	935.76	1,058.00
	(g) Other Non-Current Assets	644.12	639.70
	<b>Total Non current Assets</b>	<b>8,106.03</b>	<b>8,599.30</b>
	(2) Current assets		
	(a) Inventories	538.69	289.82
	(i) Investments	-	-
	(ii) Trade receivables	731.17	869.01
	(iii) Cash and cash equivalent	7.11	8.24
	(iv) Bank balance other than (iii) above	8.67	8.39
	(v) Loans	1.80	1.19
	(vi) Other Financial Assets	0.93	0.93
	(c) Other current assets	801.53	942.33
	<b>Total Current Assets</b>	<b>2,089.90</b>	<b>2,119.91</b>
	<b>TOTAL ASSETS</b>	<b>10,195.93</b>	<b>10,719.22</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>		
	Equity		
	(a) Equity share capital	2,057.80	2,057.80
	(b) Other equity	(17,374.82)	(16,866.14)
	<b>Total equity</b>	<b>(15,317.02)</b>	<b>(14,808.34)</b>
	Liabilities		
	(1) Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	7,404.35	7432.28
	(ii) Other Financial Liabilities	40.88	36.41
	(b) Provisions	60.72	53.68
	<b>Total Non current liabilities</b>	<b>7,505.95</b>	<b>7,522.37</b>
	(2) Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	14,697.97	14518.05
	(ii) Trade payable	1,840.08	2015.43
	(iii) Other financial liabilities	1,136.31	1120.10
	(b) Other current liabilities	40.03	58.98
	(c) Provisions	292.61	292.61
	<b>Total current liabilities</b>	<b>18,007.00</b>	<b>18,005.18</b>
	<b>Total Liabilities</b>	<b>25,512.95</b>	<b>25,527.55</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,195.93</b>	<b>10,719.22</b>



**STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

(Amount in lakhs)

Particulars	Half year ended 30th Sep 2019	Year ended 31st Mar 2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before tax & exceptional items	(390.78)	(2,145.10)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	335.35	798.87
Finance costs	239.00	1,461.90
Interest income	(0.28)	(2.18)
Profit on sale of investments	-	(102.85)
Fair value loss/(gain) on investment	-	59.60
Sundry Debit/Credit Balances Written Off/Back (Net)	-	(121.77)
Profit on sale of property , plant and equipment	(5.71)	(0.52)
Unrealised foreign currency (gain)/loss	8.76	(24.04)
Other adjustments	-	80.47
<b>Change in operating assets and liabilities:</b>		
Trade payables	(166.01)	218.18
Other financial liabilities	20.67	(185.64)
Provisions	(2.74)	(11.99)
Other liabilities	(18.95)	(156.87)
Trade receivables	137.84	161.13
Inventories	(248.87)	142.74
Other bank balance	(0.28)	1.48
Other financial assets	(0.76)	0.74
Other assets	110.12	(36.33)
<b>Cash generated from operations</b>	<b>17.38</b>	<b>137.83</b>
<b>Net cash inflow from operating activities</b>	<b>17.38</b>	<b>137.83</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for purchase of property, plant and equipment	-	(23.29)
Proceed from sale of property, plant and equipment	40.35	10.85
Proceed from sale of investment	-	1,100.00
Interest received	0.28	2.18
<b>Net cash outflow from investing activities</b>	<b>40.63</b>	<b>1,089.74</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	-	354.67
Repayment of borrowings	-	(1,453.12)
Finance costs	(59.14)	(256.80)
<b>Net cash inflow (outflow) from financing activities</b>	<b>(59.14)</b>	<b>(1,355.25)</b>
Net increase (decrease) in cash and cash equivalents	(1.14)	(127.68)
Cash and Cash Equivalents at the beginning of the financial year	8.24	135.92
<b>Cash and Cash Equivalents at end of the year</b>	<b>7.11</b>	<b>8.24</b>



**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS**

Review Report to The Board of Directors

**Omkar Speciality Chemicals Limited**

We have reviewed the accompanying statement of unaudited financial results of **Omkar Speciality Chemicals Limited** ("the Company"), for the period ended September 30, 2019 ("the Statement"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review of the statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurances to whether the Statement is free of material misstatement.

A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. Accordingly, we have not performed an audit and we do not express an audit opinion.

**Basis for Qualified Conclusion:**

We draw attention to note 3 (Three) of the accompanying statement, with regard to non-recognition of interest expense on borrowings and reversal of accumulated interest expenses of the company. During the quarter ended 30<sup>th</sup> September 2019, the company has not provided interest expenses amounting to Rs. 524.75 lacs on various credit facilities/loans which is not in accordance with the requirement of Ind AS 23: 'Borrowing Cost' read with Ind AS 109: 'Financial Instruments'. Due to this, loss for the quarter ended 30<sup>th</sup> September 2019 and half year ended as 30<sup>th</sup> September 2019 has been understated by Rs. 524.75 lacs and Rs. 1050.31 lacs respectively. Therefore, the net loss after tax (before Other Comprehensive Income) would have been Rs.820.90 lacs for the quarter ended on 30<sup>th</sup> September 2019 and Rs. 1563.35 lacs for the half year ended on 30<sup>th</sup> September 2019, had the interest expenses been provided.



Based on our review conducted as above, *except for the effects of the matters described in the Basis for Qualified Conclusion paragraph*, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



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



Place: Mumbai  
Date: 13<sup>th</sup> November 2019

UDIN: **19032546AAAACE4272**