



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/2017-18/21

Date: August 13, 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. August 13, 2018.

In furtherance of our letter bearing Ref. No.: OSCL/SE/2017-18/20 dated August 06, 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 12.00 noon and concluded at 5.50 p.m. transacted the following business:

1. Approved the Unaudited Financial Results for the quarter ended June 30, 2018 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**

SD/- SUNNY PAGARE

COMPANY SECRETARY & COMPLIANCE OFFICER

(M. No. F8896)

Encl: as above.



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Statement of Unaudited Financial Result for the Quarter ended June 2018

Sr. No.	Particulars	Quarter Ended	Quarter Ended	Quarter Ended	Year Ended
		30-Jun-18 (Unaudited)	31-Mar-18 (Audited)	30-Jun-17 (Unaudited)	31-Mar-18 (Audited)
(I)	Revenue from Operations	1,258.65	3,718.63	8594.80	19,763.93
(II)	Other income	88.52	179.72	133.18	368.50
(III)	Total Income (I+II)	1,347.17	3,898.35	8,727.98	20,132.43
(IV)	Expenses				
	Cost of materials consumed	823.13	5,228.26	5,928.78	15,578.13
	Purchases of Stock-in-Trade	211.75	1,803.81	-	4,354.88
	Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	64.72	127.25	(26.81)	1,108.59
	Employee benefits expense	117.22	201.53	242.46	398.38
	Finance costs	601.48	773.72	467.25	2,612.78
	Depreciation and amortization expense	192.52	241.46	385.32	815.73
	Other expenses	246.62	827.70	959.44	2,666.21
	Total expenses (IV)	2,257.44	9,203.73	7,956.44	27,534.70
(V)	Profit/(Loss) before exceptional items and tax (III-IV)	(910.27)	(5,305.38)	771.54	(7,402.27)
(VI)	Exceptional items	-	-	-	5,258.55
(VII)	Profit / (Loss) before tax (V) - (VI)	(910.27)	(5,305.38)	771.54	(12,660.82)
(VIII)	Tax expenses				
	(1) Current tax	-	-	115.28	-
	(2) Deferred tax	61.06	110.33	0.45	(2,313.93)
	(3) Prior period tax Adjustment	-	(65.03)	5.66	55.91
	(4) MAT credit entitlement/ (utilised)	-	-	(115.28)	-
(XI)	Profit for the period VI= (VII-VIII)	(971.33)	(5,350.68)	765.43	(10,402.80)
(X)	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	3.19	12.74	-	24.86
(XI)	Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period) (XI+X)	(968.14)	(5,337.94)	765.43	(10,377.94)
(XII)	Paid-up Equity Share Capital	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
(XIII)	Reserve excluding revaluation reserve as per balance sheet of previous accounting year	-	-	-	(14,566.35)
(XIII)	Earnings per equity share				
	(1) Basic	(4.72)	(26.00)	3.72	(50.55)
	(2) Diluted	(4.72)	(26.00)	3.72	(50.55)

Notes :

- The above 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 Monday, August 13, 2018.
- Finance Cost includes Rs. 496.56 lacs being interest provided on estimated basis on Loans, which have been qualified as NPA and not debited by the bank.
- The Company is operating as a single segment Company engaged in 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-17 as notified by the Companies (Accounting Standards) Rules, 2006.
- In respect of financials for the year ended March 31, 2018, exceptional item of Rs. 52.58 crores represents the cost of research and 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.
- The results for the Quarter ended June 30, 2018 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 : 13-08-2018

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF INTERIM FINANCIAL RESULTS

To The Board of Directors

Omkar Speciality Chemicals Limited

1. We have reviewed the accompanying statement of unaudited financial results of **Omkar Speciality Chemicals Limited** ("the Company"), for the quarter ended June 30, 2018 ("the Statement"), together with the relevant notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI circular dated July 5, 2016, which has been initialed by us for identification purposes. The Statement has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. 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.



3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provide 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:
- i. The Company has negative net worth as at 30th June 2018. 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.
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 Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of



Regulation 33 of the Listing Regulations, 2015, read with SEBI circular dated July 5, 2016, 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.32546



Place: Mumbai
Date: 13th August 2018



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MANAGEMENT REPRESENTATION

ON DRAFT INDEPENDENT AUDITOR'S REPORT FOR THE QUARTER ENDED JUNE 30, 2018

1. In respect of going concern matter:

The Company is a going concern. The basis of this statement is the company has got sufficient orders on ongoing basis. Also, the company is in the process of raising additional finance through equity as well as restructuring of the existing debt. The financial statements do not call for any adjustments based on the auditors' qualifications as the qualification themselves are vague in nature.

2. Inventory Records:

The Company is maintaining Inventory records in "Udyog Software" and its accounting is done in Tally Package. The financial figures from these two software are identical and similar, hence the question of "inventory records not being satisfactory" does not arise and call for a qualification. Going forward, we are in the process of maintaining inventory records in tally package itself.

3. Confirmation from Receivables and Payables:

The Company had sent out confirmations to the trade payable and trade receivables. The necessary documentary evidences are with the company. The confirmation request carries a note stating that "wherever the confirmation or reply is not received back within 7 days, then the balance will be deemed to confirm. Hence, the qualification regarding confirmations not being furnished is grossly incorrect.

4. Internal Financial control over financial reporting:

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 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.

On the basis of the above representation, we request you to review the qualifications.

For **OMKAR SPECIALITY CHEMICALS LTD.**

PRAVIN HERLEKAR
CHAIRMAN & MANAGING DIRECTOR

