



# 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

Date: February 14, 2020

Ref. No.: OSCL/SE/2019-20/39

To,

Corporate Services 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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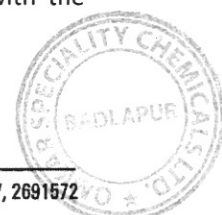
Dear Sir/Madam,

**Re: Outcome of Board Meeting held today i.e. February 14, 2020.**

In furtherance of our letter dated February 07, 2020 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 Friday, February 14, 2020 at 12.00 p.m. and concluded at 6.30 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 December 31, 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 December 31, 2019 (enclosed herewith);
- Mr. Prakash Rao, Director of the Company placed his Resignation letter in Board meeting held today on February 14, 2020 and management has relived him w.e.f. January 31, 2020;
- Mr. Laxmikant Kabra, Director of the Company has resigned from the Board w.e.f February 14, 2020 on account of his preoccupation with other assignments and has expressed his inability to continue with the company;
- The Board of Directors of the Company approved the appointment of Mr. Subhash Ambatkar as Additional Director with effect from February 14, 2020 to hold office as Executive Director of the Company.

Mr. Subhash Ambatkar has Diploma in Mechanical Engineering and Production Management from Mumbai. He has experience of 40 years in the field of civil & mechanical projects, maintenance, production, QC & development activities. Presently he is working with the Company as VP Project since 2001.





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- Reconstitution of committees of Board of Directors:

#### **Audit Committee-**

Mrs. Sanjivani S. Patare - Chairperson  
Ms. Neha Agarwal -Member  
Mr. Pravin Herlekar – Member

#### **Nomination and Remuneration Committee-**

Mrs. Sanjivani S. Patare - Chairperson  
Ms. Neha Agarwal -Member  
Mr. Pravin Herlekar – Member

#### **Stakeholders Relationship Committee-**

Mrs. Sanjivani S. Patare - Chairperson  
Ms. Neha Agarwal -Member  
Mr. Pravin Herlekar – Member

#### **Corporate Social Responsibility Committee-**

Mr. Pravin Herlekar - Chairman  
Ms. Neha Agarwal -Member  
Mrs. Sanjivani S. Patare – Member

#### **Whistle Blower Committee-**

Mrs. Sanjivani S. Patare - Chairperson  
Ms. Neha Agarwal -Member  
Mr. Pravin Herlekar – Member

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

Thanking you,

Yours sincerely,

For OMKAR SPECIALITY CHEMICALS LIMITED

SUNNY PAGARE COMPANY SECRETARY

MEMB No: F8896



Statement of Unaudited Financial Result for the Quarter and Nine months ended December 2019

Sr. No.	Particulars	Quarter Ended			Nine Months ended on		Year Ended
		31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
(I)	Revenue from Operations	1,442.54	1,002.46	789.68	4,408.87	3,050.79	4,265.21
(II)	Other income	0.93	119.24	37.75	36.30	245.51	246.08
(III)	<b>Total Income (I+II)</b>	<b>1,443.47</b>	<b>1,121.70</b>	<b>827.43</b>	<b>4,445.17</b>	<b>3,296.30</b>	<b>4,511.29</b>
(IV)	Expenses						
	Cost of materials consumed	1,002.07	686.77	349.12	3,298.35	1,859.02	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	87.51	(117.90)	129.68	47.36	76.50	19.93
	Employee benefits expense	91.63	102.79	107.30	282.54	327.31	438.33
	Finance costs	146.64	583.54	92.83	385.64	1,277.85	1,461.90
	Depreciation and amortization expense	197.89	212.23	201.14	533.24	605.89	798.87
	Other expenses	229.03	289.64	266.05	600.11	802.31	1,117.60
	<b>Total expenses (IV)</b>	<b>1,754.77</b>	<b>1,757.07</b>	<b>1,146.12</b>	<b>5,147.24</b>	<b>5,160.63</b>	<b>6,656.39</b>
(V)	Profit/(Loss) before exceptional items and tax (III-IV)	(311.30)	(635.37)	(318.69)	(702.08)	(1,864.33)	(2,145.10)
(VI)	Exceptional items	-	-	(993.01)	-	(993.01)	(993.01)
(VII)	<b>Profit / (Loss) before tax (V) - (VI)</b>	<b>(311.30)</b>	<b>(635.37)</b>	<b>674.32</b>	<b>(702.08)</b>	<b>(871.32)</b>	<b>(1,152.09)</b>
(VIII)	Tax expenses						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	97.54	72.10	190.98	219.78	324.14	535.37
	(3) Prior period tax Adjustment	-	-	-	-	-	-
(XI)	<b>Profit for the period VI= (VII-VIII)</b>	<b>(408.84)</b>	<b>(707.47)</b>	<b>483.34</b>	<b>(921.86)</b>	<b>(1,195.46)</b>	<b>(1,687.46)</b>
(X)	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit or loss	2.19	3.18	3.19	6.56	9.56	14.15
(XI)	<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (XI+X)</b>	<b>(406.65)</b>	<b>(704.29)</b>	<b>486.53</b>	<b>(915.30)</b>	<b>(1,185.90)</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	-	-	-	-	-	(16,866.14)
(XIII)	Earnings per equity share						
	(1) Basic	(1.99)	(3.44)	2.35	(4.48)	(5.81)	(8.20)
	(2) Diluted	(1.99)	(3.44)	2.35	(4.48)	(5.81)	(8.20)

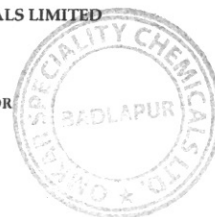
Notes:

- 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 Friday, February 14, 2020.
- 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 for interest quarter ended 31st Dec 2019 and nine months ended 31st Dec 2019 Rs.525.04 lacs and Rs.1576.16 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 fire incident had occurred in our manufacturing unit located at Unit No. 2, Plot No. F-24, MIDC, Badlapur East, Dist: Thane, Maharashtra 421503. All the Fixed Assets and Currents Assets are adequately insured. As a result, book value of factory building, plant and machinery and other fixed assets other than leasehold land have been reduced from net block of property plant and equipment's amounting to Rs. 839.33 Lacs. Also the value of inventory destroyed due to fire in the said location amounting to Rs.354.89 Lacs have been reduced from closing stock of inventory with the company. The company is in the process of lodging insurance claim with the insurance company and till such time the book value of fixed assets and inventory destroyed is shown as claim receivable under loans and advances. Further, amount paid till 31st December 2019 of Rs.98 lacs towards public liability is also shown under loans and advances as part of claim receivable.
- With regard to the qualification by the Statutory Auditors in connection with the Loss due to fire, the Management would like to submit the following observations: The Company had intimated the incidence of fire immediately to the Insurance Company and the Insurance Company had deputed their surveyor to the site of the incidence. In line with the instructions from the surveyor, a detailed evaluation and assessment of the loss or inventory and Fixed Assets due to fire is currently in process. The Company has not recognized the loss due to fire of Rs.12.92 crs. (Loss of Fixed Assets Rs.8.39 crs., Loss of Inventories Rs.3.55 crs. and Loss arising due to Public Liability Rs.0.98 crs) in the statement of Profit & Loss A/c. Considering the fact that, the assets have been adequately insured, we have recognised the said loss off assets including public liability claim as "insurance claim receivable", in the balance sheet. We will be recognizing gain or loss, if any, in the Profit & Loss A/c after evaluation of the claim by the Insurance Company. Considering the contingent nature of this loss/ assets, we have reported the same accordingly in the Note No.4 above.
- The results for the Quarter and Nine months ended December 31, 2019 have been subjected to Limited Review by the Statutory Auditors of the Company.
- 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 : Badlapur  
 Date : 14-02-2020



## **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 December 31, 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.

#### **Emphasis of Matter:**

We draw attention to Note 4 of the financial results which states that a major fire had occurred in one of the units of the Company in Badlapur, Mumbai. This incident has not impacted the going concern assumption of the Company. The Company is in the process of assessing its loss with respect to its fixed asset, stock & public liabilities and is in the process of making a corresponding insurance claim. Our conclusion is modified in respect of this matter as per the below paragraph.

#### **Basis for Qualified Conclusion:**

1. We draw attention to note 3 of the accompanying statement, with regard to non-recognition of interest expense on borrowings. During the quarter ended 31<sup>st</sup> December 2019, the company has not provided interest expenses amounting to Rs. 525.04 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 31<sup>st</sup> December 2019 and nine months ended as on 31<sup>st</sup> December 2019 has been understated by Rs. 525.04 lacs and Rs. 1576.16 lacs respectively.

2. The Company has shown the following particulars pertaining to the loss due to fire, as insurance claim receivable under loans and advances of the Company, as per note no.4 to the financial results -

Sr.no.	Particulars of loss	Amount of loss as per the books of accounts of the Company (Rs. in lacs.)
1	Loss of Fixed Assets	839.33
2	Loss of inventories	354.89
3	Loss arising due to public liabilities	98.00
	<b>Total</b>	<b>1292.22</b>

As per Para 68 of IND AS 16-Property, Plant and Equipment, the gain or loss arising from the derecognition of property, plant and equipment shall be included in the profit or loss when the item is derecognized. The Company has not made the requisite derecognition in profit and loss in line with the abovementioned para for the fixed assets derecognized as per note 4 to the financial results and above table. Further, an amount of Rs.1292.22 lacs has been recorded by the Company as a current asset towards insurance claim receivable under loans and advances. As amount of the insurance claim receivable is contingent upon the submission of insurance claim by the Company and the confirmation of the same by the insurer, the treatment is contrary with the provisions of IND AS 37-Provisions, Contingent Liabilities and Contingent Assets. Due to the non-provision of the above loss due to fire and recognition of insurance claim receivable, the loss for the quarter ended and the nine months ended 31<sup>st</sup> December 2019 is understated by Rs.1292.22 lacs and the current assets of the Company are overstated by Rs.1292.22 lacs. Therefore, the net loss after tax (before Other Comprehensive Income) would have been Rs. 2226.09 lacs for the quarter ended on 31<sup>st</sup> December 2019 and Rs. 3790.24 lacs for the nine months ended on 31<sup>st</sup> December 2019, had the interest expenses (as per paragraph 1 above) and the loss due to fire to the fixed assets, inventories and public liabilities been provided.

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

*S. N. Desai*

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

Place: Mumbai  
Date: 14<sup>th</sup> February 2020

UDIN: 20032546AAAAAI9379

**CA LAXMIKANT RAMPRASAD KABRA**

1102, Niharika CHS Ltd, Gladys Alwares Road Off Pokhran Road No.2, Thane West- 400610 .

To,  
**Omkar Speciality Chemicals Ltd.**  
B-34, M.I.D.C., Badlapur (East),  
Thane, Maharashtra, India – 421 503.

The Board of Directors

Dear Sir/Madam

**Sub: Resignation from the office of Director**

As you are aware that I am a practicing Chartered Accountant and due to my increased professional commitments, I am unable to give adequate time and attention to the company and justify my role as a Director. Therefore, I wish to resign from the Post of Director of the company with immediate effect.

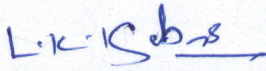
I thank the Board of Directors for having given me the opportunity and assistance to discharge my duties during my tenure as Director of the Company.

Confirmation as required under Para 7B (ii) of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Para 7B (ii) of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that there is no other material reason except as stated above for my resignation

I request that the necessary forms be filed with office of the Registrar of Companies and necessary intimation/disclosure be given to the Stock Exchanges.

Thanking You,  
Yours faithfully



**LAXMIKANT RAMPRASAD KABRA**  
DIN: 00061346

**Date: February 14, 2020**

**Place: Thane**