



Ref. No: HSCL / Stock-Ex/2022-23/34

Date: 21/07/2022

E-mail: monika@himadri.com

Ref: Listing Code: 500184 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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Outcome of Board Meeting held on 21.07.2022 - pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

We refer to our letter dated 14th July, 2022 intimating about the meeting of the Board of Directors of the Company ("the Board") scheduled to be held on Thursday, the 21st July 2022 *inter-alia* to consider, approve and take on record the Audited Standalone and Consolidated Financial Results for the quarter and financial year ended 31st March, 2022 and to recommend payment of Dividend for the Financial Year ended 31st March 2022.

We would like to inform you that the Board at its' meeting held today i.e. on 21st July 2022, *inter-alia* has considered and approved the following:

1. Appointment of Mr. Anurag Choudhary (DIN: 00173934), Managing Director & CEO as the Chairman of the Board of Directors of the Company:

This is to inform you that the Board at its' meeting held today i.e., on 21st July 2022, *inter-alia* has considered and approved the appointment of Mr. Anurag Choudhary (DIN: 00173934), Managing Director & CEO, as the Chairman of the Board of Directors of the Company with immediate effect i.e., effective from today's meeting.

2. Audited Financial Results (Standalone & Consolidated) for the quarter and year ended 31 March 2022.

We are enclosing herewith the following pursuant to Regulation 30 and 33 read with the applicable provisions of Schedule III and IV of the SEBI (LODR) Regulations, 2015:

Audited Financial Results

- i) Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended 31 March 2022 along with Auditors Report thereon;
- ii) Statement of Assets and Liabilities (Standalone & Consolidated) for the financial year ended 31 March 2022;

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





- iii) Audited Cash Flow Statement (Standalone & Consolidated) for the financial year ended 31 March 2022;
- iv) Declaration of Managing Director & CEO on Audit Reports with unmodified opinion pursuant to Regulation 33(3) (d) of SEBI (LODR) Regulations, 2015.

3. Declaration of Dividend

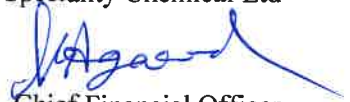
The Board has recommended to the shareholders a final dividend of Re. 0.20 per equity share of Re 1 each (i.e. 20% of face value of equity share) for the Financial Year 2021-22;

The Meeting of the Board of Directors commenced at 1:00 pm and concluded at 8.00 pm.

We request you to kindly take on record the same.



Yours faithfully,
For Himadri Speciality Chemical Ltd


Chief Financial Officer

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B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Himadri Speciality Chemical Limited Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Himadri Speciality Chemical Limited (hereinafter referred to as the "Company") for the year ended 31 March 2022, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Emphasis of Matter

We draw attention to Note 11 to the standalone annual financial results which describes accounting relating to claim under EPC contract, responses to the inquiries received 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 said EPC contract and compliance with laws and regulations relating to related party transactions, etc. The note further explains that the Complainant, subsequent to the year ended 31 March 2022, has written back to NSE and SEBI that he has been satisfactorily provided with the necessary explanations and clarifications by the Company and therefore has withdrawn his complaint. There is no regulatory action from NSE and SEBI yet in this regard. Pending final response from NSE and SEBI, if any, the outcome of the complaint filed against the Company by the complainant cannot be determined currently. Further, the Company had received a notice in the current year from an adjudicating authority of a dispute between the promoter shareholders/ promoter directors which has been subsequently withdrawn by the petitioner.

Our opinion is not modified in respect of this matter.



B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (*Continued*)

Himadri Speciality Chemical Limited

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial



Independent Auditor's Report (Continued)
Himadri Speciality Chemical Limited

results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Seema Mohnot

Seema Mohnot

Partner

Membership No.: 060715

UDIN:22060715ANJKGL9859

Kolkata

21 July 2022





Himadri

HIMADRI SPECIALITY CHEMICAL LIMITED
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(Rs. in Crores)

Statement of Audited Standalone Financial Results for the Quarter and Year Ended 31 March 2022						
Sr. No.	Particulars	Three months ended 31.03.2022	Previous Three months ended 31 12 2021	Corresponding Three months ended 31 03 2021 in the previous year	Year ended 31.03.2022	Previous year ended 31 03 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Income					
	(a) Revenue from Operations	833.79	772.49	565.54	2,791.31	1,679.46
	(b) Other Income	1.90	3.78	2.93	7.22	13.83
	Total Income	835.69	776.27	568.47	2,798.53	1,693.29
2.	Expenses					
	(a) Cost of materials consumed	672.95	719.76	359.62	2,391.80	1,156.46
	(b) Changes in inventories of finished goods and work-in-progress	(2.19)	(80.14)	70.82	(141.78)	83.62
	(c) Employee benefits expense	20.50	20.03	19.66	80.16	75.51
	(d) Finance costs	11.04	8.68	7.06	35.04	33.21
	(e) Depreciation and amortisation expense	12.55	11.41	11.26	46.63	44.22
	(f) Other expenses	94.04	77.12	75.82	307.21	236.29
	Total Expenses	808.89	756.86	544.24	2,719.06	1,629.31
3.	Profit before exceptional items and tax (1-2)	26.80	19.41	24.23	79.47	63.98
4.	Exceptional Items	-	-	-	-	-
5.	Profit before tax (3+4)	26.80	19.41	24.23	79.47	63.98
6.	Tax expense					
	(a) Current tax	4.71	3.38	4.37	13.89	11.84
	(b) Deferred tax	0.88	(0.39)	(2.87)	0.52	5.46
	Total tax expense	5.59	2.99	1.50	14.41	17.30
7.	Net Profit after tax (5-6)	21.21	16.42	22.73	65.06	46.68
8.	Other Comprehensive Income					
	Items that will not be reclassified subsequently to profit or loss	42.01	(8.98)	(2.16)	47.28	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	(9.69)	2.08	0.45	(10.86)	(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)	32.32	(6.90)	(1.71)	36.42	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)	53.53	9.52	21.02	101.48	62.25
10.	Paid-up equity share capital (Face value Re. 1 each)	41.90	41.90	41.90	41.90	41.90
11.	Other Equity				1,761.88	1,666.38
12.	Earnings per equity share (of Re. 1 each) (refer note 10)					
	(a) Basic (Rs.)	0.50	0.39	0.54	1.55	1.11
	(b) Diluted (Rs.)	0.50	0.39	0.54	1.55	1.11



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(Rs. in Crores)

Standalone Segment wise Revenue, Results, Assets and Liabilities						
Sr. No.	Particulars	Three months ended 31.03.2022	Previous Three months ended 31.12.2021	Corresponding Three months ended 31.03.2021 in the previous year	Year ended 31.03.2022	Previous year ended 31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Segment Revenue					
	(a) Carbon materials and chemicals	829.62	767.54	562.54	2,773.88	1,668.65
	(b) Power	23.71	26.46	21.95	100.78	75.65
	Total segment revenue (a + b)	853.33	794.00	584.49	2,874.66	1,744.30
	Less: Inter segment revenue	19.54	21.51	18.95	83.35	64.84
	Total Revenue from Operations	833.79	772.49	565.54	2,791.31	1,679.46
2.	Segment Results					
	(a) Carbon materials and chemicals	21.86	0.18	9.78	24.40	15.24
	(b) Power	20.23	24.13	19.77	90.56	68.12
	Total segment profit before interest, tax and unallocable items (a + b)	42.09	24.31	29.55	114.96	83.36
	Add/ (Less):					
	(a) Finance costs	(11.04)	(8.68)	(7.06)	(35.04)	(33.21)
	(b) Other unallocable expenses net of unallocable income *	(4.25)	3.78	1.74	(0.45)	13.83
	Total Profit before tax	26.80	19.41	24.23	79.47	63.98
3.	Segment Assets					
	(a) Carbon materials and chemicals	2,861.57	2,927.31	2,420.59	2,861.57	2,420.59
	(b) Power	117.15	51.42	49.49	117.15	49.49
	(c) Unallocated	404.66	184.28	227.91	404.66	227.91
	Total assets	3,383.38	3,163.01	2,697.99	3,383.38	2,697.99
4.	Segment Liabilities					
	(a) Carbon materials and chemicals	909.85	604.91	205.20	909.85	205.20
	(b) Power	3.23	2.81	1.57	3.23	1.57
	(c) Unallocated	666.52	805.06	782.94	666.52	782.94
	Total liabilities	1,579.60	1,412.78	989.71	1,579.60	989.71

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



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(Rs. in Crores)

Sr. No.	Particulars	As at	As at
		31.03.2022	31.03.2021
		(Audited)	(Audited)
A	ASSETS		
1.	Non-current assets		
	(a) Property, plant and equipment	1,456.38	1,352.30
	(b) Capital work-in-progress	76.55	159.61
	(c) Right of use assets	23.28	26.70
	(d) Intangible assets	0.67	1.31
	(e) Financial assets		
	(i) Investments	113.32	66.05
	(ii) Loans	1.00	1.00
	(iii) Trade receivables	10.04	10.04
	(iv) Other financial assets	19.22	17.19
	(f) Non-current tax assets (net)	7.37	4.00
	(g) Other non-current assets	12.67	18.11
	Total non-current assets	1,720.50	1,656.31
2.	Current assets		
	(a) Inventories	772.40	334.82
	(b) Financial assets		
	(i) Trade receivables	505.03	461.45
	(ii) Cash and cash equivalents	171.29	50.28
	(iii) Bank balances other than cash and cash equivalents	91.63	84.99
	(iv) Loans	1.71	1.42
	(v) Other financial assets	12.57	12.58
	(c) Other current assets	108.25	96.14
	Total current assets	1,662.88	1,041.68
	TOTAL ASSETS	3,383.38	2,697.99
B	EQUITY AND LIABILITIES		
1.	EQUITY		
	(a) Equity share capital	41.90	41.90
	(b) Other equity	1,761.88	1,666.38
	Total Equity	1,803.78	1,708.28
2.	LIABILITIES		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	93.17	84.39
	(ii) Lease liabilities	1.60	2.63
	(iii) Other financial liabilities	0.26	0.26
	(b) Provisions	4.33	4.18
	(c) Deferred tax liabilities (net)	73.16	61.79
	Total non-current liabilities	172.52	153.25
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	485.21	634.70
	(ii) Lease liabilities	1.89	2.19
	(iii) Trade payables		
	total outstanding dues of micro enterprises and small enterprises	0.89	1.84
	total outstanding dues of creditors other than micro enterprises and small enterprises	773.39	147.18
	(iv) Derivatives	11.30	-
	(v) Other financial liabilities	63.05	24.85
	(b) Other current liabilities	69.74	24.08
	(c) Provisions	1.61	1.62
	Total current liabilities	1,407.08	836.46
	TOTAL EQUITY AND LIABILITIES	3,383.38	2,697.99



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NOTES:-

(Rs. in Crores)

(1) STANDALONE STATEMENT OF CASH FLOWS		For the year ended 31.03.2022	For the year ended 31.03.2021
Particulars		(Audited)	(Audited)
A	Cash flows from operating activities		
	Net profit before tax	79.47	63.98
	Adjustments for:		
	Depreciation and amortisation expense	46.63	44.22
	Share based payments - Equity settled	0.30	0.51
	Finance costs	35.04	33.21
	Interest income	(1.26)	(2.87)
	Net gain on sale of current investments carried at FVTPL	-	(0.09)
	Loss allowance for doubtful trade receivables	-	3.00
	Unrealised foreign exchange fluctuation losses, net	18.01	4.62
	Loss (net) on sale of property, plant and equipment	0.08	-
	Cash generated from operations before working capital changes	98.80	82.60
	Operating cash flows before working capital changes	178.27	146.58
	Movement in working capital:		
(Increase) in inventories	(437.58)	(3.32)	
(Increase) in trade receivables	(42.56)	(166.35)	
(Increase)/ Decrease in financial and other assets	(14.69)	37.56	
Increase/ (Decrease) in trade payables	615.75	(63.91)	
Increase in financial liabilities (net)	2.17	10.83	
Increase in other liabilities and provisions (net)	-45.80	12.96	
	168.89	(172.23)	
Cash generated/ (used in) from operations	347.16	(25.65)	
Taxes paid	(17.26)	(13.60)	
Net cash generated/ (used in) from operating activities	329.90	(39.25)	
B	Cash flows from investing activities		
	Purchase of property, plant and equipment	(23.16)	(34.91)
	Proceeds from sale of property, plant and equipment	0.07	0.01
	Purchase of intangible assets	-	(0.13)
	Interest income received	1.47	1.93
	Sale of current investments	-	115.69
	Purchase of current investments	-	(115.60)
	Redemption of bank deposits (having maturity of more than 3 months)	86.66	153.56
Investment in bank deposits (having maturity of more than 3 months)	(93.27)	(234.01)	
Net cash (used in) investing activities	(28.23)	(113.46)	
C	Cash flows from financing activities		
	Proceeds from allotment of equity share under employee stock options	-	0.30
	Proceeds from non-current borrowings	50.27	129.03
	Repayment of non-current borrowings	(43.02)	(194.72)
	Proceeds from/ (Repayment of) current borrowings (net)	(150.55)	278.88
	Interest paid	(30.78)	(36.14)
	Payment of lease liabilities (principal portion)	(1.95)	(0.76)
	Payment of lease liabilities (interest portion)	(0.29)	(0.20)
	Net proceeds/ (Outflow) on settlement of derivative contracts	1.94	(4.55)
	Dividend paid	(6.28)	(6.28)
Net cash (used in)/ generated from financing activities	(180.66)	165.56	
Net increase in cash and cash equivalents (A+B+C)	121.01	12.85	
Cash and cash equivalents at the beginning of the year	50.28	37.44	
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)	-	(0.01)	
Cash and cash equivalents at the end of the year	171.29	50.28	

Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows"



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- (2) The above audited standalone results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 21 July 2022
- (3) Other expenses includes foreign exchange fluctuation loss (net) of Rs 6.15 crores for the quarter ended 31 March 2022, Rs 1.19 crores for the quarter ended 31 March 2021 and Rs 7.67 crores for the year ended 31 March 2022, and other income includes foreign exchange fluctuation gain (net) of Rs 2.20 crores for the quarter ended 31 December 2021 and Rs 4.99 crores for the year ended 31 March 2021, on standalone basis
- (4) 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
- (5) The Nomination and Remuneration Committee of the Company at its meeting held on 21 April 2022, has allotted 374,372 equity shares of Re 1 each to the option grantees pursuant to exercise of options under the Company's "Himadri Employee Stock Option Plan 2016". As a result of such allotment, the paid up equity share capital of the Company has increased from 418,965,278 equity shares to 419,339,650 equity shares of face value of Re 1 each. The above does not have an impact on the financial results as at and for the year ended 31 March 2022.
- (6) The standalone figures for the three months ended 31 March 2022 and the corresponding three months ended 31 March 2021 in the previous year as reported in these standalone financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date standalone figures up to the end of the nine months of the relevant financial year. Also the standalone figures up to the third quarter had only been reviewed and not subjected to audit.
- (7) The Board of Directors of the Company at its meeting held on 14 July 2022 has considered and approved issue upto 72,550,000 (Seven Crores Twenty Five Lakhs Fifty Thousand) warrants each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Company, having a face value of INR 1/- (Rupee one only) within the period of 18 (eighteen) months in accordance with the applicable laws ("Warrants") at a price of Rs 70.00/- (Rupees Seventy only) each (including the warrant subscription price and the warrant exercise price) aggregating upto Rs 5,078,500,000 (Rupees Five Hundred Seven Crores Eighty Five Lakhs Only) to the Promoter/ Promoter Group of the Company and certain identified non-promoter persons / entity by way of preferential issue subject to necessary approval of the members of the Company and other regulatory authorities, as may be applicable. The above does not have an impact on the financial results as at and for the year ended 31 March 2022.
- (8) 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.
- (9) The Board of Directors has recommended a dividend at the rate of Re 0.20 per equity share of Re 1 each (i.e. 20% of face value of equity share) aggregating to Rs 8.38 crores for the year ended 31 March 2022. The payment of dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company.
- (10) Earnings per share is not annualised for the quarter ended 31 March 2022, 31 December 2021 and 31 March 2021.
- (11) 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, during the year ended 31 March 2021 had received final additional claim of Rs 53.02 crores from the EPC contractor for enhancements/additional work which had not been considered in the books of account for the year then ended. Further, the Company had issued final purchase/job orders amounting to Rs 22.32 crores to various third-party contractors for certain works. 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, on which some of the directors had raised concerns. Subsequently, the Company had received the final technical report of the independent engineering firm, dated 20 May 2021 as per which there were some overlap in the scope of the original EPC contract, additional work (not covered under the original scope of work) executed by EPC contractor. 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. 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, had approved the appointment of an independent financial firm to carry out the financial reconciliation. 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. The Company has submitted its response to NSE and SEBI. There is no regulatory action from NSE and SEBI yet in this regard. The management is of the view that, as detailed response has been submitted to NSE and SEBI, this will not have any significant impact on the financial statements of the current or previous years of the Company. Subsequent to the year ended 31 March 2022, the Company has received the financial reconciliation report from the financial consultant. The Board of Directors and Audit committee has considered both the technical and the financial report in tandem and has approved a net additional claim of Rs 39.85 crores, subject to shareholders approval. Necessary accounting adjustments (including depreciation impact of Rs 1.00 crore) have been made in the financial statements for the current year as adjusting events post balance sheet date. Further, the Directors (including the Independent Director) who had earlier raised concerns relating to the above mentioned EPC contract, have written back to the Company and other relevant authorities (including NSE, SEBI etc.), that they have satisfactorily received necessary responses to all the queries / concerns raised over the past period and therefore have withdrawn their complaints and they do not wish to pursue the same any further. The management believes that with the withdrawal of complaint as well as providing adequate responses to the authorities, no further action is currently needed and is of the view that the above matters will not have any additional significant impact on the financial statements of the Company. The Company had also received a notice from an adjudicating authority of a dispute between the promoter shareholders/ promoter directors which has been subsequently withdrawn by the petitioner. The promoters shareholders / promoter directors have also entered into family settlement agreement to settle their disputes. The auditor had qualified their review report in earlier quarters in respect of the above matters which has since been resolved.
- (12) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter and year ended 31 March 2022.



On behalf of the Board of Directors

Anurag Choudhary
Chairman
DIN: 00173934

Place: Kolkata
Date: 21 July 2022



B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Himadri Speciality Chemical Limited Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Himadri Speciality Chemical Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the year ended 31 March 2022, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities
 1. AAT Global Limited (AAT) (wholly owned subsidiary of the Holding Company)
 2. Shandong Dawn Himadri Chemical Industry Limited (SDHCIL) (subsidiary of AAT)
- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of reports of the other auditors referred to in sub paragraph no. (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Emphasis of Matter

We draw attention to Note 12 to the consolidated annual financial results which describes accounting relating to claim under EPC contract, responses to the inquiries received 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 said EPC contract and compliance with laws and regulations relating to related party transactions, etc. The note further explains that the Complainant, subsequent to the year ended 31 March 2022, has written back to NSE and SEBI that he has been satisfactorily provided with the necessary explanations and clarifications by the Holding Company and therefore has withdrawn his complaint. There is no regulatory action from NSE and SEBI yet in this regard.



B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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Independent Auditor's Report (Continued)

Himadri Speciality Chemical Limited

Pending final response from NSE and SEBI, if any, the outcome of the complaint filed against the Holding Company by the complainant cannot be determined currently. Further, the Holding Company had received a notice in the current year from an adjudicating authority of a dispute between the promoter shareholders/promoter directors which has been subsequently withdrawn by the petitioner.

Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements



Independent Auditor's Report (Continued)

Himadri Speciality Chemical Limited

in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (a) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

Other Matters

- a. The consolidated annual financial results include the audited financial results of 2 subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 74.82 crores as at 31 March 2022, total revenue (before consolidation adjustments) of Rs. 751.78 crores and total net (loss) after tax (before consolidation adjustments) of Rs. 54.09 crores and net cash outflows (before consolidation adjustments) of Rs 2.80 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the



Independent Auditor's Report (Continued)
Himadri Speciality Chemical Limited

financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company'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 Holding Company and audited by us.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- b. The consolidated annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248WW-100022

Seema Mohnot

Seema Mohnot

Partner

Membership No.: 060715

UDIN:22060715ANJJQB6320

Kolkata

21 July 2022





HIMADRI SPECIALITY CHEMICAL LIMITED
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(Rs. in Crores)

Statement of Audited Consolidated Financial Results for the Quarter and Year Ended 31 March 2022						
Sr. No.	Particulars	Three months ended 31.03.2022	Previous Three months ended 31.12.2021	Corresponding Three months ended 31.03.2021 in the previous year	Year ended 31.03.2022	Previous year ended 31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Income					
	(a) Revenue from Operations	833.79	772.49	565.54	2,791.32	1,679.46
	(b) Other Income	1.89	4.16	2.94	7.22	14.05
	Total Income	835.68	776.65	568.48	2,798.54	1,693.51
2.	Expenses					
	(a) Cost of materials consumed	673.40	711.06	358.35	2,384.54	1,082.09
	(b) Changes in inventories of finished goods and work-in-progress	(0.09)	(80.14)	70.50	(139.68)	151.83
	(c) Employee benefits expense	20.67	20.19	19.79	80.77	76.11
	(d) Finance costs	11.08	8.86	7.10	35.62	33.43
	(e) Depreciation and amortisation expense	13.30	12.15	11.94	49.55	46.97
	(f) Other expenses	96.12	77.24	76.49	309.62	238.51
	Total Expenses	814.48	749.36	544.17	2,720.42	1,628.94
3.	Profit before exceptional items and tax (1-2)	21.20	27.29	24.31	78.12	64.57
4.	Exceptional Items *	(24.65)	-	-	(24.65)	-
5.	(Loss)/ Profit before tax (3+4)	(3.45)	27.29	24.31	53.47	64.57
6.	Tax expense					
	(a) Current tax	4.73	3.38	4.37	13.90	11.84
	(b) Deferred tax	0.88	(0.39)	(2.87)	0.52	5.46
	Total tax expense	5.61	2.99	1.50	14.42	17.30
7.	Net (Loss)/ Profit after tax (5-6)	(9.06)	24.30	22.81	39.05	47.27
8.	Other Comprehensive Income					
	Items that will not be reclassified subsequently to profit or loss	42.01	(8.98)	(2.16)	47.28	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	(9.69)	2.08	0.45	(10.86)	(4.37)
	Items that will be reclassified subsequently to profit or loss	2.88	(2.37)	(2.14)	3.23	1.15
	Income-tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income (net of tax)	35.20	(9.27)	(3.85)	39.65	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)	26.14	15.03	18.96	78.70	63.99
10.	Profit attributable to					
	(a) Owners of the Company	(7.31)	24.33	22.84	40.94	47.48
	(b) Non-controlling interests	(1.75)	(0.05)	(0.03)	(1.89)	(0.21)
11.	Other comprehensive income attributable to					
	(a) Owners of the Company	35.27	(9.25)	(3.85)	39.76	16.75
	(b) Non-controlling interests	(0.07)	(0.02)	-	(0.11)	(0.03)
12.	Total comprehensive income attributable to					
	(a) Owners of the Company	27.96	15.08	18.99	80.70	64.23
	(b) Non-controlling interests	(1.82)	(0.05)	(0.03)	(2.00)	(0.24)
13.	Paid-up equity share capital (Face value Re. 1 each)	41.90	41.90	41.90	41.90	41.90
14.	Other Equity				1,825.74	1,751.01
15.	Earnings per equity share (of Re. 1 each) (refer note 11)					
	(a) Basic (Rs)	(0.17)	0.58	0.55	0.98	1.13
	(b) Diluted (Rs)	(0.17)	0.58	0.55	0.98	1.13

* Represents impairment of Property, plant and equipment of step down subsidiary in China



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(Rs. in Crores)

Sr. No.	Particulars	Three months ended 31.03.2022	Previous Three months ended 31.12.2021	Corresponding Three months ended 31.03.2021 in the previous year	Year ended 31.03.2022	Previous year ended 31.03.2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1.	Segment Revenue					
	(a) Carbon materials and chemicals	829.62	767.54	562.54	2,773.89	1,668.65
	(b) Power	23.71	26.46	21.95	100.78	75.65
	Total segment revenue (a + b)	853.33	794.00	584.49	2,874.67	1,744.30
	Less: Inter segment revenue	19.54	21.51	18.95	83.35	64.84
	Total Revenue from Operations	833.79	772.49	565.54	2,791.32	1,679.46
2.	Segment Results					
	(a) Carbon materials and chemicals	16.23	7.86	9.47	22.77	15.83
	(b) Power	20.23	24.13	19.77	90.56	68.12
	Total segment profit before interest, tax and unallocable items (a + b)	36.46	31.99	29.24	113.33	83.95
	Add/ (Less):					
	(a) Finance costs	(11.08)	(8.86)	(7.10)	(35.62)	(33.43)
	(b) Other unallocable expenses net of unallocable income #	(28.83)	4.16	2.17	(24.24)	14.05
	Total (Loss)/ Profit before tax	(3.45)	27.29	24.31	53.47	64.57
3.	Segment Assets					
	(a) Carbon materials and chemicals	2,929.94	3,046.53	2,511.33	2,929.94	2,511.33
	(b) Power	117.15	51.42	49.49	117.15	49.49
	(c) Unallocated	406.74	188.53	230.35	406.74	230.35
	Total assets	3,453.83	3,286.48	2,791.17	3,453.83	2,791.17
4.	Segment Liabilities					
	(a) Carbon materials and chemicals	919.13	639.81	214.44	919.13	214.44
	(b) Power	3.23	2.81	1.57	3.23	1.57
	(c) Unallocated	666.52	805.06	782.94	666.52	782.94
	Total liabilities	1,588.88	1,447.68	998.95	1,588.88	998.95



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(Rs. in Crores)

Sr. No.	Particulars	As at	As at
		31.03.2022 (Audited)	31.03.2021 (Audited)
A	ASSETS		
1.	Non-current assets		
	(a) Property, plant and equipment	1,514.04	1,431.93
	(b) Capital work-in-progress	76.55	159.61
	(c) Right of use assets	30.82	34.51
	(d) Intangible assets	0.67	1.31
	(e) Financial assets		
	(i) Investments	113.32	66.05
	(ii) Loans	1.00	1.00
	(iii) Trade receivables	10.04	10.04
	(iv) Other financial assets	19.22	17.19
	(f) Non-current tax assets (net)	7.37	4.00
	(g) Other non-current assets	12.67	18.11
	Total non-current assets	1,785.70	1,743.75
2.	Current assets		
	(a) Inventories	771.51	339.40
	(b) Financial assets		
	(i) Trade receivables	505.03	461.45
	(ii) Cash and cash equivalents	173.38	52.72
	(iii) Bank balances other than cash and cash equivalents	91.63	84.99
	(iv) Loans	2.26	2.45
	(v) Other financial assets	12.57	12.58
	(c) Other current assets	111.75	93.83
	Total current assets	1,668.13	1,047.42
	TOTAL ASSETS	3,453.83	2,791.17
B	EQUITY AND LIABILITIES		
	EQUITY		
	(a) Equity share capital	41.90	41.90
	(b) Other equity	1,825.74	1,751.01
	Equity attributable to the owners of the Company	1,867.64	1,792.91
	Non-controlling interests	(2.69)	(0.69)
	Total Equity	1,864.95	1,792.22
	LIABILITIES		
1.	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	93.17	84.39
	(ii) Lease liabilities	5.59	7.06
	(iii) Other financial liabilities	0.26	0.26
	(b) Provisions	4.33	4.18
	(c) Deferred tax liabilities (net)	73.16	61.79
	Total non-current liabilities	176.51	157.68
2.	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	485.21	634.70
	(ii) Lease liabilities	2.82	3.06
	(iii) Trade payables		
	total outstanding dues of micro enterprises and small enterprises	0.89	1.84
	total outstanding dues of creditors other than micro enterprises and small enterprises	777.70	151.07
	(iv) Derivatives	11.30	-
	(v) Other financial liabilities	63.09	24.90
	(b) Other current liabilities	69.74	24.08
	(c) Provisions	1.61	1.62
	(d) Current tax liabilities (net)	0.01	-
	Total current liabilities	1,412.37	841.27
	TOTAL EQUITY AND LIABILITIES	3,453.83	2,791.17



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NOTES:-

(Rs. in Crores)

(1) CONSOLIDATED STATEMENT OF CASH FLOWS			
(1)	Particulars	For the year ended	For the year ended
		31.03.2022	31.03.2021
		(Audited)	(Audited)
A	Cash flows from operating activities		
	Net profit before tax	53.47	64.57
	Adjustments for:		
	Depreciation and amortisation expense	49.55	46.97
	Share based payments - Equity settled	0.30	0.51
	Finance costs	35.62	33.43
	Interest income	(1.26)	(2.87)
	Net gain on sale of current investments carried at FVTPL	-	(0.09)
	Impairment of Property, plant and equipment	24.65	-
	Loss allowance for doubtful trade receivables	-	3.00
	Unrealised foreign exchange fluctuation (gain) / losses, net	18.01	4.62
	Exchange differences in translating financial statements of foreign operations	(2.09)	(2.64)
	Loss (net) on sale of property, plant and equipment	0.08	0.02
	Cash generated from operations before working capital changes	124.86	82.95
	Operating cash flows before working capital changes	178.33	147.52
	Movement in working capital:		
	(Increase)/ Decrease in inventories	(432.10)	65.79
	(Increase) in trade receivables	(42.56)	(166.35)
	(Increase) in financial and other assets	(19.67)	(20.40)
	Increase/ (Decrease) in trade payables	616.16	(77.64)
	Increase in financial liabilities (net)	2.17	10.88
	Increase in other liabilities and provisions (net)	45.80	13.40
		169.80	(174.32)
	Cash generated/ (used in) from operations	348.13	(26.80)
	Taxes paid	(17.26)	(13.60)
	Net cash generated/ (used in) from operating activities	330.87	(40.40)
B	Cash flows from investing activities		
	Purchase of property, plant and equipment	(23.16)	(35.01)
	Proceeds from sale of property, plant and equipment	0.07	0.02
	Purchase of intangible assets	-	(0.13)
	Interest income received	1.47	1.93
	Sale of current investments	-	115.69
	Purchase of current investments	-	(115.60)
	Redemption of bank deposits (having maturity of more than 3 months)	86.66	153.56
	Investment in bank deposits (having maturity of more than 3 months)	(93.27)	(234.01)
	Net cash (used in) investing activities	(28.23)	(113.55)
C	Cash flows from financing activities		
	Proceeds from allotment of equity share under employee stock options	-	0.30
	Proceeds from non-current borrowings	50.27	129.03
	Repayment of non-current borrowings	(43.02)	(194.72)
	Proceeds from/ (Repayment of) current borrowings (net)	(150.55)	278.88
	Interest paid	(31.20)	(36.19)
	Payment of lease liabilities (principal portion)	(2.69)	(1.44)
	Payment of lease liabilities (interest portion)	(0.45)	(0.38)
	Net proceeds/ (Outflow) on settlement of derivative contracts	1.94	(4.55)
	Dividend paid	(6.28)	(6.28)
	Net cash (used in)/ generated from financing activities	(181.98)	164.65
	Net increase in cash and cash equivalents (A+B+C)	120.66	10.70
	Cash and cash equivalents at the beginning of the year	52.72	42.03
	Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)	-	(0.01)
	Cash and cash equivalents at the end of the year	173.38	52.72

Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows"



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- (2) The above audited consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 21 July 2022
- (3) Other expenses includes foreign exchange fluctuation loss (net) of Rs 6.07 crores for the quarter ended 31 March 2022, Re 0.76 crore for the quarter ended 31 March 2021 and Rs 6.81 crores for the year ended 31 March 2022, and other income includes foreign exchange fluctuation gain (net) of Rs 2.57 crores for the quarter ended 31 December 2021 and Rs 5.21 crores for the year ended 31 March 2021, on consolidated basis.
- (4) 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
- (5) 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.
- (6) The Nomination and Remuneration Committee of the Holding Company at its meeting held on 21 April 2022, has allotted 374,372 equity shares of Re 1 each to the option grantees pursuant to exercise of options under the Holding Company's "Himadri Employee Stock Option Plan 2016". As a result of such allotment, the paid up equity share capital of the Holding Company has increased from 418,965,278 equity shares to 419,339,650 equity shares of face value of Re 1 each. The above does not have an impact on the financial results as at and for the year ended 31 March 2022.
- (7) The consolidated figures for the three months ended 31 March 2022 and the corresponding three months ended 31 March 2021 in the previous year as reported in these consolidated financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date consolidated figures up to the end of the nine months of the relevant financial year. Also the consolidated figures up to the third quarter had only been reviewed and not subjected to audit.
- (8) The Board of Directors of the Holding Company at its meeting held on 14 July 2022 has considered and approved issue upto 72,550,000 (Seven Crores Twenty Five Lakhs Fifty Thousand) warrants each convertible into, or exchangeable for, 1 (one) fully paid up equity share of the Holding Company, having a face value of INR 1/- (Rupee one only) within the period of 18 (eighteen) months in accordance with the applicable laws ("Warrants") at a price of Rs 70.00/- (Rupees Seventy only) each (including the warrant subscription price and the warrant exercise price) aggregating upto Rs 5,078,500,000 (Rupees Five Hundred Seven Crores Eighty Five Lakhs Only) to the Promoter/ Promoter Group of the Holding Company and certain identified non-promoter persons / entity by way of preferential issue subject to necessary approval of the members of the Holding Company and other regulatory authorities, as may be applicable. The above does not have an impact on the financial results as at and for the year ended 31 March 2022.
- (9) 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.
- (10) The Board of Directors of the Holding Company has recommended a dividend at the rate of Re 0.20 per equity share of Re 1 each (i.e. 20% of face value of equity share) aggregating to Rs 8.38 crores for the year ended 31 March 2022. The payment of dividend is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Holding Company.
- (11) Earnings per share is not annualised for the quarter ended 31 March 2022, 31 December 2021 and 31 March 2021.
- (12) 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 of the Holding Company. The Holding Company, during the year ended 31 March 2021 had received final additional claim of Rs 53.02 crores from the EPC contractor for enhancements/additional work which had not been considered in the books of account for the year then ended. Further, the Holding Company had issued final purchase/job orders amounting to Rs 22.32 crores to various third-party contractors for certain works. 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, on which some of the directors of the Holding Company had raised concerns. Subsequently, the Holding Company had received the final technical report of the independent engineering firm, dated 20 May 2021 as per which there were some overlap in the scope of the original EPC contract, additional work (not covered under the original scope of work) executed by EPC contractor. 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. Post receipt and consideration of the technical report, pursuant to its earlier decision of 22 October 2020, the Holding Company's Board of Directors, in its meeting held on 22 June 2021, had approved the appointment of an independent financial firm to carry out the financial reconciliation. 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. The Holding Company has submitted its response to NSE and SEBI. There is no regulatory action from NSE and SEBI yet in this regard. The management is of the view that, as detailed response has been submitted to NSE and SEBI, this will not have any significant impact on the financial statements of the current or previous years of the Holding Company. Subsequent to the year ended 31 March 2022, the Holding Company has received the financial reconciliation report from the financial consultant. The Holding Company's Board of Directors and Audit committee has considered both the technical and the financial report in tandem and has approved a net additional claim of Rs 39.85 crores, subject to shareholders approval. Necessary accounting adjustments (including depreciation impact of Rs 1.00 crore) have been made in the financial statements for the current year as adjusting events post balance sheet date. Further, the Holding Company's Directors (including the Independent Director) who had earlier raised concerns relating to the above mentioned EPC contract, have written back to the Holding Company and other relevant authorities (including NSE, SEBI etc.), that they have satisfactorily received necessary responses to all the queries / concerns raised over the past period and therefore have withdrawn their complaints and they do not wish to pursue the same any further. The management believes that with the withdrawal of complaint as well as providing adequate responses to the authorities, no further action is currently needed and is of the view that the above matters will not have any additional significant impact on the financial statements of the Holding Company. The Holding Company had also received a notice from an adjudicating authority of a dispute between the promoter shareholders/ promoter directors which has been subsequently withdrawn by the petitioner. The promoters shareholders / promoter directors have also entered into family settlement agreement to settle their disputes. The auditor had qualified their review report in earlier quarters in respect of the above matters which has since been resolved.
- (13) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter and year ended 31 March 2022.

Place: Kolkata
Date: 21 July 2022



On behalf of the Board of Directors

Anurag Choudhary
Chairman
DIN: 00173924



Declaration of Unmodified Audit Report pursuant to Regulation 33(3)(d) of SEBI (LODR) Regulations, 2015

I, Anurag Choudhary, Managing Director & Chief Executive Officer of Himadri Speciality Chemical Ltd having registered office at 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700001, hereby declare that B S R & Co. LLP, Chartered Accountants (Firm's Registration No: 101248W/ W-100022) Statutory Auditors of the Company have issued Audit Report with unmodified opinion on the Annual Audited Financial Results of the Company (Standalone & Consolidated) for the quarter and year ended on 31 March 2022.

This declaration is given pursuant to Regulation 33(3)(d) of the SEBI(LODR)Regulations, 2015.

We request you to kindly take on record the same

Thanking You

Date: 21.07.2022



Yours faithfully,
for Himadri Speciality Chemical Ltd

Anurag Choudhary
Managing Director & CEO
(DIN: 00173934)

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited) CIN: L27106WB1987PLC042756
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