



**Ref. No: HSCL / Stock-Ex/2021-22/37**  
**Date: 13/08/2021**

**E-mail: [monika@himadri.com](mailto:monika@himadri.com)**

<b>Ref: Listing Code: 500184 (Equity)</b> BSE Limited Department of Corporate Services P. J. Towers, 25 <sup>th</sup> Floor, Dalal Street, Mumbai- 400 001	<b>Ref: Listing Code: HSCL</b> 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 13.08.2021- pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

We refer to our letter dated 06 August 2021 intimating about the meeting of the Board of Directors of the Company ("the Board") scheduled to be held on Friday, the 13 August 2021 inter-alia to approve and take on record the Unaudited Standalone and Consolidated Financial Results for the quarter ended 30 June 2021.

We would like to inform you that the Board at its' meeting held today i.e. on 13 August 2021, *inter-alia* has considered and approved the Un-audited Financial Results (Standalone & Consolidated) for the quarter ended 30 June 2021. 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:

- i) Un-audited Financial Results (Standalone and Consolidated) for the quarter ended 30 June 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 ended 30 June 2021.

The Meeting of the Board of Directors commenced at 3.00 p.m. and concluded at 7.10 p.m.

We request you to kindly take on record the same.

Thanking you,

Yours faithfully,

For Himadri Speciality Chemical Ltd

  
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](http://www.himadri.com)



**HIMADRI SPECIALITY CHEMICAL LIMITED**  
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(Rs. in Crores)

Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2021					
Sr. No.	Particulars	Three months ended 30.06.2021	Previous Three months ended 31.03.2021	Corresponding Three months ended 30.06.2020 in the previous year	Previous year ended 31.03.2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>1.</b>	<b>Income</b>				
	(a) Revenue from Operations	539.75	565.54	257.87	1,679.46
	(b) Other Income	1.23	2.93	2.63	13.83
	<b>Total Income</b>	<b>540.98</b>	<b>568.47</b>	<b>260.50</b>	<b>1,693.29</b>
<b>2.</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	464.34	359.62	194.73	1,156.46
	(b) Changes in inventories of finished goods and work-in-progress	(40.44)	70.82	(2.43)	83.62
	(c) Employee benefits expense	17.87	19.66	18.52	75.51
	(d) Finance costs	7.84	7.06	10.48	33.21
	(e) Depreciation and amortisation expense	11.30	11.26	10.86	44.22
	(f) Other expenses	61.44	75.82	41.42	236.29
	<b>Total Expenses</b>	<b>522.35</b>	<b>544.24</b>	<b>273.58</b>	<b>1,629.31</b>
<b>3.</b>	<b>Profit/ (Loss) before exceptional items and tax (1-2)</b>	<b>18.63</b>	<b>24.23</b>	<b>(13.08)</b>	<b>63.98</b>
<b>4.</b>	Exceptional Items	-	-	-	-
<b>5.</b>	<b>Profit/ (Loss) before tax (3+4)</b>	<b>18.63</b>	<b>24.23</b>	<b>(13.08)</b>	<b>63.98</b>
<b>6.</b>	<b>Tax expense</b>				
	(a) Current tax	3.25	4.37	-	11.84
	(b) Deferred tax	(0.36)	(2.87)	(3.59)	5.46
	<b>Total tax expense</b>	<b>2.89</b>	<b>1.50</b>	<b>(3.59)</b>	<b>17.30</b>
<b>7.</b>	<b>Net Profit/ (Loss) after tax (5-6)</b>	<b>15.74</b>	<b>22.73</b>	<b>(9.49)</b>	<b>46.68</b>
<b>8.</b>	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified subsequently to profit or loss	22.24	(2.16)	26.65	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	(5.10)	0.45	(5.73)	(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	-	-	-	-
	<b>Total Other Comprehensive Income (net of tax)</b>	<b>17.14</b>	<b>(1.71)</b>	<b>20.92</b>	<b>15.57</b>
<b>9.</b>	<b>Total Comprehensive Income for the period/ year {comprising Net Profit/ (Loss) after tax and other comprehensive income for the period/ year} (7+8)</b>	<b>32.88</b>	<b>21.02</b>	<b>11.43</b>	<b>62.25</b>
<b>10.</b>	Paid-up equity share capital (Face value Re. 1 each)	41.90	41.90	41.88	41.90
<b>11.</b>	Other Equity				1,666.38
<b>12.</b>	<b>Earnings per equity share (of Re. 1 each) (refer note 7)</b>				
	(a) Basic (Rs.)	0.38	0.54	(0.23)	1.11
	(b) Diluted (Rs.)	0.38	0.54	(0.23)	1.11





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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 30.06.2021	Previous Three months ended 31.03.2021	Corresponding Three months ended 30.06.2020 in the previous year	Previous year ended 31.03.2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	<b>Segment Revenue</b>				
	(a) Carbon materials and chemicals	536.47	562.54	256.87	1,668.65
	(b) Power	23.20	21.95	10.16	75.65
	<b>Total segment revenue (a + b)</b>	<b>559.67</b>	<b>584.49</b>	<b>267.03</b>	<b>1,744.30</b>
	Less: Inter segment revenue	19.92	18.95	9.16	64.84
	<b>Total Revenue from Operations</b>	<b>539.75</b>	<b>565.54</b>	<b>257.87</b>	<b>1,679.46</b>
2.	<b>Segment Results</b>				
	(a) Carbon materials and chemicals	4.38	9.78	(14.12)	15.24
	(b) Power	21.12	19.77	8.89	68.12
	<b>Total segment profit/ (Loss) before interest, tax and unallocable items (a + b)</b>	<b>25.50</b>	<b>29.55</b>	<b>(5.23)</b>	<b>83.36</b>
	Add/ (Less):				
	(a) Finance costs	(7.84)	(7.06)	(10.48)	(33.21)
	(b) Other unallocable expenses net of unallocable income *	0.97	1.74	2.63	13.83
	<b>Total Profit/ (Loss) before tax</b>	<b>18.63</b>	<b>24.23</b>	<b>(13.08)</b>	<b>63.98</b>
3.	<b>Segment Assets</b>				
	(a) Carbon materials and chemicals	2,482.17	2,420.59	2,175.85	2,420.59
	(b) Power	50.72	49.49	50.58	49.49
	(c) Unallocated	175.95	227.91	285.23	227.91
	<b>Total assets</b>	<b>2,708.84</b>	<b>2,697.99</b>	<b>2,511.66</b>	<b>2,697.99</b>
4.	<b>Segment Liabilities</b>				
	(a) Carbon materials and chemicals	158.02	205.20	316.30	205.20
	(b) Power	1.91	1.57	1.00	1.57
	(c) Unallocated	807.64	782.94	531.21	782.94
	<b>Total liabilities</b>	<b>967.57</b>	<b>989.71</b>	<b>848.51</b>	<b>989.71</b>

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



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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 13 August 2021. A Limited Review of these standalone financial results for the quarter ended 30 June 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 Re 0.26 crores for the quarter ended 30 June 2021 and Rs 1.19 crores for the quarter ended 31 March 2021, and other income includes foreign exchange fluctuation gain (net) of Rs 1.26 crores for the quarter ended 30 June 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) The standalone figures for the three months ended 31 March 2021 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.
- (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 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 has been recognised during the fourth quarter of the previous financial year.
- (6) 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.
- (7) Earnings per share is not annualised for the quarter ended 30 June 2021, 31 March 2021 and 30 June 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 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 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. Final accounting for these claims and the above purchase/job orders, would be after receipt of their report and then considering both the reports in tandem. The auditors have qualified their review report in this regard.
- (9) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the current quarter ended 30 June 2021.



On behalf of the Board of Directors

**Anurag Choudhary**  
Managing Director & CEO  
DIN: 00173934

Place: Kolkata  
Date: 13 August 2021

# B S R & Co. LLP

Chartered Accountants

Unit No. 603, 6<sup>th</sup> Floor, Tower 1  
Plot No. 6, Block – DP, Godrej Waterside,  
Sector V, Salt Lake, Kolkata - 700091

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## **Limited review report on unaudited quarterly standalone financial results of Himadri Specialty Chemical Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)**

**To  
Board of Directors of Himadri Specialty Chemical Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Himadri Specialty Chemical Limited (“the Company”) for the quarter ended 30 June 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 Listing Regulations. 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. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. We draw attention to note 8 to the standalone financial results of the Company for the quarter ended 30 June 2021 which explains in detail, 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 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 members of 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 of an independent financial firm to carry out financial reconciliation arising out of the observations of the technical report. The Company is thus in the process of reconciling the final value of the claims and the purchase/job orders issued. Final accounting for the additional claims and purchase/ job orders would be after receipt of the report of the independent financial firm and consideration of both the reports in tandem. This also has implications on related financial transactions, internal controls and compliance with laws and regulations. In view of the above, we are unable to comment on adjustments and its consequential additional impact, on these financial results.

The matter stated above was also the subject matter of qualification in our audit report on the annual financial results for the year ended 31 March 2021.

6. Based on our review conducted as above, 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 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 Listing Regulations, 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 number: 101248W/W-100022

**SEEMA H  
MOHNOT**

**Seema Mohnot**

*Partner*

Membership No.: 060715

UDIN: 21060715AAAAHW3811

Digitally signed by SEEMA H  
MOHNOT

Date: 2021.08.13 16:53:00 +05'30'

Place: Kolkata

Date: 13 August 2021



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(Rs. in Crores)

Statement of Unaudited Consolidated Financial Results for the Quarter Ended 30 June 2021					
Sr. No.	Particulars	Three months ended 30.06.2021	Previous Three months ended 31.03.2021	Corresponding Three months ended 30.06.2020 in the previous year	Previous year ended 31.03.2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>1.</b>	<b>Income</b>				
	(a) Revenue from Operations	539.75	565.54	257.87	1,679.46
	(b) Other Income	1.33	2.94	2.63	14.05
	<b>Total Income</b>	<b>541.08</b>	<b>568.48</b>	<b>260.50</b>	<b>1,693.51</b>
<b>2.</b>	<b>Expenses</b>				
	(a) Cost of materials consumed	464.40	358.35	127.39	1,082.09
	(b) Changes in inventories of finished goods and work-in-progress	(40.44)	70.50	66.71	151.83
	(c) Employee benefits expense	18.00	19.79	18.68	76.11
	(d) Finance costs	7.89	7.10	10.53	33.43
	(e) Depreciation and amortisation expense	12.02	11.94	11.53	46.97
	(f) Other expenses	61.87	76.49	41.87	238.51
	<b>Total Expenses</b>	<b>523.74</b>	<b>544.17</b>	<b>276.71</b>	<b>1,628.94</b>
<b>3.</b>	<b>Profit/ (Loss) before exceptional items and tax (1-2)</b>	<b>17.34</b>	<b>24.31</b>	<b>(16.21)</b>	<b>64.57</b>
<b>4.</b>	<b>Exceptional Items</b>	-	-	-	-
<b>5.</b>	<b>Profit/ (Loss) before tax (3+4)</b>	<b>17.34</b>	<b>24.31</b>	<b>(16.21)</b>	<b>64.57</b>
<b>6.</b>	<b>Tax expense</b>				
	(a) Current tax	3.25	4.37	-	11.84
	(b) Deferred tax	(0.36)	(2.87)	(3.59)	5.46
	<b>Total tax expense</b>	<b>2.89</b>	<b>1.50</b>	<b>(3.59)</b>	<b>17.30</b>
<b>7.</b>	<b>Net Profit/ (Loss) after tax (5-6)</b>	<b>14.45</b>	<b>22.81</b>	<b>(12.62)</b>	<b>47.27</b>
<b>8.</b>	<b>Other Comprehensive Income</b>				
	Items that will not be reclassified subsequently to profit or loss	22.24	(2.16)	26.65	19.94
	Income-tax relating to items that will not be reclassified to profit or loss	(5.10)	0.45	(5.73)	(4.37)
	Items that will be reclassified subsequently to profit or loss	2.83	(2.14)	(11.72)	1.15
	Income-tax relating to items that will be reclassified to profit or loss	-	-	-	-
	<b>Total Other Comprehensive Income (net of tax)</b>	<b>19.97</b>	<b>(3.85)</b>	<b>9.20</b>	<b>16.72</b>
<b>9.</b>	<b>Total Comprehensive Income for the period/ year (comprising Net Profit/ (Loss) after tax and other comprehensive income for the period/ year) (7+8)</b>	<b>34.42</b>	<b>18.96</b>	<b>(3.42)</b>	<b>63.99</b>
<b>10.</b>	<b>Profit attributable to</b>				
	(a) Owners of the Company	14.51	22.84	(12.56)	47.48
	(b) Non-controlling interests	(0.06)	(0.03)	(0.06)	(0.21)
<b>11.</b>	<b>Other comprehensive income attributable to</b>				
	(a) Owners of the Company	19.99	(3.85)	9.20	16.75
	(b) Non-controlling interests	(0.02)	-	-	(0.03)
<b>12.</b>	<b>Total comprehensive income attributable to</b>				
	(a) Owners of the Company	34.50	18.99	(3.36)	64.23
	(b) Non-controlling interests	(0.08)	(0.03)	(0.06)	(0.24)
<b>13.</b>	<b>Paid-up equity share capital (Face value Re. 1 each)</b>	<b>41.90</b>	<b>41.90</b>	<b>41.88</b>	<b>41.90</b>
<b>14.</b>	<b>Other Equity</b>				<b>1,751.01</b>
<b>15.</b>	<b>Earnings per equity share (of Re. 1 each) (refer note 8)</b>				
	(a) Basic (Rs.)	0.35	0.55	(0.30)	1.13
	(b) Diluted (Rs.)	0.35	0.55	(0.30)	1.13





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(Rs. in Crores)

Consolidated Segment wise Revenue, Results, Assets and Liabilities					
Sr. No.	Particulars	Three months ended 30.06.2021	Previous Three months ended 31.03.2021	Corresponding Three months ended 30.06.2020 in the previous year	Previous year ended 31.03.2021
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	<b>Segment Revenue</b>				
	(a) Carbon materials and chemicals	536.47	562.54	256.87	1,668.65
	(b) Power	23.20	21.95	10.16	75.65
	<b>Total segment revenue (a + b)</b>	<b>559.67</b>	<b>584.49</b>	<b>267.03</b>	<b>1,744.30</b>
	Less: Inter segment revenue	19.92	18.95	9.16	64.84
	<b>Total Revenue from Operations</b>	<b>539.75</b>	<b>565.54</b>	<b>257.87</b>	<b>1,679.46</b>
2.	<b>Segment Results</b>				
	(a) Carbon materials and chemicals	2.78	9.47	(17.20)	15.83
	(b) Power	21.12	19.77	8.89	68.12
	<b>Total segment profit/ (Loss) before interest, tax and unallocable items (a + b)</b>	<b>23.90</b>	<b>29.24</b>	<b>(8.31)</b>	<b>83.95</b>
	Add/ (Less):				
	(a) Finance costs	(7.89)	(7.10)	(10.53)	(33.43)
	(b) Other unallocable expenses net of unallocable income *	1.33	2.17	2.63	14.05
	<b>Total Profit/ (Loss) before tax</b>	<b>17.34</b>	<b>24.31</b>	<b>(16.21)</b>	<b>64.57</b>
3.	<b>Segment Assets</b>				
	(a) Carbon materials and chemicals	2,498.37	2,511.33	2,268.67	2,511.33
	(b) Power	50.72	49.49	50.58	49.49
	(c) Unallocated	253.61	230.35	292.65	230.35
	<b>Total assets</b>	<b>2,802.70</b>	<b>2,791.17</b>	<b>2,611.90</b>	<b>2,791.17</b>
4.	<b>Segment Liabilities</b>				
	(a) Carbon materials and chemicals	166.40	214.44	349.20	214.44
	(b) Power	1.91	1.57	1.00	1.57
	(c) Unallocated	807.64	782.94	531.21	782.94
	<b>Total liabilities</b>	<b>975.95</b>	<b>998.95</b>	<b>881.41</b>	<b>998.95</b>

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





**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

**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 13 August 2021. A Limited Review of these consolidated financial results for the quarter ended 30 June 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 Re 0.76 crore for the quarter ended 31 March 2021, and other income includes foreign exchange fluctuation gain (net) of Re 0.11 crores for the quarter ended 30 June 2021, Rs 1.26 crores for the quarter ended 30 June 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) The consolidated figures for the three months ended 31 March 2021 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 by the Statutory Auditors of the respective Company.
- (6) 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 has been recognised during the fourth quarter of the previous financial year.
- (7) 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.
- (8) Earnings per share is not annualised for the quarter ended 30 June 2021, 31 March 2021, and 30 June 2020.
- (9) 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' 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 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. Final accounting for these claims and the above purchase/job orders, would be after receipt of their report and then considering both the reports in tandem. The auditors have qualified their review report in this regard.
- (10) The figures of the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter ended 30 June 2021.

Place: Kolkata  
Date: 13 August 2021



On behalf of the Board of Directors

  
**Anurag Choudhary**  
Managing Director & CEO  
DIN: 00173934

# BSR & Co. LLP

Chartered Accountants

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## Limited review report on unaudited quarterly consolidated financial results of Himadri Specialty Chemical Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

To  
**Board of Directors of Himadri Specialty Chemical Limited**

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Himadri Specialty Chemical Limited (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), for the quarter ended 30 June 2021 (“the Statement”), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Listing Regulations.
2. This Statement, which is the responsibility of the Holding Company’s management and approved by the Holding Company’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 SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:

**Subsidiaries:**

- a. AAT Global Limited (AAT) (wholly owned subsidiary of the Holding Company)
- b. Shandong Dawn Himadri Chemical Industry Limited (SDHCIL) (subsidiary of AAT)

5. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021, as reported in these financial results, are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. We draw attention to note 9 to the consolidated financial results of the Company for the quarter ended 30 June 2021 which explains in detail, 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 of the Holding Company, 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 of the Holding 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 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 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. Further, some of the directors have also raised certain concerns with respect to the above to the audit committee of the Holding Company and the members of the Holding Company's 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 Holding 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 of an independent financial firm to carry out financial reconciliation arising out of the observations of the technical report. The Holding Company is thus in the process of reconciling the final value of the claims and the purchase/job orders issued. Final accounting for the additional claims and purchase/ job orders would be after receipt of the report of the independent financial firm and consideration of both the reports in tandem. This also has implications on related financial transactions, internal controls and compliance with laws and regulations. In view of the above, we are unable to comment on adjustments and its consequential impact on these financial results.

The matter stated above was also the subject matter of qualification in our audit report on the annual financial results for the year ended 31 March 2021.

7. Based on our review conducted as above, and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 8 below, except for the possible effects of the matters as described under para 6 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.

8. We did not review the interim financial information of two subsidiaries included in the Statement, whose interim financial information reflect total revenues of Rs. 0.88 crore (before consolidation adjustments), total net (loss) after tax of Rs. (1.33) crores (before consolidation adjustments) and total comprehensive income of Rs. (1.33) crores (before consolidation adjustments), for the quarter ended 30 June 2021, as considered in the Statement. These interim financial information have been reviewed by the other auditors whose reports have been furnished to us by the 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 such other auditors and the procedures performed by us as stated in paragraph 3 above.

These subsidiaries are located outside India whose financial statements 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 Holding Company's management has converted the financial results 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 Holding Company's management.

Our conclusion on the Statement is not modified in respect of the above matter.

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

*Chartered Accountants*

Firm's Registration number: 101248W/W-100022

**SEEMA H  
MOHNOT**

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Date: 2021.08.13 16:53:57  
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**Seema Mohnot**

*Partner*

Membership No. 060715

UDIN: 21060715AAAAHX8847

Place: Kolkata

Date: 13 August 2021