



OMKAR
Always the leaders

OMKAR SPECIALITY CHEMICALS LIMITED

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

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CIN : L24110MH2005PLC151589

Ref. No.: OSCL/SE/2016-17/75

Date: August 3, 2016

To,

Corporate Services Department BSE LIMITED P.J. Towers, 1 st Floor, Dalal Street, Mumbai – 400001 BSE Code: 533317	Corporate Services Department NATIONAL STOCK EXCHANGE OF INDIA LIMITED Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051 NSE Symbol: OMKARCHEM
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SUB: DISCLOSURE OF EVENTS OR INFORMATION- REG. 30

Dear Sir/ Madam,

Pursuant to Part A of Schedule III of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that following ratings have been assigned on the bank facilities of the Company by Brickwork Ratings :-

Facility	Limits (Rs in Cr)*	Tenure	Rating
Fund Based:			BWR BBB
Cash Credit (CC)	71.00	Long Term	(Pronounced BWR Triple B) (Outlook – Stable)
ECB	32.00		
Term Loan	50.00		
Working Capital (Proposed)	25.00		
Non-Fund Based:			BWR A3
Letter of Credit (LC)	60.00	Short Term	(Pronounced BWR A Three)
TOTAL	238.00	INR Two Hundred And Thirty Eight Crore Only	

Further, please be informed that rating for our bank facilities have been upgraded from CRISIL BB +/- Stable to BWR BBB for Fund Based Bank Borrowings & from CRISIL A4 + to BWR A3 for Non-Fund Based Facilities. The rating rationales for the Company as given by Brickwork Ratings have been enclosed herewith for your record and reference.

Thanking You,

Yours Faithfully,

For **OMKAR SPECIALITY CHEMICALS LIMITED**

SUNNY PAGARE

COMPANY SECRETARY & COMPLIANCE OFFICER

M. No. A27431



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Rating Rationale

Brickwork Ratings assigns BWR BBB (Outlook: Stable) rating for long-term bank and BWR A3 for short term loan facilities of Omkar Speciality Chemicals Limited.

Brickwork Ratings assigns BWR BBB (Outlook:Stable) rating for long-term bank and BWR A3 for short term loan facilities of Omkar Speciality Chemicals Limited. (OSCL or “the Company”)

Facility	Limits(₹ Crores)*	Tenure	Rating
Fund Based:			
Cash Credit (CC)	71.00	Long Term	BWR BBB (Pronounced BWR Triple B) (Outlook – Stable)
ECB	32.00		
Term Loan	50.00		
Vendor Finance (Proposed)	25.00		
Non- Fund Based			
Letter of Credit (LC)	60.00	Short Term	BWR A3 (Pronounced BWR A Three)
Total	238.00	(INR Two Hundred and Thirty Eight Crore only)	

*Please refer to BWR website www.brickworkratings.com for definition of the Ratings assigned.

BWR has relied upon OSCL’s audited financial results up to FY16, projected financials up to FY18, publically available information and the information/clarifications provided by the Company.

The ratings, inter alia, factors established track record of the company, experience of the promoters in the speciality chemicals industry, above average financial profile, strong product portfolio, recent improvement in the conversion cycle due to timely availability of raw material and diversified customer base with long term association. The ratings, however, constrained by inherent volatility in the prices of raw material, working capital intensive nature of the business, and competitive nature of the industry.

Company Background and Operations

Omkar Specility Chemicals Limited (OSCL) was originally incorporated as a Proprietorship Firm under the name M/s. Omkar Chemicals in the year 1983, with Mr. Pravin S. Herlekar as the Proprietor. On February 24, 2005, it changed to a Private Ltd.

Company known as Omkar Specialty Chemicals Private Limited. The company established itself as a Public Limited Company on March 18, 2010 with the name “Omkar Specialty Chemicals Limited”, under the Chairmanship of Mr. Pravin S. Herlekar as the Chairman & Managing Director and with Mr. Omkar P. Herlekar as its Whole Time Director.

OSCL is primarily engaged in the production of Specialty Chemicals and Pharma Intermediates. OSCL manufactures a range of Organic, Inorganic and Organo Inorganic Intermediates. The Inorganic Intermediates include Molybdenum derivatives, Selenium derivatives, Iodine derivatives, Cobalt derivatives, Bismuth & Tungsten derivatives and the organic intermediates include Tartaric acid derivatives and other intermediates.

The company has decided to restructure its group companies where in Lasa Laboratories Private Limited (LLPL), Rishichem Research Limited (RRL), Desh Chemicals Private Limited (DCPL), Urdhwa Chemical Company Private Limited (UCCPL) are to be merged with OSCL. Post-merger one of its veterinary API division will be demerged into Lasa Supergenerics Limited. This will help the group to increase operational efficiency.

Financial Performance

As per consolidated audited financials for FY16 provided by the company, OSCL’s operating income stood at ₹413.80 Cr. with a PAT of ₹30.61 Cr. as against operating income of ₹ 265.53 Cr. with a PAT of ₹ 24.28 Cr. in FY 15.

The Company’s debt equity ratio as on 31st March, 2016 is at 1.21 times. The Company’s coverage indicators continue to remain comfortable with interest service coverage ratio at 4.08x and debt service coverage ratio at 1.39x.

Outlook

The outlook is Stable. The Company’s ability to maintain turnover and margins despite of volatility in the raw material prices and intense competition, achieving estimated revenues, managing working capital cycle will be key rating sensitivity factors.

Analyst Contact	Relationship Contact
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Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

