



Ref. No: HSCL / Stock-Ex/2021-22/70
Date: 11/02/2022

E-mail: monika@himadri.com

Ref: Listing Code: 500184 (Equity) BSE Limited Department of Corporate Services P. J. Towers, 25 th Floor, Dalal Street, Mumbai- 400 001	Ref: Listing Code: HSCL National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
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Sub: Outcome of Board Meeting held on 11.02.2022- pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

We refer to our letter dated 04 February 2022 intimating about the meeting of the Board of Directors of the Company ("the Board") scheduled to be held on Friday the 11 February 2022 inter-alia to approve and take on record the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended 31 December 2021.

We would like to inform you that the Board at its' meeting held today i.e. on 11 February 2022, *inter-alia* has considered and approved the Un-audited Financial Results (Standalone & Consolidated) for the quarter and nine months ended 31 December 2021. We are enclosing herewith the following pursuant to Regulation 30 and Regulation 33 read with the applicable provisions of Schedule III and IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- i) Un-audited Financial Results (Standalone and Consolidated) for the quarter and nine months ended 31 December 2021;
- ii) The Limited Review Report of the Statutory Auditors of the Company, M/s B S R & Co. LLP, Chartered Accountants on the Un-audited Financial Results (Standalone & Consolidated) for the quarter and nine months ended 31 December 2021.

The Meeting of the Board of Directors commenced at 3.00 p.m. and concluded at 7:00 p.m.

We request you to kindly take on record the same.

Thanking you,

Yours faithfully,

For Himadri Speciality Chemical Ltd

Monika Saraswat
Company Secretary
ACS: 29322

Encl: a/a

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited) CIN: L27106WB1987PLC042756
Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Kolkata – 700 001, India
Corp. Office: 8, India Exchange Place, 2nd Floor, Kolkata – 700 001, India
Tel: 91-33-2230-9953, 2230-4363, Fax: 91-33-2230-9051, Website: www.himadri.com



HIMADRI SPECIALITY CHEMICAL LIMITED
Registered Office: 23A Netaji Subhas Road
8th Floor, Suite No. 15, Kolkata - 700 001
Corporate Identity Number: L27106WB1987PLC042756
Phone: (033)2230-9953, Fax: (033)2230-9051
Email: info@himadri.com, Website: www.himadri.com

(Rs. in Crores)

Statement of Unaudited Standalone Financial Results for the Quarter and Nine Months Ended 31 December 2021							
Sr. No.	Particulars	Three months ended 31.12.2021	Previous Three months ended 30.09.2021	Corresponding Three months ended 31.12.2020 in the previous year	Year to date figures for the current period ended 31.12.2021	Year to date figures for the previous period ended 31.12.2020	Previous year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income						
	(a) Revenue from Operations	772.49	645.28	466.81	1,957.52	1,113.92	1,679.46
	(b) Other Income	3.78	2.51	4.24	5.32	12.09	13.83
	Total Income	776.27	647.79	471.05	1,962.84	1,126.01	1,693.29
2.	Expenses						
	(a) Cost of materials consumed	719.76	534.75	316.17	1,718.85	796.84	1,156.46
	(b) Changes in inventories of finished goods and work-in-progress	(80.14)	(19.01)	23.53	(139.59)	12.80	83.62
	(c) Employee benefits expense	20.03	21.76	18.68	59.66	55.85	75.51
	(d) Finance costs	8.68	7.48	6.72	24.00	26.15	33.21
	(e) Depreciation and amortisation expense	11.41	11.37	11.01	34.08	32.96	44.22
	(f) Other expenses	77.12	76.81	67.67	213.17	161.66	236.29
	Total Expenses	756.86	633.16	443.78	1,910.17	1,086.26	1,629.31
3.	Profit before exceptional items and tax (1-2)	19.41	14.63	27.27	52.67	39.75	63.98
4.	Exceptional Items	-	-	-	-	-	-
5.	Profit before tax (3+4)	19.41	14.63	27.27	52.67	39.75	63.98
6.	Tax expense						
	(a) Current tax	3.38	2.55	5.30	9.18	7.47	11.84
	(b) Deferred tax	(0.39)	0.39	4.71	(0.36)	8.33	5.46
	Total tax expense	2.99	2.94	10.01	8.82	15.80	17.30
7.	Net Profit after tax (5-6)	16.42	11.69	17.26	43.85	23.95	46.68
8.	Other Comprehensive Income						
	Items that will not be reclassified subsequently to profit or loss	(8.98)	(7.99)	(14.87)	5.27	22.10	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	2.08	1.85	3.19	(1.17)	(4.82)	(4.37)
	Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-
	Income-tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(6.90)	(6.14)	(11.68)	4.10	17.28	15.57
9.	Total Comprehensive Income for the period/ year {comprising Net Profit after tax and other comprehensive income for the period/ year} (7+8)	9.52	5.55	5.58	47.95	41.23	62.25
10.	Paid-up equity share capital (Face value Re. 1 each)	41.90	41.90	41.88	41.90	41.88	41.90
11.	Other Equity						1,666.38
12.	Earnings per equity share (of Re. 1 each) (refer note 6)						
	(a) Basic (Rs.)	0.39	0.28	0.41	1.05	0.57	1.11
	(b) Diluted (Rs.)	0.39	0.28	0.41	1.05	0.57	1.11



Anurag Choudhary

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Registered Office: 23A Netaji Subhas Road
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Email: info@himadri.com, Website: www.himadri.com

(Rs. in Crores)							
Standalone Segment wise Revenue, Results, Assets and Liabilities							
Sr. No.	Particulars	Three months ended 31.12.2021	Previous Three months ended 30.09.2021	Corresponding Three months ended 31.12.2020 in the previous year	Year to date figures for the current period ended 31.12.2021	Year to date figures for the previous period ended 31.12.2020	Previous year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Segment Revenue						
	(a) Carbon materials and chemicals	767.54	640.25	463.82	1,944.26	1,106.11	1,668.65
	(b) Power	26.46	27.41	22.58	77.07	53.70	75.65
	Total segment revenue (a + b)	794.00	667.66	486.40	2,021.33	1,159.81	1,744.30
	Less: Inter segment revenue	21.51	22.38	19.59	63.81	45.89	64.84
	Total Revenue from Operations	772.49	645.28	466.81	1,957.52	1,113.92	1,679.46
2.	Segment Results						
	(a) Carbon materials and chemicals	0.18	(2.02)	9.40	2.54	5.46	15.24
	(b) Power	24.13	25.08	20.35	70.33	48.35	68.12
	Total segment profit before interest, tax and unallocable items (a + b)	24.31	23.06	29.75	72.87	53.81	83.36
	Add/ (Less):						
	(a) Finance costs	(8.68)	(7.48)	(6.72)	(24.00)	(26.15)	(33.21)
	(b) Other unallocable expenses net of unallocable income *	3.78	(0.95)	4.24	3.80	12.09	13.83
	Total Profit before tax	19.41	14.63	27.27	52.67	39.75	63.98
3.	Segment Assets						
	(a) Carbon materials and chemicals	2,927.31	2,667.87	2,328.64	2,927.31	2,328.64	2,420.59
	(b) Power	51.42	51.29	50.66	51.42	50.66	49.49
	(c) Unallocated	184.28	254.04	186.73	184.28	186.73	227.91
	Total assets	3,163.01	2,973.20	2,566.03	3,163.01	2,566.03	2,697.99
4.	Segment Liabilities						
	(a) Carbon materials and chemicals	604.91	490.55	189.83	604.91	189.83	205.20
	(b) Power	2.81	2.29	1.41	2.81	1.41	1.57
	(c) Unallocated	805.06	739.70	687.95	805.06	687.95	782.94
	Total liabilities	1,412.78	1,232.54	879.19	1,412.78	879.19	989.71

* includes other income, foreign exchange loss/ (gain) (net), and exceptional items fully unallocable



Anurag Choudhary
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NOTES:-

- (1) The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 11 February 2022. A Limited Review of these standalone financial results for the quarter and nine months ended 31 December 2021 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.
- (2) Other expenses includes foreign exchange fluctuation loss (net) of Rs 3.46 crores for the quarter ended 30 September 2021, and Rs 1.52 crores for the nine months ended 31 December 2021, and other income includes foreign exchange fluctuation gain (net) of Rs 2.20 crores for the quarter ended 31 December 2021, Rs 2.61 crores for the quarter ended 31 December 2020, Rs 6.18 crores for the nine months ended 31 December 2020 and Rs 4.99 crores for the year ended 31 March 2021, on standalone basis.
- (3) Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within two operating segments, namely:
 - (a) Carbon materials and chemicals, and
 - (b) Power
- (4) Section 115 BAA of the Income-tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income-tax at reduced rate with effect from financial year commencing 1 April 2019 subject to certain conditions. The Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated Minimum Alternative Tax ("MAT"). However, the Company has re-measured the deferred tax assets / liability that is expected to reverse on exercising the option on the future date as per Ind AS 12 'Income Taxes' and thus, reversal of net deferred tax liability of Rs 8 Crores had been recognised during the previous financial year.
- (5) The Company has considered the possible risk that may result from the pandemic relating to COVID-19 and expects to recover the carrying amount of all its assets including inventories, receivable, investments and other financial and non-financial assets in the ordinary course of business based on the internal and external information available upto the date of approval of these standalone financial results. The Company is continuously monitoring for any material changes in future economic conditions.
- (6) Earnings per share is not annualised for the quarter ended 31 December 2021, 30 September 2021, 31 December 2020, nine months ended 31 December 2021 and 31 December 2020.
- (7) The carbon black expansion project, which had started commercial production in the 4th quarter of 2019-20, was set up under an EPC contract executed by a related party, as approved by the Board of Directors and the shareholders. The Company has subsequently received final additional claim of Rs 53.02 crores from the EPC contractor for enhancements/additional work which have not been considered in the books of account. Further, the Company has issued final purchase/job orders amounting to Rs 22.32 crores to various third-party contractors for certain works, out of which Rs 14.83 crores have been paid and accounted for. Some of the directors, vide a letter in August 2020, had raised certain concerns to the audit committee and the members of the Board regarding adherence to the due process, compliance with applicable laws relating to transactions with related parties etc., justification for the additional work awarded to the EPC contractor / third party contractors. The Board of Directors, in its meeting held on 22 October 2020, decided to appoint an independent engineering firm and a financial firm to conduct a technical reconciliation and financial reconciliation respectively for examining the justification of these additional claims and purchase/job orders. Subsequently, the Company has received the final report of the independent engineering firm, dated 20 May 2021 as per which there is some overlap in the scope of the original EPC contract, additional work (not covered under the original scope of work) executed by EPC contractor and new contracts awarded to the contractors. The findings of this report were discussed and taken on record by the Audit Committee in its meeting held on 10 June 2021 and the Board of Directors of the Company in its meetings held on 10 June and 22 June 2021. Another letter by the directors who had raised concerns earlier, has been received by the Audit Committee and the Board on 10 June 2021 containing observations/ reservations on various matters relating to the project including findings of the independent engineering firm and the same were deliberated and discussed in Board meeting held on 10 June and 22 June 2021. Post receipt and consideration of the technical report, pursuant to its earlier decision of 22 October 2020, the Board of Directors, in its meeting held on 22 June 2021, has approved the appointment of an independent financial firm to carry out the financial reconciliation. The process of reconciling the final value of the claims and the purchase/job orders issued is still in progress. Final accounting for these claims and the above purchase/job orders, would be after receipt of the report of the independent financial firm (considering both the reports in tandem). The Company has received multiple emails from National Stock Exchange of India Ltd (NSE), and Securities and Exchange Board of India (SEBI) seeking clarification from the Company regarding a complaint filed by one of the Independent Director of the Company alleging certain irregularities relating to inter-alia the above stated EPC contract, insider trading provisions, compliance with laws and regulations relating to related party transactions, etc. Further, NSE has sought information on certain additional related party transactions. The Company has submitted its response to NSE and an initial reply to SEBI and is in the process of submitting a detailed reply to SEBI. The management based on initial assessment, believes that the above complaints are not tenable. The auditors have qualified their review report in respect of the above matters. The Company has also received a notice of a dispute between the promoter shareholders/ promoter directors' which is yet to be adjudicated.
- (8) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the current quarter and nine months ended 31 December 2021.

Place: Kolkata
Date: 11 February 2022



On behalf of the Board of Directors
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Date: 2022.02.11 18:09:45 +05'30'

Anurag Choudhary
Managing Director & CEO
DIN: 00173914

B S R & Co. LLP

Chartered Accountants

Unit No. 603, 6th Floor, Tower 1,
Plot No. 5, Block – DP, Godrej Waterside,
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Limited Review Report on unaudited standalone financial results of Himadri Speciality Chemical Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Himadri Speciality Chemical Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Himadri Speciality Chemical Limited ("the Company") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement").
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Our responsibility is to issue a report on the Statement based on our review.
3. 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 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. We draw attention to note 7 to the standalone financial results of the Company for the quarter ended 31 December 2021 which explains in detail that, as at the quarter end date, pending reconciliation by an independent financial firm specifically appointed for this purpose, and the consequent approval of the Board of Directors, the final additional claim of Rs 53.02 crores made by the EPC contractor, a related party, for implementing the Carbon Black expansion project, has not been accounted for in the books of account. Further, purchase/job orders issued amounting to Rs 22.32 crores to various third-party contractors for certain works relating to project have been partly paid and accounted for. The Board of Directors, in its meeting held on 22 October 2020, decided to appoint an independent engineering firm and a financial firm to conduct a technical reconciliation and financial reconciliation respectively for examining the justification of these additional claims and purchase/job orders. Subsequently, the Company has received the final report of the independent engineering firm, dated 20 May 2021 as per which there is some overlap in the scope of the original EPC contract, additional work executed by EPC contractor and new contracts awarded to the contractors. The findings of this report were discussed and taken on record by the Audit Committee in its meeting held on 10 June 2021. Further, some of the directors have also raised certain concerns with respect to the above to the audit committee and the Board at various dates regarding the adherence to due process, compliance with applicable laws relating to transactions with related parties, justification for the additional work awarded to the contractors, findings of the independent engineering firm etc. Thereafter the Board at its meeting held on 22 June 2021 has taken the findings of the technical report of the independent engineering firm on record and approved the appointment and subsequently appointed an independent financial firm to carry out financial reconciliation arising out of the observations of the technical report. The process of reconciling the final value of the claims and the purchase/job orders issued is still in progress. Final accounting for these claims and the above purchase/job orders, would be after receipt of the report of the independent financial firm (considering both the reports in tandem). The Company has received multiple emails from National Stock



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B S R & Co. LLP

Exchange of India Ltd (NSE) and Securities and Exchange Board of India (SEBI) seeking clarification from the Company regarding a complaint filed by one of the Independent Director of the Company alleging certain irregularities relating to inter-alia the above stated EPC contract, insider trading provisions, compliance with laws and regulations relating to related party transactions, etc. Further, NSE has sought information on certain additional related party transactions. The Company has submitted its response to NSE and an initial reply to SEBI and is in the process of submitting a detailed reply to SEBI. The management based on initial assessment, believes that the above complaints are not tenable.

The above matters also have implications on related financial transactions, internal controls and compliance with laws and regulations relating to related party transactions. The Company has also received a notice of a dispute between the promoter shareholders'/ promoter directors' which is yet to be adjudicated. In view of the above, we are unable to determine whether any adjustments are required and its consequential impact, on these financial results. Some of the matters stated above were also the subject matter of qualification in our audit report on the annual financial results for the year ended 31 March 2021 and review report on financial results for the quarters ended 30 June 2021 and 30 September 2021

5. Based on our review conducted as above , except for the possible effects of the matters as described under para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Seema Mohnot

Seema Mohnot
Partner

Membership No.: 060715
UDIN:22060715ABJZYC2549

Kolkata
11 February 2022





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(Rs. in Crores)

Statement of Unaudited Consolidated Financial Results for the Quarter and Nine Months Ended 31 December 2021							
Sr. No.	Particulars	Three months ended 31.12.2021	Previous Three months ended 30.09.2021	Corresponding Three months ended 31.12.2020 in the previous year	Year to date figures for the current period ended 31.12.2021	Year to date figures for the previous period ended 31.12.2020	Previous year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Income						
	(a) Revenue from Operations	772.49	645.29	466.81	1,957.53	1,113.92	1,679.46
	(b) Other Income	4.16	2.52	4.13	5.33	11.87	14.05
	Total Income	776.65	647.81	470.94	1,962.86	1,125.79	1,693.51
2.	Expenses						
	(a) Cost of materials consumed	711.06	535.68	316.15	1,711.14	723.74	1,082.09
	(b) Changes in inventories of finished goods and work-in-progress	(80.14)	(19.01)	23.13	(139.59)	81.33	151.83
	(c) Employee benefits expense	20.19	21.91	18.84	60.10	56.32	76.11
	(d) Finance costs	8.86	7.79	6.77	24.54	26.33	33.43
	(e) Depreciation and amortisation expense	12.15	12.08	11.72	36.25	35.03	46.97
	(f) Other expenses	77.24	77.07	67.90	213.50	162.78	238.51
	Total Expenses	749.36	635.52	444.51	1,905.94	1,085.53	1,628.94
3.	Profit before exceptional items and tax (1-2)	27.29	12.29	26.43	56.92	40.26	64.57
4.	Exceptional Items	-	-	-	-	-	-
5.	Profit before tax (3+4)	27.29	12.29	26.43	56.92	40.26	64.57
6.	Tax expense						
	(a) Current tax	3.38	2.54	5.30	9.17	7.47	11.84
	(b) Deferred tax	(0.39)	0.39	4.71	(0.36)	8.33	5.46
	Total tax expense	2.99	2.93	10.01	8.81	15.80	17.30
7.	Net Profit after tax (5-6)	24.30	9.36	16.42	48.11	24.46	47.27
8.	Other Comprehensive Income						
	Items that will not be reclassified subsequently to profit or loss	(8.98)	(7.99)	(14.87)	5.27	22.10	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	2.08	1.85	3.19	(1.17)	(4.82)	(4.37)
	Items that will be reclassified subsequently to profit or loss	(2.37)	(0.11)	2.75	0.35	3.29	1.15
	Income-tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income (net of tax)	(9.27)	(6.25)	(8.93)	4.45	20.57	16.72
9.	Total Comprehensive Income for the period/ year (comprising Net Profit after tax and other comprehensive income for the period/ year) (7+8)	15.03	3.11	7.49	52.56	45.03	63.99
10.	Profit attributable to						
	(a) Owners of the Company	24.33	9.41	16.48	48.25	24.64	47.48
	(b) Non-controlling interests	(0.03)	(0.05)	(0.06)	(0.14)	(0.18)	(0.21)
11.	Other comprehensive income attributable to						
	(a) Owners of the Company	(9.25)	(6.25)	(8.91)	4.49	20.60	16.75
	(b) Non-controlling interests	(0.02)	-	(0.02)	(0.04)	(0.03)	(0.03)
12.	Total comprehensive income attributable to						
	(a) Owners of the Company	15.08	3.16	7.57	52.74	45.24	64.23
	(b) Non-controlling interests	(0.05)	(0.05)	(0.08)	(0.18)	(0.21)	(0.24)
13.	Paid-up equity share capital (Face value Re. 1 each)	41.90	41.90	41.88	41.90	41.88	41.90
14.	Other Equity						1,751.01
15.	Earnings per equity share (of Re. 1 each) (refer note 7)						
	(a) Basic (Rs.)	0.58	0.22	0.39	1.15	0.58	1.13
	(b) Diluted (Rs.)	0.58	0.22	0.39	1.15	0.58	1.13



Anurag Choudhary

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Consolidated Segment wise Revenue, Results, Assets and Liabilities							
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		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Segment Revenue						
	(a) Carbon materials and chemicals	767.54	640.26	463.82	1,944.27	1,106.11	1,668.65
	(b) Power	26.46	27.41	22.58	77.07	53.70	75.65
	Total segment revenue (a + b)	794.00	667.67	486.40	2,021.34	1,159.81	1,744.30
	Less: Inter segment revenue	21.51	22.38	19.59	63.81	45.89	64.84
	Total Revenue from Operations	772.49	645.29	466.81	1,957.53	1,113.92	1,679.46
2.	Segment Results						
	(a) Carbon materials and chemicals	7.86	(4.10)	8.71	6.54	6.36	15.83
	(b) Power	24.13	25.08	20.35	70.33	48.35	68.12
	Total segment profit before interest, tax and unallocable items (a + b)	31.99	20.98	29.06	76.87	54.71	83.95
	Add/ (Less):						
	(a) Finance costs	(8.86)	(7.79)	(6.77)	(24.54)	(26.33)	(33.43)
	(b) Other unallocable expenses net of unallocable income *	4.16	(0.90)	4.14	4.59	11.88	14.05
	Total Profit before tax	27.29	12.29	26.43	56.92	40.26	64.57
3.	Segment Assets						
	(a) Carbon materials and chemicals	3,046.53	2,743.58	2,423.26	3,046.53	2,423.26	2,511.33
	(b) Power	51.42	51.29	50.66	51.42	50.66	49.49
	(c) Unallocated	188.53	276.22	189.63	188.53	189.63	230.35
	Total assets	3,286.48	3,071.09	2,663.55	3,286.48	2,663.55	2,791.17
4.	Segment Liabilities						
	(a) Carbon materials and chemicals	639.81	505.41	201.36	639.81	201.36	214.44
	(b) Power	2.81	2.29	1.41	2.81	1.41	1.57
	(c) Unallocated	805.06	739.70	687.95	805.06	687.95	782.94
	Total liabilities	1,447.68	1,247.40	890.72	1,447.68	890.72	998.95

* includes other income, foreign exchange loss/ (gain) (net) fully unallocable



Anurag Choudhary
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HIMADRI SPECIALITY CHEMICAL LIMITED

Registered Office: 23A Netaji Subhas Road
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Corporate Identity Number: L27106WB1987PLC042756
Phone: (033)2230-9953, Fax: (033)2230-9051
Email: info@himadri.com, Website: www.himadri.com

NOTES:-

- (1) The above unaudited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 11 February 2022. A Limited Review of these consolidated financial results for the quarter and nine months ended 31 December 2021 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.
- (2) Other expenses includes foreign exchange fluctuation loss (net) of Rs 3.42 crores for the quarter ended 30 September 2021 and Re 0.74 crore for the nine months ended 31 December 2021, and other income includes foreign exchange fluctuation gain (net) of Rs 2.57 crores for the quarter ended 31 December 2021, Rs 2.51 crores for the quarter ended 31 December 2020, Rs 5.97 crores for the nine months ended 31 December 2020 and Rs 5.21 crores for the year ended 31 March 2021, on consolidated basis.
- (3) Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Group's business activity falls within two operating segments, namely:
 - (a) Carbon materials and chemicals, and
 - (b) Power
- (4) The consolidated financial results are prepared in accordance with the principles and procedures for the preparation and presentation of consolidated financial results as set out in Ind AS 110 'Consolidated Financial Statements' notified by Ministry of Corporate Affairs. The consolidated financial results of Himadri Speciality Chemical Limited (the Holding Company or the Parent), include its subsidiaries, namely AAT Global Limited and Shandong Dawn Himadri Chemical Industry Limited (the Holding Company or the Parent and its subsidiaries together referred to as the 'Group'), combined on a line-by-line basis by adding together the book values of like items of asset and liabilities, income and expenses eliminating intra-group balances and transactions and resulting unrealised gains/ (losses). The consolidated financial results are prepared applying uniform accounting policies on all material items.
- (5) Section 115 BAA of the Income-tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income-tax at reduced rate with effect from financial year commencing 1 April 2019 subject to certain conditions. The Holding Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated Minimum Alternative Tax ('MAT'). However, the Holding Company has re-measured the deferred tax assets / liability that is expected to reverse on exercising the option on the future date as per Ind AS 12 'Income Taxes' and thus, reversal of net deferred tax liability of Rs 8 Crores had been recognised during the previous financial year.
- (6) The Group has considered the possible risk that may result from the pandemic relating to COVID-19 and expects to recover the carrying amount to all its assets including inventories, receivable, investments and other financial and non-financial assets in the ordinary course of business based on the internal and external information available upto the date of approval of these consolidated financial results. The Group is continuously monitoring for any material changes in future economic conditions.
- (7) Earnings per share is not annualised for the quarter ended 31 December 2021, 30 September 2021, 31 December 2020, nine months ended 31 December 2021 and 31 December 2020.
- (8) The carbon black expansion project, which had started commercial production in the 4th quarter of 2019-20, was set up under an EPC contract executed by a related party, as approved by the Holding Company's Board of Directors and the shareholders. The Holding Company has subsequently received final additional claim of Rs 53.02 crores from the EPC contractor for enhancements/additional work which have not been considered in the books of account. Further, the Holding Company has issued final purchase/job orders amounting to Rs 22.32 crores to various third-party contractors for certain works, out of which Rs 14.83 crores have been paid and accounted for. Some of the directors, vide a letter in August 2020, had raised certain concerns to the audit committee of the Holding Company and the members of the Holding Company's Board regarding adherence to the due process, compliance with applicable laws relating to transactions with related parties etc., justification for the additional work awarded to the EPC contractor / third party contractors. The Holding Company's Board of Directors, in its meeting held on 22 October 2020, decided to appoint an independent engineering firm and a financial firm to conduct a technical reconciliation and financial reconciliation respectively for examining the justification of these additional claims and purchase/job orders. Subsequently, the Holding Company has received the final report of the independent engineering firm, dated 20 May 2021 as per which there is some overlap in the scope of the original EPC contract, additional work (not covered under the original scope of work) executed by EPC contractor and new contracts awarded to the contractors. The findings of this report were discussed and taken on record by the Audit Committee of the Holding Company in its meeting held on 10 June 2021 and the Board of Directors of the Holding Company in its meetings held on 10 June and 22 June 2021. Another letter by the directors who had raised concerns earlier, has been received by the Audit Committee of the Holding Company and the Board on 10 June 2021 containing observations/ reservations on various matters relating to the project including findings of the independent engineering firm and the same were deliberated and discussed in Board meeting held on 10 June and 22 June 2021. Post receipt and consideration of the technical report, pursuant to its earlier decision of 22 October 2020, the Board of Directors, in its meeting held on 22 June 2021, has approved the appointment of an independent financial firm to carry out the financial reconciliation. The process of reconciling the final value of the claims and the purchase/job orders issued is still in progress. Final accounting for these claims and the above purchase/job orders would be after receipt of the report of the independent financial firm (considering both the reports in tandem).
The Holding Company has received multiple emails from National Stock Exchange of India Ltd (NSE), and Securities and Exchange Board of India (SEBI) seeking clarification from the Holding Company regarding a complaint filed by one of the Independent Director of the Holding Company alleging certain irregularities relating to inter-alia the above stated EPC contract, insider trading provisions, compliance with laws and regulations relating to related party transactions, etc. Further, NSE has sought information on certain additional related party transactions. The Holding Company has submitted its response to NSE and an initial reply to SEBI and is in the process of submitting a detailed reply to SEBI. The management based on initial assessment, believes that the above complaints are not tenable. The auditors have qualified their review report in respect of the above matters. The Holding Company has also received a notice of a dispute between the promoter shareholders/ promoter directors' which is yet to be adjudicated.
- (9) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter and nine months ended 31 December 2021.

Place: Kolkata
Date: 11 February 2022



On behalf of the Board of Directors
Anurag Choudhary Digitally signed by Anurag Choudhary
Date: 2022.02.11 18:07:31 +05'30'
Anurag Choudhary
Managing Director & CEO
DIN: 00173934

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Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Himadri Speciality Chemical Limited for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Himadri Speciality Chemical Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Himadri Speciality Chemical Limited ("the Parent"), and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
 - a. AAT Global Limited (AAT) (wholly owned subsidiary of the Holding Company)
 - b. Shandong Dawn Himadri Chemical Industry Limited (SDHCIL) (subsidiary of AAT)
5. We draw attention to note 8 to these consolidated financial results for the quarter ended 31 December 2021 which explains in detail that, as at the quarter end date, pending reconciliation by an independent financial firm specifically appointed for this purpose, and the consequent approval of the Board of Directors, the final additional claim of Rs 53.02 crores made by the EPC contractor, a related party, for implementing the Carbon Black expansion project, has not been accounted for in the books of account of the Parent Company. Further, purchase/job orders issued amounting to Rs 22.32 crores to various third-party contractors for certain works relating to project have been partly paid and accounted for. The Board of Directors of the Parent Company, in its meeting held on 22 October 2020, decided to appoint an independent engineering firm and a financial firm to conduct a technical reconciliation and financial reconciliation respectively for examining the justification of these additional claims and purchase/job orders. Subsequently, the Parent Company has received the final report of the independent engineering firm, dated 20 May 2021 as per which there is some overlap in the scope of the original EPC contract, additional work executed by EPC contractor and new contracts awarded to the contractors. The findings of this report were discussed and taken on record by the Audit



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Committee of the Parent Company in its meeting held on 10 June 2021. Further, some of the directors of the Parent Company have also raised certain concerns with respect to the above to the audit committee and the Board of the Parent Company at various dates regarding the adherence to due process, compliance with applicable laws relating to transactions with related parties, justification for the additional work awarded to the contractors, findings of the independent engineering firm etc. Thereafter the Parent Company's Board at its meeting held on 22 June 2021 has taken the findings of the technical report of the independent engineering firm on record and approved the appointment and subsequently appointed an independent financial firm to carry out financial reconciliation arising out of the observations of the technical report. The process of reconciling the final value of the claims and the purchase/job orders issued is still in progress. Final accounting for these claims and the above purchase/job orders, would be after receipt of the report of the independent financial firm (considering both the reports in tandem). The Parent Company has received multiple emails from National Stock Exchange of India Ltd (NSE) and Securities and Exchange Board of India (SEBI) seeking clarification from the Parent Company regarding a complaint filed by one of the Independent Director of the Parent Company alleging certain irregularities relating to inter-alia the above stated EPC contract, insider trading provisions, compliance with laws and regulations relating to related party transactions, etc. Further, NSE has sought information on certain additional related party transactions. The Parent Company has submitted its response to NSE and an initial reply to SEBI and is in the process of submitting a detailed reply to SEBI. The management based on initial assessment, believes that the above complaints are not tenable.

The above matters also have implications on related financial transactions, internal controls and compliance with laws and regulations relating to related party transactions. The Parent Company has also received a notice of a dispute between the promoter shareholders'/ promoter directors' which is yet to be adjudicated. In view of the above, we are unable to determine whether any adjustments are required and its consequential impact, on these financial results. Some of the matters stated above were also the subject matter of qualification in our audit report on the annual financial results for the year ended 31 March 2021 and review report on financial results for the quarters ended 30 June 2021 and 30 September 2021.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, except for the possible effects of the matters as described under para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We did not review the interim financial financial information of 2 Subsidiaries included in the Statement, whose interim financial financial information reflects total revenues of Rs. 340.83 crores and Rs. 672.40 crores, total net profit after tax of Rs. 0.79 crores and Rs. 4.07 crores and total comprehensive income of Rs. 0.79 crores and Rs. 4.07 crores, for the quarter ended 31 December 2021 and for the period from 1 April 2021 to 31 December 2021 respectively, as considered in the unaudited consolidated financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion is not modified in respect of this matter.



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8. These subsidiaries are located outside India whose interim financial information and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the interim financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Parent and reviewed by us.

Our conclusion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Seema Mohnot

Seema Mohnot
Partner

Membership No.: 060715
UDIN:22060715ABKBAY8925

Kolkata
11 February 2022

