



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/2016-17/83

Date: August 29, 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: EXPANSION OF CAPACITY AT UNIT NO. 1 IN BADLAPUR – REG. 30

Dear Sir/ Madam,

This refers to our letter dated August 22, 2016 bearing Ref. No. OSCL/SE/2016-17/79 informing about expansion of capacity of Unit No. 1 in Badlapur, Maharashtra and SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015.

Capacity before Expansion: 600MTPA

Investment Required: Rs. 33.35 Crores

Mode of financing: Internal Accrual

Rationale:

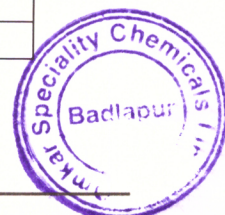
The Company is engaged in manufacture of speciality intermediates for pharmaceuticals and allied industries. It has been pioneer in launching new molecules for last over 30 years. The Company has a product mix of both organic as well as inorganic chemicals which have varied applications in pharmaceuticals, glass and ceramics, poultry and veterinary, electronics, etc.

The Company's sales during the last 5 years have steadily grown from around Rs.107 crs. in 2010-11 to Rs.300 crs. during 2015-16 on standalone basis (excluding the revenues from the subsidiaries). The Company expects to maintain its growth track at an average of 12%-15% p.a.

The Company has already developed a number of new molecules with the help of its inhouse R&D for the requirements of its existing and new customers. The products have been standardized, scaled up w.r.t. quality and costing and have also been approved by the prospective customers.

The Company's existing manufacturing capacities are as under:

Unit	Capacity
Unit No.1	900 MTPA
Unit No.2	1025 MTPA
Unit No.3	75 MTPA
Unit No.4	Centralized Warehouse catering to above all Units.



W-92 (A), M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India. Tel. : +91 (0251) 2698840, Fax : +91 (0251) 2691662.

W-93(A), W-94(A), W-95(A), M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India • Tel. : 0251-2691662.

F-24, M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India. Tel. : +91 (0251) 2691852, Fax : +91 (0251) 2697673.

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F-9 & F-10/1, M.I.D.C., Badlapur (East), Thane - 421 503, Maharashtra, India. Tel. : 0251-2696432.

The above capacities had reached a level of saturation and they have been deployed for production at more than the optimum level. Hence, in order to launch the increasing demand for existing products and for manufacturing of newly developed products, there was a need for appropriate expansion of existing capacities. The management had therefore taken a decision couple of years ago to increase the capacity at Unit 1 from its original level of 600 MTPA to 1100 MTPA. In order to overcome the space constraint for this expansion, the Company had acquired adjoining plots – W-93(A), W-94(A) and W-95(A) to have an overall additional land area of 2160 sq.mtrs. A capital expenditure of around Rs.34 Crores has been incurred to create an additional capacity of 300 MTPA.

This capacity has now been put to use after necessary testing, trial runs, etc. and has been successfully commissioned for launch of new products.

This facility is expected to contribute revenues of around Rs.25 Crores during current financial year. This facility is, further, expected to be upgraded with additional capacity of 200 MTPA in near future.

Kindly take the same on record and acknowledge receipt.

Thanking You,

Yours truly,

For **OMKAR SPECIALITY CHEMICALS LIMITED**


SUNNY PAGARE

COMPANY SECRETARY & COMPLIANCE OFFICER

M. NO.: A27431



Note: Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward looking statements. Omkar Speciality Chemicals Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.