

OMKAR

Always the leaders

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.: OSCL/SE/2017-18/108

Date: February 05, 2018

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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Dear Sir/Madam,

Re: Outcome of Board Meeting held today i.e. February 05, 2018.

In furtherance of our letter bearing Ref. No.: OSCL/SE/2017-18/105 dated January 15, 2018 and pursuant to Regulation 30 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) 2015, we would like to inform you that the Board of Directors of Omkar Speciality Chemicals Limited in its meeting held today at 01.00 p.m. and concluded at 6.45 p.m. transacted the following business:

1. Approved the Unaudited Financial Results for the quarter and half year ended September 30, 2017 and taken note of Limited Review Report thereon.

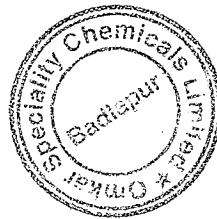
Please take the above on your record and acknowledge the receipt of the same.

Thanking You,

Yours Faithfully,

For **OMKAR SPECIALITY CHEMICALS LIMITED**

PRAVIN S. HERLEKAR
CHAIRMAN AND MANAGING DIRECTOR
DIN: 00525610



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Statement of Unaudited Financial Result for the Quarter and Six Months ended September 30, 2017

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter Ended	Half Year Ended	Half Year Ended
		30-Sep-17 (Unaudited)	30-Sep-17 (Unaudited)	30-Sep-16 (Unaudited)
(I)	Revenue from Operations	5,191.97	13,786.77	17,142.32
(II)	Other income	66.04	199.22	481.22
(III)	Total Income (I+II)	5,258.01	13,985.99	17,623.54
(IV)	Expenses			
	Cost of materials consumed	5,236.33	11,165.11	10,443.50
	Purchases of Stock-in-Trade	-	-	-
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	926.97	900.16	1,201.68
	Employee benefits expense	(33.42)	209.04	527.59
	Finance costs	773.04	1,240.29	1,062.29
	Depreciation and amortization expense	22.34	407.66	569.61
	Other expenses	385.58	1,345.02	2,437.51
	Total expenses (IV)	7,310.84	15,267.28	16,242.18
(V)	Profit/(Loss) before exceptional items and tax (III-IV)	(2,052.83)	(1,281.30)	1,381.36
(VI)	Exceptional items	5,258.55	5,258.55	9,360.19
(VII)	Profit / (Loss) before tax (V) - (VI)	(7,311.38)	(6,539.85)	(7,978.83)
(VIII)	Tax expenses			
	(1) Current tax	-	-	259.63
	(2) Deferred tax	(2,065.77)	(2,059.66)	(743.27)
	(3) Prior period tax Adjustment	-	-	-
	(4) MAT credit entitlement/ (utilised)	-	-	-
(XI)	Profit for the period VI= (VII-VIII)	(5,245.61)	(4,480.19)	(7,495.19)
(X)	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss	12.12	12.12	-
(XI)	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive income for the period) (XI+X)	(5,233.49)	(4,468.07)	(7,495.19)
(XII)	Paid-up Equity Share Capital	2,057.80	2,057.80	2,057.80
	Face Value (of Rs. 10/- each)	10.00	10.00	10.00
(XIII)	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	-	-	-
(XIII)	Earnings per equity share			
	(1) Basic	(25.49)	(21.77)	(36.42)
	(2) Diluted	(25.49)	(21.77)	(36.42)

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Director

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STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2017

(Rs. in Lakhs)

Sr. No.	Particulars	As at 30-09-2017
I	ASSETS	
	(1) Non-current assets	
	(a) Property, plant and equipment	8,000.71
	(b) Capital work in progress	-
	(c) Investment properties	-
	(c) Other intangible assets	24.25
	(e) Other Intangible assets	-
	(f) Intangible assets under development	-
	(g) Biological Asset other than bearer plants	-
	(h) Non-current financial assets	-
	(i) Non-current investments	2,970.23
	(ii) Trade receivables	-
	(ii) Loans	32.56
	(iv) Other	-
	(i) Deferred tax assets	1,460.12
	(e) Other non current Asset	1,992.39
	Total Non current Assets	14,480.26
	(2) Current assets	
	(a) Inventories	4,322.17
	(b) Financial assets	-
	(i) Investments	-
	(ii) Trade receivables	9,298.00
	(iii) Cash and cash equivalent	0.24
	(iv) Bank balance other than (iii) above	763.97
	(v) Loans	3.56
	(vi) Others	10.87
	(c) Current tax asset (Net)	-
	(c) Other current assets	324.04
	Total Current Assets	14,722.85
	TOTAL ASSETS	29,203.11
II	EQUITY AND LIABILITIES	
	Equity	
	(a) Equity share capital	2,057.80
	(b) Other equity	(8,662.87)
	Total equity	(6,605.07)
	Liabilities	
	(1) Non-current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	6,297.96
	(b) Provisions	6.72
	(b) Deferred tax liabilities (Net)	-
	(d) Other non-current liabilities	-
	Total Non current liabilities	6,304.68
	(2) Current liabilities	
	(a) Financial liabilities	
	(i) Borrowings	12,961.21
	(ii) Trade payable	15,465.03
	(iii) Other financial liabilities	314.45
	(b) Other current liabilities	63.76
	(d) Current tax liability	699.05
	Total current liabilities	29,503.50
	Total Liabilities	35,808.18
	TOTAL EQUITY AND LIABILITIES	29,203.11

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Notes :

- 1 The Audit Committee has reviewed this results and the Borad of Directors have approved the above results at their meetings held on 5th February 2018. The IND AS Compliant financial reults pertaining to the half year ended 30th September 2016 has not been subjected to limited review or audit. However, the management excercised necessary diligence to ensure that the financial results provide a true and fair view of its affairs for comparison purposes.
- 2 The Company has adopted Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder. The date of transition to Ind AS is 1st April, 2017 and accordingly, these unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 "Interim Financial Reporting" and the other accounting principles generally accepted in India. The impact of transition has been accounted for in the opening reserves and the comparative period figures have been reinstated accordingly.
- 3 There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31st March, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101.
- 4 The Company is liable to Goods and Service Tax ('GST') with effect from July 01, 2017. The revenues for the quarter ended September 30, 2017 is net of such GST. However, the revenues for the quarter ended June 30, 2017, and year to date revenues for the half year ended September 30, 2016 are inclusive of excise duty.
- 5 The Company has opted to avail the relaxation provided by SEBI with respect to the requirements for submission of Ind AS compliant financial results for the previous year ended March 31, 2017 and balance sheet as at March 31, 2017. Accordingly, the figures for the financial results for the previous year ended March 31, 2017 and balance sheet as at March 31, 2017 have not been presented. Further, the reserves (including revaluation reserve) as per balance sheet as at March 31, 2017 not being mandatory, have not been presented. The net profit reconciliation for half year ended September 30, 2016 under the previously applicable Generally Accepted Accounting Principles ('previous GAAP') with the total comprehensive income as reported in these financial results under Ind AS are presented below:

		(Rs. in Lakhs)
Sr. No.	Particulars	Half Year Ended 30-Sep-16
I	Net Profit as per previous GAAP (Indian GAAP)	1,277.59
	Add / (Less) :	
a	Adjustment of Composite scheme of Arrengement	
1	Diminshion in value of fixed assets transferred to resulting Company on A/c of Composite Scheme of arrengement	(6,321.38)
b	Adjustment of Ind AS	
2	Fair valuation of financial liabities	(72.53)
3	Expected Credit Loss on Trade Recievables	(120.83)
4	Provision of Trade Recievables	(1.97)
5	Diminishing in values of assets on revaluation	(3,038.81)
6	Depreciation on revalued Property Plant & Equipment	(127.76)
7	Trade Recievable Written Back	0.03
8	Deferred tax	910.46
	Subtotal	(8,772.79)
	Net Profit as per IND AS	(7,495.19)

- 6 Profit /loss for the half year ended September 30, 2016 are based on the de-merged statement of Profit & Loss. Exceptional item of Rs. 52.58 crores represents the cost of research abnd development which will not fructify any long term benefits or assets. Hence be written of and shown as an exceptional items. This treatment is given in line with fair valuation method adopted in pursuance of adoption of Ind As.
- 7
- 8 The amount for Quarter ended 30th Sept 2017 are the balancing figures between amount for half year ended 30th Sept 2017 and amount for Quarter ended 30th June 2017.
- 9 Excess provision made in earlier period for Graduity and leave encashment has been reversed in quarter ended 30th september 2017 on the basis of Acturial valuation .
- 10 The figures for the previous periods have been re-grouped/re-arranged wherever considered necessary.

Place : Mumbai

Date : February 5, 2018

For OMKAR SPECIALITY CHEMICALS LIMITED

Director

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

To Board of Directors of
Omkar Speciality Chemicals Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of **Omkar Speciality Chemicals Limited** ("the Company") for the quarter ended 30th September 2017 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5th July 2016. Attention is drawn to the fact that for the corresponding six months ended 30th September 2016, as per Indian Accounting Standards ("Ind AS") the company has made a loss as against profit as per previous generally accepted accounting principles ("GAAP") and the results have been approved by the Company's Board of Directors but have not been subjected to review or audit.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 05th February 2018. Our responsibility is to issue a report on this Statement, based on our review.
3. We conducted our review 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 assurance as 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. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis For Qualified Conclusion:

a) Going Concern Assumption:

- i. The Company has negative net worth of Rs. 66.05 Crores as at 30th September 2017. 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.

b) Property Plant and Equipment (PPE):

- i. The Company has a PPE register, however this register does not contain the details required as per the requirement of CARO, 2016.

c) Inventory:

- i. The Company has not maintained satisfactory inventory records e.g. for receipt & consumption of raw materials & semi- finished products, production & sale of finished goods inventory.
- ii. The Company is carrying inventory of Rs.34.34 Crores which is damaged and has been sold in January 2018 for Rs.3.43 Crores.
- iii. The Company has lodged a claim on the suppliers for compensation of Rs.30.91 Crores.
- iv. Pending the resolution of claim the inventory is valued at cost (Rs.34.34 Crores) and possible loss of Rs.30.91 Crores has not given effect to in the books of accounts.



- v. To that extent the losses for the quarter ended 30th September 2017 are understated and the net worth as at 30th September 2017 is overstated.

d) **Trade Receivables:**

i. Trade Receivables:

The Company has not furnished the confirmations of trade receivables. In view of the same, we are unable to comment on the consequential impact, if any, on the accompanying Statement that may arise on settlement of the aforesaid matter.

ii. Trade Payables:

The Company has not furnished the confirmations of trade payables. In view of the same, we are unable to comment on the consequential impact, if any, on the accompanying Statement that may arise on settlement of the aforesaid matter.

e) **Internal Financial Controls over Financial Reporting (ICFR):**

In general, the IFCR in the Company required to be strengthened significantly. Adequate ICFR policies, procedures should be laid down and overall internal controls and operating effectiveness needs to be strengthened. We are unable to ascertain its impact, if any on the financial statements due inadequacy of ICFR.

5. Based on our review conducted as above, except for the effects of the matters described in the Basis for Qualified Conclusion paragraph, impact of which cannot be ascertained, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The unaudited financial results for the comparative corresponding half year ended 30th September 2016 included in the financial results, are based on the previously issued results of the Company prepared in accordance with Companies (Accounting Standards) Rule, 2006, reviewed by the predecessor auditors, whose review report dated 14th November 2016 expressed an unmodified opinion on those financial results, and has been adjusted by Management for the differences in the accounting principles adopted by the Company on transition to Ind AS.

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



Dr.S.N.Desai
Partner
M.N.32546



Place: Mumbai
Date: 5th February 2018