Himadri

Ref. No: HSCL / Stock-Ex/2019-20/55
Date: 31 August 2019

E-mail: blsharma@himadri.com

Ref: Listing Code: 500184 BSE Limited Department of Corporate Services P. J. Towers, 25th 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

Dear Sir,

Sub: Notice of 31st Annual General Meeting and Annual Report for the Financial Year 2018-19

Dear Sir(s),

In terms of Regulation 34(1) of the SEBI (LODR) Regulations, 2015, we are enclosing herewith a copy of Annual Report of the Company for the financial year 2018-19 along with notice of annual general meeting to be held at Kala Kunj", 48, Shakespeare Sarani, Kolkata – 700 017 on **Wednesday, the 25 September 2019 at 10:30 a.m.**

Thanking you,

Yours faithfully,

For Himadri Speciality Chemical Ltd

Company Secretary
FCS: 8148

Enclosed: a/a

Himadri

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited)

CIN: L27106WB1987PLC042756

Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata 700 001

E-mail: investors@himadri.com Website: www.himadri.com Ph: 033 22309953

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of Himadri Speciality Chemical Ltd will be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata – 700 017 on Wednesday, the 25 September 2019 at 10:30 a.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31 March 2019 together with the report of the Board of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31 March 2019.
3. To appoint a Director in place of Mr. Vijay Kumar Choudhary (DIN: 00173858), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. To ratify remuneration of Cost Auditors and to consider and, if thought fit, to pass, the following as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 40,000/-(Rupees Forty Thousand only) plus GST as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to Mr. Sambhu Banerjee, Cost Auditor (Membership No.9780) of the Company, for conducting the audit of the Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2019-2020 as approved by the Board of Directors of the Company be and is hereby ratified."

5. To appoint Ms. Sucharita Basu De (DIN: 06921540) as an Independent Woman Director and to consider and, if thought fit, to pass, the following as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Sucharita Basu De (DIN: 06921540), who was appointed as an Additional & Independent Director of the Company with effect from 1 April 2019 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and who has submitted the necessary declaration to the effect that she meets the criteria for independence as prescribed in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of director, be and is hereby appointed as an Independent Woman Director of the Company to hold office for a period of five (5) consecutive years with effect from 1 April 2019 to 31 March 2024 or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines, not liable to retire by rotation."

6. To re-appoint Mr. Santimoy Dey (DIN:06875452) as an Independent Director and to consider and, if thought fit, to pass, the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Santimoy Dey

(DIN:06875452), who holds office as an Independent Director and his present term is expiring on 23 September 2019 and eligible to be re-appointed for second term under the provisions of the Companies Act, 2013 and rules made thereunder, be and is hereby re-appointed as an Independent Director of the Company for the second term of five consecutive years up to 23 September 2024, or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines, not liable to retire by rotation."

7. To re-appoint Mr. Hanuman Mal Choraria (DIN:00018375) as an Independent Director and to consider and, if thought fit, to pass, the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. Hanuman Mal Choraria (DIN:00018375), who holds office as an Independent Director and his present term is expiring on 23 September 2019 and eligible to be re-appointed for second term under the provisions of the Companies Act, 2013 and rules made thereunder, be and is hereby re-appointed as an Independent Director of the Company for the second term of five consecutive years up to 23 September 2024,or till such earlier date as may be determined by any applicable statutes, rules, regulations or guidelines, not liable to retire by rotation."

8. To re-appoint Mr. Bankey Lal Choudhary (DIN:00173792) as Whole Time Director and to consider and, if thought fit, to pass the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, Mr. Bankey Lal Choudhary (DIN:00173792) who was re-appointed as Managing Director by the Board with effect from 1 April 2019 and further re-designated as Whole time Director with effect from 14 August 2019 for an aggregate period not exceeding five years, subject to approval of the Shareholders, be and is hereby appointed to act as Managing Director for the period from 1 April 2019 to 14 August 2019 and Whole Time Director for the period from 14 August 2019 to 31 March 2024, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines, provided that the aggregate period of tenure of both the position shall not exceed 5 (five) years, on detailed terms, conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to alter and vary the terms and conditions including remuneration of said Mr. Bankey Lal Choudhary in such manner as may be agreed by the Board and Mr. Bankey Lal Choudhary, subject to the limits as specified under Schedule V of the Companies Act, 2013 including any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

9. To appoint Mr. Anurag Choudhary (DIN:00173934) as a Director and to consider and, if thought fit, to pass the following as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Anurag Choudhary (DIN:00173934) who was appointed as Additional Director by the Board of Directors of the Company at its' meeting held on 14 August 2019 in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 93(a) of the Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160(1) of the Act has been received by the Company from a member proposing his candidature for office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

10. To appoint Mr. Amit Choudhary (DIN:00152358) as a Director and to consider and, if thought fit, to pass the following as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Amit Choudhary (DIN:00152358) who was appointed as Additional

Director by the Board of Directors of the Company at its' meeting held on 14 August 2019 in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 93(a) of the Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160(1) of the Act has been received by the Company from a member proposing his candidature for office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

11. To appoint Mr. Tushar Choudhary (DIN:00174003) as a Director and to consider and, if thought fit, to pass the following as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Tushar Choudhary (DIN:00174003) who was appointed as Additional Director by the Board of Directors of the Company at its' meeting held on 14 August 2019 in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Article 93(a) of the Articles of Association of the Company and who holds office upto the date of ensuing Annual General Meeting and in respect of whom a notice in writing pursuant to Section 160(1) of the Act has been received by the Company from a member proposing his candidature for office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

12. To appoint Mr. Anurag Choudhary (DIN:00173934) as Managing Director & Chief Executive Officer (CEO) and to consider and, if thought fit, to pass the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Anurag Choudhary (DIN:00173934), as Managing Director & CEO of the Company for a period of 5 (Five) years with effect from 14 August 2019 to 13 August 2024 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines, on the detailed terms, conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to alter and vary the terms and conditions including remuneration of the Managing Director & CEO in such manner as may be agreed by the Board and Mr. Anurag Choudhary, subject to the limits as specified under Schedule V to the Companies Act, 2013 including any statutory modification(s) or re-enactments thereof.

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

13. To appoint Mr. Amit Choudhary (DIN:00152358) as Whole Time Director and to consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution : -

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Amit Choudhary (DIN:00152358), as Whole Time Director of the Company for a period of 5 (Five) years with effect from 14 August 2019 to 13 August 2024 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines, on the detailed terms, conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to alter and vary the terms and conditions including remuneration of said Mr. Amit Choudhary in such manner as may be agreed by the Board and Mr. Amit Choudhary, subject to the limits as specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

14. To appoint Mr. Tushar Choudhary (DIN:00174003) as Whole Time Director and to consider and, if thought fit, to pass, with or without modification(s), the following as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, the consent of the members of the Company be and is hereby accorded to the appointment of Mr. Tushar Choudhary (DIN:00174003), as Whole Time Director of the Company for a period of 5 (Five) years with effect from 14 August 2019 to 13 August 2024 or till such earlier date to conform with the policy on retirement and as may be determined by any applicable statutes, rules, regulations or guidelines, on the detailed terms, conditions including remuneration as set out in the Explanatory Statement annexed to the notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deemed to include any committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) be and is hereby authorised to alter and vary the terms and conditions including remuneration of said Mr. Tushar Choudhary in such manner as may be agreed by the Board and Mr. Tushar Choudhary, subject to the limits as specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactments thereof;

RESOLVED FURTHER THAT the Board of Directors or any committee thereof constituted to exercise its powers (including the powers conferred by this resolution) be and is hereby authorized to do all such acts, deeds and things and take all steps as may be deemed necessary, proper or expedient to give effect of this resolution."

By **Order of the Board of Directors**

Sd/-
Bajrang Lal Sharma
Company Secretary
FCS: 8148

Place: Kolkata
Date: 14 August 2019

Notes:

1. ***In terms of Section 105 of the Companies Act, 2013, a member entitled to attend and vote at the meeting is entitled to appoint another person as his/her proxy to attend and vote on a poll instead of himself/herself and such proxy need not be a member of the Company.***
2. Members of the Company had approved the appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm registration no. 101248W/ W-100022) as the Statutory Auditors at the 29th Annual General Meeting of the Company held on 22 September 2017 for another term of five years which is valid till 34th Annual General Meeting of the Company, subject to the ratification of appointment by members at every Annual General meeting. In view of the Companies (Amendment) Act, 2017, the ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away, therefore the necessary resolution seeking consent of the members for ratification of appointment of statutory auditors has not been placed before the shareholders at this Annual General meeting.
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the Special Business under Item No 4 to 14 as stated in this notice is annexed hereto, forming the part of this notice.
4. The Notice is being sent to all the members of the Company, whose names appear in the Register of Members as on **16 August 2019**.
5. As per the provisions of Section 105 read with Rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person shall not act as a proxy for more than 50 (fifty) members and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
6. The instrument appointing the proxy, in order to be effective, should be deposited, duly completed and stamped, signed, at the Registered Office of the Company not less than forty-eight hours before the commencement of the AGM. A proxy form is enclosed herewith. The proxy holder shall provide his identity at the time of attending the Annual General Meeting.
7. When a member appoints a proxy and both the member and the proxy attends the meeting, the proxy stands automatically revoked.
8. A member would be entitled to inspect the proxies lodged with the Company, twenty four hours before the time fixed for the commencement of the meeting. Requisition for inspection of proxies by members entitled to vote on any resolution shall be made in writing at least three days in advance before the commencement of the meeting.
9. The quorum for the Annual General Meeting, as provided in Section 103 of the Companies Act, 2013, is thirty members (including a duly authorized representative of a body corporate) personally present in the meeting at the commencement of business.
10. Members desiring any information as regards the Financial Statements of the Company are requested to write to the Company in advance so as to enable the management to keep the information readily available at the meeting.
11. The Register of Members and Share Transfer Books of the Company will remain closed from **19 September 2019 to 25 September 2019** (both days inclusive) for the purpose of Annual General Meeting and payment of dividend, if declared at the meeting.
12. Members are requested to intimate about change in their mailing address, if any, to the Company's Registrar and Share Transfer Agent, **M/s S K Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006** in case the shares are held in physical form and to the Depository Participant (D/P) in case of shares held in electronic form.
13. Corporate members are required to send to the Company a certified copy of their Board resolution, pursuant to Section 113 of the Companies Act 2013, authorizing their representative to attend and vote at the AGM.
14. The Dividend on shares, if declared, will be paid, in respect of shares held in electronic form, to those persons whose names appear as beneficial owners in the statement (s) furnished by the Depositories as on the close of the market day prior to start of book closure and in respect of shares held in physical form, to those Shareholders whose names appear on the Company's register of members after giving effect to all valid transmission / transposition request lodged with the Company before the start of date of book closure.
15. The Company during the year has transferred the amount of unpaid/unclaimed dividend for the Financial Year 2010-11, aggregating to ₹ 4,78,900/- to Investor Education and Protection

Fund established by the Central Government in terms of Section 125 of the Companies Act, 2013

16. Members who have not yet en-cashed their dividend for the financial year 2011-12 and onward are requested to make their claims with the Company. All the amount of unpaid / unclaimed dividend are lying in a separate bank account of the Company. Members hereby informed that upon expiry of seven years from the date of transfer to unpaid dividend account, such amount of unpaid/ unclaimed dividend, if any, will be transferred to the credit of the Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Companies Act, 2013. It may be noted by the members that the ***Unpaid / Unclaimed dividend for the financial year ended 31 March 2012, is due for transfer on 4 November 2019 to the credit of the Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Companies Act, 2013, therefore shareholders are requested to make their claim, if any, for Unpaid Dividend for the financial year 2011-12 on or before 3 November 2019***.

17. ***Members may please note that in view of the proviso to Regulation 40(1) of the SEBI (LODR) (Amendments) Regulations, 2018, except in case of transmission or transposition of securities, the request for effecting the transfer of securities shall not be processed unless the securities are held in the DEMAT form with a depository, therefore those members who are holding shares in physical form will not be able to transfer those shares and they will be able to sale those shares only after their dematerialization with a DP.***

18. Transfer of Unclaimed shares to IEPF

i) Pursuant to the provision of Section 124(6) of the Companies Act, 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. It was further clarified that in case any dividend is paid or claimed for any year during said period of seven consecutive years, the shares shall not be transferred to IEPF.

ii) Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, the Company has transferred certain shares to the credit of IEPF Authority of those shareholders whose dividend remain un-claimed for a consecutive period of seven years based upon the unclaimed dividend from the financial year ended 31 March 2009 and up to financial year ended 31 March 2011.

The Company pursuant to the provisions of Section 124(2) of the Companies Act, 2013 read with rule 6(3)(a) of the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules 2016, has given public notice on **22 June 2019** published in English language **"Financial Express"** having vide circulation and also one in Bengali Newspaper **"Su-Khabar"**, Kolkata edition as well as individual notice to concerned members at their last known address available with the Company informing them that their shares are liable to be transferred to IEPF Authority due to dividend thereon remained unclaimed for a consecutive period of seven years and providing them an opportunity to claim their dividend for the financial year ended 31 March, 2012 onward before the due date by 3 November 2019. The details of shares to be transferred to IEPF are made available on Company's website at www.himadri.com.

iii) Re-claim of Share from IEPF: Any person whose shares and / or dividend has been transferred to the IEPF Authority may re-claim the same from IEPF Authority by submitting an on-line application in Form IEPF-5 available on the website of Investor Education and Protection Fund at http://www.iepf.gov.in/IEPFA/refund.html. The procedure for claiming shares/dividend from IEPF Authority is also available at the website of the Company at https://www.himadri.com/investors_information

19. Bank Mandate for Dividend or Electronic Clearance Services (ECS):

In order to protect the investors from fraudulent encashment of the dividend warrants, the members holding shares in physical form are requested to intimate the Company under signature of the Sole/ First joint holder, the following details which will be used by the Company for payment of dividend:

a. Name of Sole / First joint holder and folio no.

b. Particulars of bank account viz:

- Name of the bank, branch and bank code
- Complete address of the bank with Pin Code
- Account type, whether Savings or Current
- Bank account number allotted by the bank

- MICR (Magnetic Ink Character Recognition)
- IFSC (Indian Financial System Code),

Shareholders holding shares in physical form are requested to send their NECS Mandate Form in the format available on Company's website www.himadri.com, duly filled in to be sent to the Company's Registrar & Share Transfer Agents **M/s S. K. Infosolutions Pvt. Ltd., 34/1A, Sudhir Chatterjee Street, Kolkata- 700 006** and in case equity shares are held in Electronic Form, the NECS Mandate form is required to be sent to the concerned Depository participants (DPs) directly.

The Securities & Exchange Board of India (SEBI) has made it mandatory for all Companies to use the Bank account details furnished by the Depositories for the remittance of Dividend through Electronic Clearing Services (ECS) to investors where the Bank details are available, therefore, members are requested to give instructions regarding Bank Account in which they wish to receive dividend directly through their Depository Participant (D/P). The members holding shares in DEMAT mode may send the requisite details to their D/P and in case of physical shareholding, the bank details are to be provided to the Registrar & Share Transfer Agents.

Further the Securities and Exchange Board of India (SEBI) vide circular dated 20 April 2018 has also mandated to obtain account details along with cancelled cheque to update the securities holder's data. The original cancelled cheque shall bear the name of the securities holder failing which securities holder shall submit copy of bank passbook /statement attested by the bank. The RTA shall then update the bank details in its records after due verification. The unpaid dividend shall be paid via electronic bank transfer. In cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment, are not available or the electronic payment instructions have failed or have been rejected by the bank, the issuer companies or their RTA may ask the banker to make payment though physical instrument such as banker's cheque or demand draft to such securities holder incorporating their bank account details.

The Company has sent reminders to those shareholders, whose bank details are not available with the Registrar & Share Transfer Agents, requesting them to send the required details to enable the Company for payment of Dividend. The Company before processing the request for payment of Unclaimed / Unpaid Dividend, has been in practice of obtaining necessary particulars of Bank Account of the Payee.

The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Registrar and Share Transfer Agent.

Members holding shares in sole name are advised to make nomination in respect of their shareholdings in the Company. The nomination form can be downloaded from the Company's website.

20. The business set out in the Notice will also be transacted through electronic voting system and the Company is providing such facility to the members through NSDL E-Voting platform.

21. As per the provisions of Section 20 of the Companies Act, 2013 and in compliance with the guidelines of Green Initiative, an electronic copy of the Annual Report and Notice for calling AGM of the Company, inter alia, indicating the process and manner of voting through electronic means along with Attendance Slip and Proxy Form is being sent to all the Members whose email ID(s) are registered with the Company's Registrar and Share Transfer Agents/Depository Participants(s) for communication purposes, unless any member has requested for a physical copy of the same. The physical copies of Annual Reports with Notice of the AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to those members whose e-mail ID(s) are not registered with the Company. Further, the notice of this AGM inter alia indicating the process and manner of e-Voting process along with printed Attendance Slip and Proxy Form shall also be available on the Company's website, at https://www.himadri.com/ and the website of NSDL at https://www.evoting.nsdl.com.

22. In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 and 21 (1) (a) to (h) of the Companies (Management and Administration) Rules, 2015 and applicable provisions of the Regulation 44 of SEBI (LODR) Regulations, 2015, and other applicable provisions if any, the Company has engaged the services

of NSDL to provide facility of voting through electronic means to all the members to enable them to cast their votes electronically in respect of all the businesses to be transacted at the AGM. The facility of voting through electronic voting system will not be available at the AGM. Members who have cast their vote by remote e-voting may attend the AGM, but shall not be able to vote at the AGM. Such member will also not be allowed to change or cast vote again. The Company will also provide the facility of voting through polling paper at the venue of the AGM to those members attending the AGM and who have not already cast their vote by remote e-voting.

23. The Board has appointed Ms. Sweety Kapoor, Practising Company Secretary (FCS 6410), as the scrutinizer to scrutinise the e-voting process (including the votes cast at the poll by the Members at the AGM) in a fair and transparent manner.

24. Relevant documents referred to in the accompanying notice/explanatory statement are open for inspection by the members at the AGM and such documents will also be available for inspection in physical or in electronic form at the Corporate Office at 8, India Exchange Place, 2nd Floor, Kolkata-700001 on all working days (excluding Saturdays, Sundays and Holidays) from 10:00 a.m. to 01:00 p.m., up to the date of this AGM.

25. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013 read with Rules made thereunder will be available for inspection by the members at the AGM.

26. Mr. Bajrang Lal Sharma, Company Secretary and Compliance Officer of the Company shall be responsible for addressing all the grievances in relation to this AGM including e-voting. The members may contact at the following address:

    Name: Mr. Bajrang Lal Sharma

    Designation: Company Secretary and Compliance Officer
    Corporate office: 8, India Exchange Place, 2nd Floor, Kolkata-700001
    Email id: blsharma@himadri.com; Phone No.: 033-2230 9953

The instructions to shareholders for remote e-voting are as under:

27. The e-voting period shall begin at **09:00 a.m. on 21 September 2019 and ends at 5.00 p.m. on 24 September 2019**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date i.e. 18 September 2019**, may cast their vote electronically. A person who is not a member as on the cut-off date should treat this Notice for information purpose only. The remote e-voting module shall be disabled by NSDL for voting thereafter and the facility shall forthwith be blocked. Shareholders who have already voted prior to the AGM date would not be entitled to vote again at the AGM venue.

28. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the **cut-off date i.e. 18 September 2019**. Members are eligible to cast vote electronically only if they are holding shares either in physical form or demat form as on that date. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 18 September 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in.

29. Guidance for E-Voting

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below

How to Log-in to NSDL e-Voting website?

i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

ii. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

iii. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

iv. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

v. Your password details are given below:

a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

vi. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN,your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

vii. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

viii. Now, you will have to click on "Login" button.

ix. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail sweetykapoor53@rediffmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Important Note:

The Company being a listed Company and having more than 1000 shareholders, is compulsorily required to provide e-Voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and pursuant to Regulation 44(1) of the SEBI (LODR) Regulations, 2015, voting by show of hands will not be available to the members at the AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

30. Route map of the AGM venue, pursuant to the Secretarial Standard on General Meetings, is also annexed.
31. Disclosure pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Clause 1.2.5 of Secretarial Standard on General Meeting (SS-2) with respect to Directors seeking appointment / re-appointment at ensuing AGM is given in the annexure:

ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment / re-appointment at the ensuing Annual General Meeting:

	(1)	(2)	(3)	(4)
Name of Director	**Mr. Vijay Kumar Choudhary**	**Ms. Sucharita Basu De**	**Mr. Santimoy Dey**	**Mr. Hanuman Mal Choraria**
DIN	00173858	06921540	06875452	00018375
Date of Birth / Age	15.05.1956 (63 Years)	28.10.1975 (44 Years)	05.07.1958 (61 Years)	04.08.1952 (67 Years)
Date of first appointment on the Board	28.07.1987	01.04.2019	27.05.2014	11.08.2014
Qualifications	B. Com	LLB	B.Sc	B. Com; FCS, LLB,
Experience (approx.)	39 Years	17 Years	35 Years	25 years
Nature of Expertise and Brief resume.	An Industrialist with experience of more than 39 years in area of chemicals business. He has been associated with Company as promoter director since its incorporation.	Ms. Sucharita Basu De is a lawyer by profession, having 17 years of experience in the field of legal profession. She is a founder partner of legal firm "AQUILAW" having its' offices at Kolkata, Delhi and Mumbai. She is also a partner in "Intueri Consulting LLP, a multi-disciplinary consulting firm having Strategy, Corporate Finance and Research as its' primary verticals and having association with INTUERI for providing legal support wrt International Trade Law and other Legal Advisory services. She is a leading lawyer with Corporate-Commercial, Real Estate and infrastructure Law Practice as her areas of expertise.	Mr. Dey having over decades of experience in the field of Agriculture Marketing Society, Co-operatives and Agricultural Practices, Mr. Dey was also a Trustee of Iffco Kishan Seva Trust, New Delhi (for 15 years) and CORDET IFFCO (for 5 years). Currently Mr. Dey is associated with Panisheola Indira Smriti Vidyapith as President.	Mr. Hanuman Mal Choraria, aged about 67 years, is a Practicing Company Secretary for more than 25 years and the major area of practice being Company/Corporate Law, Securities Law, Economic Laws, Taxations, and Management Consultancy etc. Mr. Choraria is a Past President of Institute of Company Secretaries of India, and served both regional council as well as the council of Institute of Company Secretaries of India by holding various positions. He is closely associated with large number of NGOs, Professional, Social and Cultural Organization.
Terms and conditions of appointment or re-appointment	In terms of Section 152(6) of the Companies Act, 2013, Sri Vijay Kumar Choudhary who was reappointed as Whole time Director for a period of three years at the Annual General Meeting held on 22 September 2017, is liable to retire by rotation.	Proposed to be appointed as an Independent Woman Director for a period of five years not liable to retire by rotation.	Proposed to be re-appointed as an Independent Director for a further period of five years not liable to retire by rotation	Proposed to be re-appointed as an Independent Director for a further period of five years not liable to retire by rotation

Name of Director	(1) Mr. Vijay Kumar Choudhary	(2) Ms. Sucharita Basu De	(3) Mr. Santimoy Dey	(4) Mr. Hanuman Mal Choraria
Details of remuneration sought to be paid	₹ 2.00 Crores annually plus perquisites	Eligible to receive sitting fees	Eligible to receive sitting fees	Eligible to receive sitting fees
Remuneration last drawn	₹ 1.50 Crores annually plus perquisites	Appointed w.e.f 01.04.2019	₹ 2.12 Lakhs as sitting fee in the FY 2018-19	₹ 1.64 Lakhs as sitting fee in the FY 2018-19
Number of Board Meetings attended during the financial year 2018-19	2/5	NA	5/5	5/5
Relationship with other Directors & KMP	Mr. Bankey Lal Choudhary - Brother Mr. Shyam Sundar Choudhary - Brother	Nil	Nil	Nil
No. of shares held (₹ 1/- each)	32,66,640 (0.78%)	NIL	NIL	Nil
Directorship in other Companies	Sri Agro Himghar Limited; Himadri Power Limited; Suraksha Nirman Private Limited; Dreamway Developers Private Limited; Sukhisansar Developers Private Limited; Dripti Projects Private Limited	James Warren Tea Limited; Himadri Credit & Finance Ltd	Iffco-Tokio Insurance Services Limited	Shyam Steel Industries Limited; SENCO Gold Limited; Oswal Construction Private Limited; Saibaba Professional Consultants Private Limited; H. M. Choraria & Consultants Private Limited; Ossian Home Services Private Limited; Seeka Dealcomm Private Limited; Anuvart Dealcomm Private Limited; Sresht Barter Private Limited; Ajitnath Builders Private Limited
Chairman/ Member of the committee of Board of other Companies	NIL	**Audit Committee:** James Warren Tea Limited – Member; Himadri Credit & Finance Ltd –Member **Nomination & Remuneration Committee:** James Warren Tea Limited – Member; Himadri Credit & Finance Ltd –Member	NIL	Nil

Notice (Contd.)

Name of Director	(5) Mr. Bankey Lal Choudhary	(6) Mr. Anurag Choudhary	(7) Mr. Amit Choudhary	(8) Mr. Tushar Choudhary
DIN	00173792	00173934	00152358	00174003
Date of Birth / Age	06.05.1953 (66 Years)	03.08.1972 (47 years)	22.11.1975 (44 Years)	05.04.1974 (43 years)
Date of first appointment on the Board	28.07.1987	14.08.2019	14.08.2019	14.08.2019
Qualifications	B.Com	B. Com (Hons)	B. Com (Hons)	B. Com (Hons)
Experience (approx.)	42 years	28 years	20 years	20 years
Nature of Expertise and Brief resume.	An Industrialist with experience of more than 42 years in area of chemicals business. He has been associated with Company as promoter director since its incorporation	Mr. Anurag Choudhary joined Himadri as part of Management in 1992 and promoted to the post of CEO in 2006 and leading to integrated speciality carbon corporation in India. He has led the Company's transformation from a coal tar pitch manufacturing company to one of the world's most extensive value chains in the carbon segment. Under his leadership the Group has achieved market leadership in its key products and expanded into new products and markets like special pitch for use in long range warhead missiles, specialty carbon black, lithium-ion battery material, construction chemicals, etc. He has a firm belief that true value stems from innovation. Himadri today has a very strong R&D cell recognized by the Government of India with global expertise which powers its growth through innovations in products, processes and technology. He started with a vision of creating largest integrated specialty carbon complex in the world. Towards this end, the group constantly forward integrated into value-added products creating value from every element of its key raw material – coal tar, thereby creating a one-of-its-kind specialty carbon complex globally. His vision and relentless focus on execution has led to Himadri achieving leadership position in most of its product categories.	Mr. Amit Choudhary, President Projects of the Company, is a commerce graduate from the Calcutta University and is responsible for the project expansions and implementation activities of the Group. Under his supervision, there has been multifold capacity expansion across all businesses. He also mentors the Human Resource function of the Group in building a proud Himadrian team.	Mr. Tushar Choudhary, President, Operations of the Company, an Alumnus of Harvard Business School and a commerce graduate from the Calcutta University, he is responsible for the entire gamut of operational & technical development, infrastructure creation and process improvement activities of all the businesses. His approach of maintaining sustainability in Operations has made the company a carbon positive Carbon Corporation along with enviable zero discharge status across all the geographic locations.

Notice (Contd.)

	(5)	(6)	(7)	(8)
Name of Director	**Mr. Bankey Lal Choudhary**	**Mr. Anurag Choudhary**	**Mr. Amit Choudhary**	**Mr. Tushar Choudhary**
Terms and conditions of appointment or re-appointment	Proposed to be re-appointed as Whole time Director for a period of five years liable to retire by rotation.	Proposed to be appointed as Managing Director & CEO for a period of five years liable to retire by rotation.	Proposed to be appointed as Whole time Director for a period of five years liable to retire by rotation.	Proposed to be appointed as Whole time Director for a period of five years liable to retire by rotation.
Details of remuneration sought to be paid	As stated in the explanatory statement for his re-appointment.	As stated in the explanatory statement for his appointment.	As stated in the explanatory statement for his appointment.	As stated in the explanatory statement for his appointment.
Remuneration last drawn	₹ 1.50 Crores annually plus perquisites	₹ 1.80 Crores annually plus perquisites	₹ 1.50 Crores annually plus perquisites	₹ 1.50 Crores annually plus perquisites
Number of Board Meetings attended during the financial year 2018-19	4/5	NA	NA	NA
Relationship with other Directors & KMP	1. Mr. S.S. Choudhary- Brother 2. Mr. V. K. Choudhary – Brother 3. Mr. Tushar Choudhary – Son	Mr. Shyam Sundar Choudhary- Father Mr. Amit Choudhary- Brother	Mr. Shyam Sundar Choudhary- Father Mr. Anurag Choudhary- Brother	Mr. Bankey Lal Choudhary - Father
No. of shares held (₹ 1/- each)	1,484,280 (0.35%)	Nil	Nil	Nil
Directorship in other Companies	Sri Agro Himghar Limited; Himadri Power Limited; Himadri Credit & Finance Ltd	Himadri E-Carbon Limited, Himadri United Motors Private Limited, Sri Agro Himghar Limited, Perfect Hi-Rise Private Limited, Pujita Merchandise Pvt Ltd, Sampoorna Merchandise Pvt Ltd, Himadri Industries Private Limited, Peaklevel Infrastructure Private Limited, Modern Hi-Rise Private Limited, Himadri Real Estate Private Limited, Anatahan Infrastructure Private Limited, Next Generation Condominiums Private Limited, AAT Techno-Info Limited, Salasar Management Limited, Raghupati Consultants Limited, Raghu Management Limited, Himadri Credit & Finance Limited	Himadri E-Carbon Limited, Himadri United Motors Private Limited, Himadri Ujjwal Motors Private Limited, Perfect Hi-Rise Private Limited, Swarnalekha Developers Private Limited, Trimurti Merchandise Pvt Ltd, Himadri Industries Private Limited, Sri Siromani Dealers Pvt Ltd, Modern Hi-Rise Private Limited,	Himadri Credit & Finance Ltd, Himadri E-Carbon Limited, Himadri United Motors Private Limited, Himadri Ujjwal Motors Private Limited, Swarnalekha Developers Private Limited, Trimurti Merchandise Pvt Ltd, Sampoorna Merchandise Pvt Ltd, Himadri Industries Private Limited, Next Generation Traders Pvt Ltd,

Name of Director	(5) Mr. Bankey Lal Choudhary	(6) Mr. Anurag Choudhary	(7) Mr. Amit Choudhary	(8) Mr. Tushar Choudhary
			Himadri Real Estate Private Limited, Padmavati Estates Pvt Ltd, Bluemoon Realcon Private Limited, Hemaprabha Developers Private Limited, Next Generation Condominiums Private limited, AAT Techno-Info Limited, Salasar Management Limited, Rameshwar Consultants Limited	Lotus Villa Private Limited, Modern Hi-Rise Private Limited, Himadri Real Estate Private Limited, Padmavati Estates Pvt Ltd, AAT Techno-Info Limited, Salasar Management Limited, Gopal Management Limited, Sitaram Management Limited
Chairman/ Member of the committee of Board of other Companies	NIL	**Nomination & Remuneration Committee:** Himadri Credit & Finance Ltd	Nil	Nil

By **Order of the Board of Directors**

Sd/-
Bajrang Lal Sharma
Company Secretary
FCS: 8148

Place: Kolkata
Date: 14 August 2019

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No. 4

The Board of Directors of the Company, on the recommendation of the Audit Committee has considered and approved the appointment of Mr. Sambhu Banerjee, Cost Accountant, (Membership No.9780) as the Cost Auditor of the Company to audit the Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2019-20 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses.

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board of Directors of the Company on recommendation of the Audit Committee, is required to be ratified by the members. The Resolution mentioned herein above in the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the members.

Your Directors recommend the resolution to be passed in the interest of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution as set at Item no.4.

Item No. 5

Ms. Sucharita Basu De (DIN: 06921540) was appointed as an Additional Director in the category of Women Independent Director by the Board through resolution by Circulation with effect from 1 April 2019, subject to the approval of the Shareholders.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, read with Article 93 of the Articles of Association of the Company, Ms. Basu De will hold office upto the date of ensuing Annual General Meeting. Ms. Sucharita Basu De (DIN: 06921540) is not disqualified from being appointed as a Director in terms of section 164 of the Companies Act and has given her consent to act as an Independent Director of the Company and submitted the necessary declaration to the effect that she meets the criteria for independence as prescribed in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has received a notice in writing under the provisions of Section 160 (1) of the Companies Act, 2013, from a member proposing her candidature for the Office of Independent Woman Director, to be appointed as such in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act') as well as Regulation 17(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for a period of five years with effect from 1 April 2019 till 31 March, 2024.

Ms. Sucharita Basu De aged about 43 years, is a lawyer by profession, having 17 years of experience in the field of legal profession. She is a founder partner of legal firm "AQUILAW" having its' offices at Kolkata, Delhi and Mumbai. She is also a partner in "Intueri Consulting LLP, a multi-disciplinary consulting firm having Strategy, Corporate Finance and Research as its' primary verticals and having association with INTUERI for providing legal support w. r. t. International Trade Law and other Legal Advisory services.

The Board considers that association of Ms. Basu De with the Company as an Independent Woman Director would be beneficial to the Company. The Board based upon her declaration of Independent, is of opinion that Ms. Basu De fulfils the conditions specified in the Act and the Rules made thereunder for her appointment as Independent Director. Upon appointment of Ms. Basu De on the board the Company will comply with the requirement of having one women director on the Board as stipulated in Regulation 17(1) (a) of the SEBI (LODR) Regulation 2015, which inter-alia provides that the top 500 listed entities shall have at least one Women director.

Copy of draft letter of appointment of Ms. Sucharita Basu De setting out the detailed terms and conditions of appointment is available for inspection during business hours in between 11:00 a.m. to 1:00 p.m. on all working days (except Saturday) at the registered office of the Company until the date of the ensuing Annual General Meeting.

Except Ms. Sucharita Basu De, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution.

The notice received from the member proposing the candidature of Ms. Basu De, is available for inspection during business hours in between 11.00 a.m. to 1.00 p.m. on all working days (except Saturday) at the registered office of the Company till the date of the meeting.

The Board recommends that this resolution be passed as an ordinary resolution.

Item No. 6

Mr. Santimoy Dey being an Independent Director of the Company holds office up to 23 September 2019 ("first term") and eligible to be re-appointed as such for the second term of five years. The Nomination & Remuneration Committee, on the basis of performance evaluation, has recommended the re-appointment of Mr. Santimoy Dey (DIN: 06875452) as an Independent Director for a second consecutive term of 5 (five) years.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee and in view of his educational background and experience and considering his contributions for the growth and development of the Company, has proposed re-appointment of Mr. Dey as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years on the Board of your Company. The Board is of opinion that continued association of Mr. Dey as Independent Director would be beneficial for the further growth and development of the business of the Company.

Mr. Santimoy Dey is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company. The Company has received necessary declaration from Mr. Dey that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as prescribed in Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The necessary disclosure of information and the details as required for appointment of Mr. Santimoy Dey are provided in the "Annexure" to the Notice. He will be entitled to receive remuneration by way of sitting fees for attending each meeting of the Board and Committees thereof and /or for any other services whatsoever as may be decided by the Board from time to time, and reimbursement of expenses for participating in the Board and other meetings.

Copy of draft letter of appointment of Mr. Santimoy Dey setting out the detailed terms and conditions of appointment is available for inspection during business hours in between 11:00 a.m. to 1:00 p.m. on all working days (except Saturday) at the registered office of the Company until the date of the ensuing Annual General Meeting.

Save and except, Mr. Santimoy Dey, none of the other Directors / Key Managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The Board recommends that this resolution be passed as a Special resolution.

Item No. 7

Mr. Hanuman Mal Choraria being an Independent Director of the Company holds office up to 23 September 2019 ("first term") and eligible to be re-appointed as such for the second term of five years. The Nomination & Remuneration Committee, on the basis of performance evaluation, has recommended the re-appointment of Mr. Hanuman Mal Choraria (DIN: 00018375) as an Independent Director for a second consecutive term of 5 (five) years.

The Board, based on the performance evaluation and as per the recommendation of the Nomination & Remuneration Committee and in view of his educational background and experience and considering his contributions for the growth and development of the Company, has proposed re-appointment of Mr. Choraria, as an Independent Director of the Company, not liable to retire by rotation, for a second consecutive term of five years on the Board of your Company. The Board is of opinion that continued association of Mr. Choraria as Independent Director would be beneficial for the further growth and development of the business of the Company.

Mr. Choraria, is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director of the Company. The Company has received necessary declaration from Mr. Choraria, that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 as well as prescribed in Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The necessary disclosure of information and the details as required for appointment of Mr. Choraria, are provided in the "Annexure" to the Notice. He will be entitled to receive remuneration by way of sitting fees for attending each meeting of the Board and Committees thereof and /or for any other services whatsoever as may be decided by the Board from time to time, and reimbursement of expenses for participating in the Board and other meetings.

Copy of draft letter of appointment of Mr. Hanuman Mal Choraria setting out the detailed terms and conditions of appointment is available for inspection during business hours in between 11:00 a.m. to 1:00 p.m. on all working days (except Saturday) at the registered office of the Company until the date of the ensuing Annual General Meeting.

Save and except, Mr. Hanuman Mal Choraria, none of the other Directors / Key Managerial Personnel / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends that this resolution be passed as a Special resolution.

Item No. 8

Whereas, the Board at its' meeting held on 28 May 2019, and upon recommendation of the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Bankey Lal Choudhary as Managing Director, subject to the approval of the shareholders, since the present term has expired on 31 March 2019.

Further the Board of Directors at its' meeting held on 14 August 2019 and upon recommendation made by the Nomination and Remuneration Committee, has re-designated him as Chairman in capacity of Whole -Time Director with effect from 14 August 2019, for a period of five years, subject to approval of the Shareholders, provided that the aggregate period of tenure for both the position shall not exceed five years, accordingly his aggregate tenure will be upto 31 March 2024. Mr. Bankey Lal Choudhary has been associated with the Company since its' incorporation, as Promoter Director and has vast experience of the business and operations of the Company. Mr. Choudharys' association would be beneficial for the further growth and development of the business of the company.

Since, the conditions laid down in Part-I Section –I of Part –II of Schedule V appended to the Companies Act, 2013 have been satisfied, therefore only consent of the shareholders is required for his appointment as Whole-time Director and no approval of the Central Government is required for the proposed appointment. An agreement with Mr. Choudhary will be entered to record the terms of appointment, after getting the approval of the shareholders.

The terms and conditions for appointment of Chairman in capacity as Whole-Time Director are enumerated hereunder:

1. **Period of appointment**

   The appointment will be for a period of 5 (Five) years, which includes tenure as Managing Director from 1 April, 2019 to 14 August 2019 and as Chairman & WTD from 14 August 2019 to 31 March 2024. The aggregate period of tenure for both the position shall not exceed five years;

2. **Remuneration**

   In terms of the provisions of Schedule V read with Section 196 & 197 of the Companies Act, 2013 and subject to approval of the Company in general meeting, the Whole Time Director shall be paid the following remuneration.

i) Salary

₹ 20,000,000/- (Rupees Two Crores only) per annum

ii) Perquisites:

In addition to above, the Whole Time Director shall be entitled to the following perquisites subject to a maximum amount equal to the annual salary with an option to receive the perquisites or any lawful combination as mutually agreed between him and the Board.

a) Housing

   i) The expenditure incurred by the Company on hiring un-furnished accommodation will be subject to a ceiling of sixty percent of the salary, over and above ten per cent shall be payable by the Whole Time Director.

   Or

   ii) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company.

   Or

   iii) In case no accommodation is provided by the Company, the Whole Time Director shall be entitled to house rent allowance subject to the ceiling as specified above.

b) The expenditure incurred by the Company on gas, electricity, water and furnishings, etc, shall be valued as per the Income Tax Rules, 1962. This shall, be however, subject to a ceiling of ten percent of the salary.

c) Reimbursement of Medical Expenses/ Medical Insurance coverage premium incurred for self and his family subject to a ceiling of one months' salary in a year or five month's salary over a period of five years.

d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.

e) Fees of club subject to a maximum of two clubs. This will not include admission and life member ship fee.

f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.

g) Contribution to Provident Fund and Superannuation Fund or NPS or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.

i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Whole Time Director.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of the Whole Time Director, the remuneration by way of salary and perquisites etc., as specified here in, shall be the minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Provided that the aggregate of salary, and perquisites in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may be amended from time to time.

After getting approval of members, the Company will enter into an agreement with the Director. The draft Agreement to be entered into by the Company with Director will remain open for inspection by members at the Registered Office of the Company during 10.00 a.m. to 1.00 p.m. on all working days until the date of the ensuing Annual General Meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Mr. Tushar Choudhary and the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 9

The Board of Directors upon recommendation of Nomination and Remuneration Committee has appointed Mr. Anurag Choudhary as an additional director with effect from 14 August 2019 and in terms of provisions of Section 161(1) of the Companies Act, 2013 who shall hold office of director upto the date of ensuing annual general meeting. The Company in terms of Section 160(1) of the Companies Act, 2013, has received a notice in writing from a member signifying his intention to propose Mr. Anurag Choudhary as a candidate for the office of Director and the company has also received necessary consent pursuant to Section 152(5) of Companies Act, 2013 from Mr. Anurag Choudhary to act as director of the Company. The Board considered it desirable that the Company should continue to avail itself of his services. Therefore, the Board recommends that this resolution be passed as an Ordinary Resolution.

The notice received from the member proposing the candidature of Mr. Anurag Choudhary is available for inspection during business hours in between 11.00 a.m. to 1.00 p.m. on all working days (except Saturday) at the registered office of the Company till the date of the meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Shyam Sundar Choudhary, Mr. Amit Choudhary, the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 10

The Board of Directors upon recommendation of Nomination and Remuneration Committee has appointed Mr. Amit Choudhary as an additional director with effect from 14 August 2019 and in terms of provisions of Section 161(1) of the Companies Act, 2013 who shall hold office of director upto the date of ensuing annual general meeting. The Company in terms of Section 160(1) of the Companies Act, 2013, has received a notice in writing from a member signifying his intention to propose Mr. Amit Choudhary as a candidate for the office of Director and the company has also received necessary consent pursuant to Section 152(5) of Companies Act, 2013 from Mr. Amit Choudhary to act as director of the Company. The Board considered it desirable that the Company should continue to avail itself of his services. Therefore, the Board recommends that this resolution be passed as an Ordinary Resolution.

The notice received from the member proposing the candidature of Mr. Amit Choudhary is available for inspection during business hours in between 11.00 a.m. to 1.00 p.m. on all working days (except Saturday) at the registered office of the Company till the date of the meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Shyam Sundar Choudhary, Mr. Anurag Choudhary, the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 11

The Board of Directors upon recommendation of Nomination and Remuneration Committee has appointed Mr. Tushar Choudhary as an additional director with effect from 14 August 2019 and in terms of provisions of Section 161(1) of the Companies Act, 2013 who shall hold office of director upto the date of ensuing annual general meeting. The Company in terms of Section 160(1) of the Companies Act, 2013, has received a notice in writing from a member signifying his intention to propose Mr. Tushar Choudhary as a candidate for the office of Director and the company has also received necessary consent pursuant to Section 152(5) of Companies Act, 2013 from Mr. Tushar Choudhary to act as director of the Company. The Board considered it desirable that the Company should continue to avail itself of his services. Therefore, the Board recommends that this resolution be passed as an Ordinary Resolution.

The notice received from the member proposing the candidature of Mr. Tushar Choudhary is available for inspection during business hours in between 11.00 a.m. to 1.00 p.m. on all working days (except Saturday) at the registered office of the Company till the date of the meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Bankey Lal Choudhary and the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 12

Whereas, the Board at its' meeting held on 14 August 2019 and upon recommendation of the Nomination and Remuneration Committee has promoted Mr. Anurag Choudhary to the position of Managing Director & CEO of the Company for a period of 5 (Five) years, subject to the approval of shareholders.

Mr. Anurag Choudhary aged about 47 years, has been associated with the Company since 1992 and presently functioning as Chief Executive Officer (CEO) since 2006. He is a Key Managerial Personnel (KMP) within the provisions of Section 203 of the Companies Act, 2013. Mr. Choudhary, as CEO has led the Company's transformation from a coal tar pitch manufacturing company to one of the world's most extensive value chains in the carbon segment. Under his leadership the Himadri Group has achieved market leadership in its key products and expanded into new products and markets like special pitch for use in long range warhead missiles, specialty carbon black, lithium-ion battery material, construction chemicals, etc.

The Board based on his performance has considered to promote him to the position as Managing Director & CEO of the Company. Mr. Choudharys' association as Managing Director would be beneficial for the further growth and development of the business of the company.

Since, the conditions laid down in Part-I Section –I of Part –II of Schedule V appended to the Companies Act, 2013 have been satisfied, therefore only consent of the shareholders is required for his appointment as Managing Director and no approval of the Central Government is required for the proposed appointment. An agreement with Mr. Choudhary will be entered to record the terms of appointment, after getting the approval of the shareholders.

The terms and conditions for appointment as Managing Director & CEO are enumerated hereunder:

1. **Period of appointment**

   The appointment will be for a period of 5 (Five) years w.e.f. 14 August 2019 to 13 August 2024.

2. **Remuneration**

   In terms of the provisions of Schedule V read with Section 196 & 197 of the Companies Act, 2013 and subject to approval of the Company in general meeting, the Managing Director shall be paid the following remuneration.

   i) Salary

   ₹25,000,000/- (Rupees Two Crores fifty lakhs only) per annum

   ii) Perquisites:

   In addition to above, the Managing Director shall be entitled to the following perquisites subject to a maximum amount equal to the annual salary with an option to receive the perquisites or any lawful combination as mutually agreed between him and the Board.

   a) Housing

   i) The expenditure incurred by the Company on hiring un-furnished accommodation will be subject to a ceiling of sixty percent of the salary, over and above ten per cent shall be payable by the Managing Director.

   Or

   ii) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company.

   Or

iii) In case no accommodation is provided by the Company, the Managing Director shall be entitled to house rent allowance subject to the ceiling as specified above.

b) The expenditure incurred by the Company on gas, electricity, water and furnishings, etc, shall be valued as per the Income Tax Rules, 1962. This shall, be however, subject to a ceiling of ten percent of the salary.

c) Reimbursement of Medical Expenses/ Medical Insurance coverage premium incurred for self and his family subject to a ceiling of one months' salary in a year or five month's salary over a period of five years.

d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.

e) Fees of club subject to a maximum of two clubs. This will not include admission and life member ship fee.

f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.

g) Contribution to Provident Fund and Superannuation Fund or NPS or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.

i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Managing Director.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of the Managing Director, the remuneration by way of salary and perquisites etc., as specified here in, shall be the minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Provided that the aggregate of salary, and perquisites in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may be amended from time to time.

After getting approval of members, the Company will enter into an agreement with the Director. The draft Agreement to be entered into by the Company with Director will remain open for inspection by members at the Registered Office of the Company during 10.00 a.m. to 1.00 p.m. on all working days (except Saturday) until the date of the ensuing Annual General Meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Shyam Sundar Choudhary, Mr. Amit Choudhary, the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

Item No. 13

Whereas, the Board at its' meeting held on 14 August 2019 and upon recommendation of the Nomination and Remuneration Committee has promoted Mr. Amit Choudhary to the position of Whole Time Director of the Company for a period of 5 (Five) years, subject to the approval of shareholders.

Mr. Amit Choudhary aged about 44 years presently functioning as President Projects. He is also designated as Key Managerial Personnel (KMP) within the meaning of Section 2(51) of the Companies Act, 2013. Mr. Choudhary is responsible for the project expansions and implementation activities of the Group. Under his supervision, there has been multifold capacity expansion across all businesses.

The Board based on his performance has considered to promote him to the position as Whole Time Director of the Company. Mr. Choudharys' association as Whole Time Director would be beneficial for the further growth and development of the business of the company.

Since, the conditions laid down in Part-I Section –I of Part –II of Schedule V appended to the Companies Act, 2013 have been satisfied, therefore only consent of the shareholders is required for his appointment as Whole Time Director and no approval of the Central Government is required for the proposed appointment. An agreement with Mr. Choudhary will be entered to record the terms of appointment, after getting the approval of the shareholders.

The terms and conditions for appointment as Whole Time Director are enumerated hereunder:

1. **Period of appointment**

The appointment will be for a period of 5 (Five) years w.e.f. 14 August 2019 to 13 August 2024.

2. **Remuneration**

In terms of the provisions of Schedule V read with Section 196 & 197 of the Companies Act, 2013 and subject to approval of the Company in general meeting, the Whole Time Director shall be paid the following remuneration.

i) Salary

₹ 20,000,000/- (Rupees Two Crores only) per annum

ii) Perquisites:

In addition to above, the Whole Time Director shall be entitled to the following perquisites subject to a maximum amount equal to the annual salary with an option to receive the perquisites or any lawful combination as mutually agreed between him and the Board.

a) Housing

i) The expenditure incurred by the Company on hiring un-furnished accommodation will be subject to a ceiling of sixty percent of the salary, over and above ten per cent shall be payable by the Whole Time Director.

Or

ii) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company.

Or

iii) In case no accommodation is provided by the Company, the Whole Time Director shall be entitled to house rent allowance subject to the ceiling as specified above.

b) The expenditure incurred by the Company on gas, electricity, water and furnishings, etc, shall be valued as per the Income Tax Rules, 1962. This shall, be however, subject to a ceiling of ten percent of the salary.

c) Reimbursement of Medical Expenses/ Medical Insurance coverage premium incurred for self and his family subject to a ceiling of one months' salary in a year or five month's salary over a period of five years.

d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.

e) Fees of club subject to a maximum of two clubs. This will not include admission and life member ship fee.

f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.

g) Contribution to Provident Fund and Superannuation Fund or NPS or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.

i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Whole Time Director.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of the Whole-Time Director Director, the remuneration by way of salary and perquisites etc., as specified here in, shall be the minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Provided that the aggregate of salary, and perquisites in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may be amended from time to time.

After getting approval of members, the Company will enter into an agreement with the Director. The draft Agreement to be entered into by the Company with Director will remain open for inspection by members at the Registered Office of the Company during 10.00 a.m. to 1.00 p.m. on all working days (except Saturday) until the date of the ensuing Annual General Meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Shyam Sundar Choudhary, Mr. Anurag Choudhary, the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution

Item No. 14

Whereas, the Board at its' meeting held on 14 August 2019 and upon recommendation of the Nomination and Remuneration Committee has promoted Mr. Tushar Choudhary to the position of Whole Time Director of the Company for a period of 5 (Five) years, subject to the approval of shareholders.

Mr. Tushar Choudhary aged about 43 years presently functioning as President Operation. He is also designated as Key Managerial Personnel (KMP) within the meaning of Section 2(51) of the Companies Act, 2013. Mr. Choudhary is responsible for the entire gamut of operational & technical development, infrastructure creation and process improvement activities of all the businesses. His approach of maintaining sustainability in Operations has made the company a carbon positive Carbon Corporation along with enviable zero discharge status across all the geographic locations

The Board based on his performance has considered to promote him to the position as Whole Time Director of the Company. Mr. Choudharys' association as Whole Time Director would be beneficial for the further growth and development of the business of the company.

Since, the conditions laid down in Part-I Section –I of Part –II of Schedule V appended to the Companies Act, 2013 have been satisfied, therefore only consent of the shareholders is required for his appointment as Whole Time Director and no approval of the Central Government is required for the proposed appointment. An agreement with Mr. Choudhary will be entered to record the terms of appointment, after getting the approval of the shareholders.

The terms and conditions for appointment as Whole-Time Director are enumerated hereunder:

1. **Period of appointment**

   The appointment will be for a period of 5 (Five) years w.e.f. 14 August 2019 to 13 August 2024.

2. **Remuneration**

   In terms of the provisions of Schedule V read with Section 196 & 197 of the Companies Act, 2013 and subject to approval of the Company in general meeting, the Whole Time Director shall be paid the following remuneration.

   i) Salary

   ₹ 20,000,000/- (Rupees Two Crores only) per annum

   ii) Perquisites:

   In addition to above, the Whole Time Director shall be entitled to the following perquisites subject to a maximum amount equal to the annual salary with an option to receive the perquisites or any lawful combination as mutually agreed between him and the Board.

a) Housing

   i) The expenditure incurred by the Company on hiring un-furnished accommodation will be subject to a ceiling of sixty percent of the salary, over and above ten per cent shall be payable by the Whole Time Director.

   Or

   ii) In case the accommodation is owned by the Company, ten per cent of the salary shall be deducted by the Company.

   Or

   iii) In case no accommodation is provided by the Company, the Whole Time Director shall be entitled to house rent allowance subject to the ceiling as specified above.

b) The expenditure incurred by the Company on gas, electricity, water and furnishings, etc, shall be valued as per the Income Tax Rules, 1962. This shall, be however, subject to a ceiling of ten percent of the salary.

c) Reimbursement of Medical Expenses/ Medical Insurance coverage premium incurred for self and his family subject to a ceiling of one months' salary in a year or five month's salary over a period of five years.

d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.

e) Fees of club subject to a maximum of two clubs. This will not include admission and life member ship fee.

f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.

g) Contribution to Provident Fund and Superannuation Fund or NPS or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.

i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Whole Time Director.

Notwithstanding anything contained herein, in the event of any loss, absence or inadequacy of profits in any financial year, during the term of office of the Whole Time Director, the remuneration by way of salary and perquisites etc., as specified here in, shall be the minimum remuneration as prescribed under Section II of Part II of Schedule V of the Companies Act, 2013.

Provided that the aggregate of salary, and perquisites in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, as may be amended from time to time.

After getting approval of members, the Company will enter into an agreement with the Director. The draft Agreement to be entered into by the Company with Director will remain open for inspection by members at the Registered Office of the Company during 10.00 a.m. to 1.00 p.m. on all working days (except Saturday) until the date of the ensuing Annual General Meeting.

None, of the directors and Key Managerial Personnel of the Company or their relatives except Mr. Bankey Lal Choudhary and the appointee himself and their relatives are concerned or interested, financial or otherwise, in the aforesaid resolution.

By **Order of the Board of Directors**

Sd/-
Bajrang Lal Sharma
Company Secretary
FCS: 8148

Place: Kolkata
Date: 14 August 2019

Himadri

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited)

CIN: L27106WB1987PLC042756

Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001

E-mail: investors@himadri.com, Website: www.himadri.com Ph: 033 22309953

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

PROXY FORM

31st Annual General Meeting – 25 September 2019

Name and address of the member(s) :			
Folio No./ DP-ID/ CL- ID.		**No of Shares held**	
Email Id:			

I/We, being the member (s) of the above named Company, hereby appoint:

1 Name : ....

Address : ....

E-mail Id: .... Signature: ....

or failing him/her

2. Name : ....

Address : ....

E-mail Id: .... Signature: ....

or failing him/her

3 Name : ....

Address : ....

E-mail Id: .... Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company, to be held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 25 September 2019 at 10:30 a.m. and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	Description of Resolutions	Favor	Against
	Ordinary Business		
1	To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31 March 2019 together with the report of the Board of Directors and Auditors thereon.		
2	To declare dividend for the financial year ended 31 March 2019.		
3	To appoint a Director in place of Mr. Vijay Kumar Choudhary (DIN-00173858), who retires by rotation and being eligible offers himself for re-appointment.		
	Special Business		
4	Ordinary Resolution for ratification of payment of remuneration to Mr. Sambhu Banerjee as Cost Auditor for the financial year 2019-20.		
5	Ordinary Resolution for appointment of Mrs. Sucharita Basu De as an Independent Woman Director.		
6	Special Resolution for Re-appointment of Mr. Santimoy Dey as an Independent Director.		
7	Special Resolution for Re-appointment of Mr. Hanuman Mal Choraria as an Independent Director.		
8	Special Resolution for re-appointment of Mr. Bankey Lal Choudhary (DIN-00173792) as a Whole Time Director.		
9	Ordinary Resolution for appointment of Mr. Anurag Choudhary (DIN-00173934) as a Director.		
10	Ordinary Resolution for appointment of Mr. Tushar Choudhary (DIN-00174003) as a Director.		
11	Ordinary Resolution for appointment of Mr. Amit Choudhary (DIN-00152358) as a Director.		
12	Special Resolution for appointment of Mr. Anurag Choudhary (DIN-00173934) as a Managing Director & CEO.		
13	Special Resolution for appointment of Mr. Tushar Choudhary (DIN-00174003) as a Whole Time Director.		
14	Special Resolution for appointment of Mr. Amit Choudhary (DIN-00152358) as a Whole Time Director.		

Signed this .... **day of**.. **2019**

.... Signature of Shareholder

.... Signature of Proxy holder(s)

Affix Revenue Stamp

Notes:

1. *This form of proxy in order to be effective should be duly completed, stamped, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.*
2. *A person can act as proxy on behalf of Member upto and not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company. Further, a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.*

Himadri

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited)

CIN: L27106WB1987PLC042756

Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata 700 001

E-mail: investors@himadri.com Website: www.himadri.com Ph: 033 22309953

ATTENDANCE SLIP

I certify that I am a member / proxy / authorized representative for the member of the Company. I hereby record my presence at the 31st Annual General Meeting of the Company being held at "Kala Kunj", 48, Shakespeare Sarani, Kolkata 700 017 on Wednesday, the 25 September 2019 at 10:30 a.m.

Name of the member/ proxy(In Block Letters)			
Folio No./ DP-ID/ CL- ID.		**No of Shares held**	

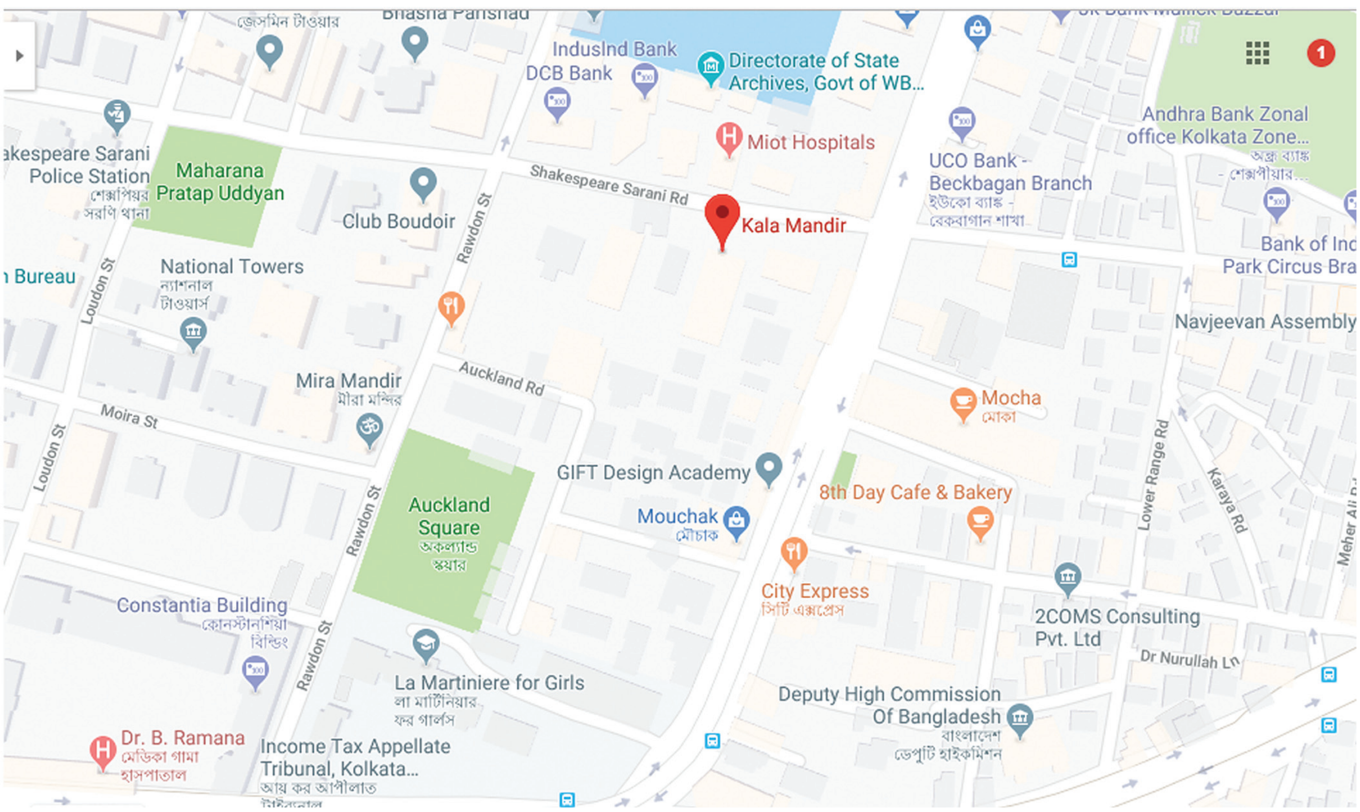
....

Signature of the Shareholder/ Proxy/ Authorized Representative Present

Notes:

1. *Shareholders / Proxy holders wishing to attend the meeting must bring the Attendance Slip, duly filled in and signed and hand it over at the time of entrance into the meeting Hall and bring the copies of Annual Report at the meeting for reference.*

Route map to the Venue of AGM



Kala Kunj, 48, Shakespeare Sarani, Kolkata 700 017

Himadri

Annual Report 2018-19

WHAT'S NEXT?

Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited)

ACROSS THE PAGES

1-33
CORPORATE OVERVIEW

34-148
STATUTORY REPORTS

149-330
FINANCIAL STATEMENTS

INVESTOR INFORMATION

Market Capitalisation as at 31 March 2019:	**₹ 4,826 Crores**
CIN:	**L27106WB1987PLC042756**
BSE Code:	**500184**
NSE Symbol:	**HSCL**
Bloomberg Code:	**HCI IN**
Dividend Declared:	**15%**

WHAT'S

NEXT?

We are ready for the next phase of our journey

Himadri Speciality Chemical Ltd is a carbon chemistry specialist with leadership in multiple product segments. Our knowledge and expertise, gathered over the years, has placed us where we are today.

So it is only imperative that we ask ourselves, WHAT'S NEXT?

1 We are ready and extremely excited to catapult into the next stage of our business growth.

2 Riding the wave of our robust R&D capabilities and develop new products – an extension of the existing ones.

3 This new phase presents itself with immense opportunities that will benefit the Company's sustainability, drive future growth and attract higher profit margins.

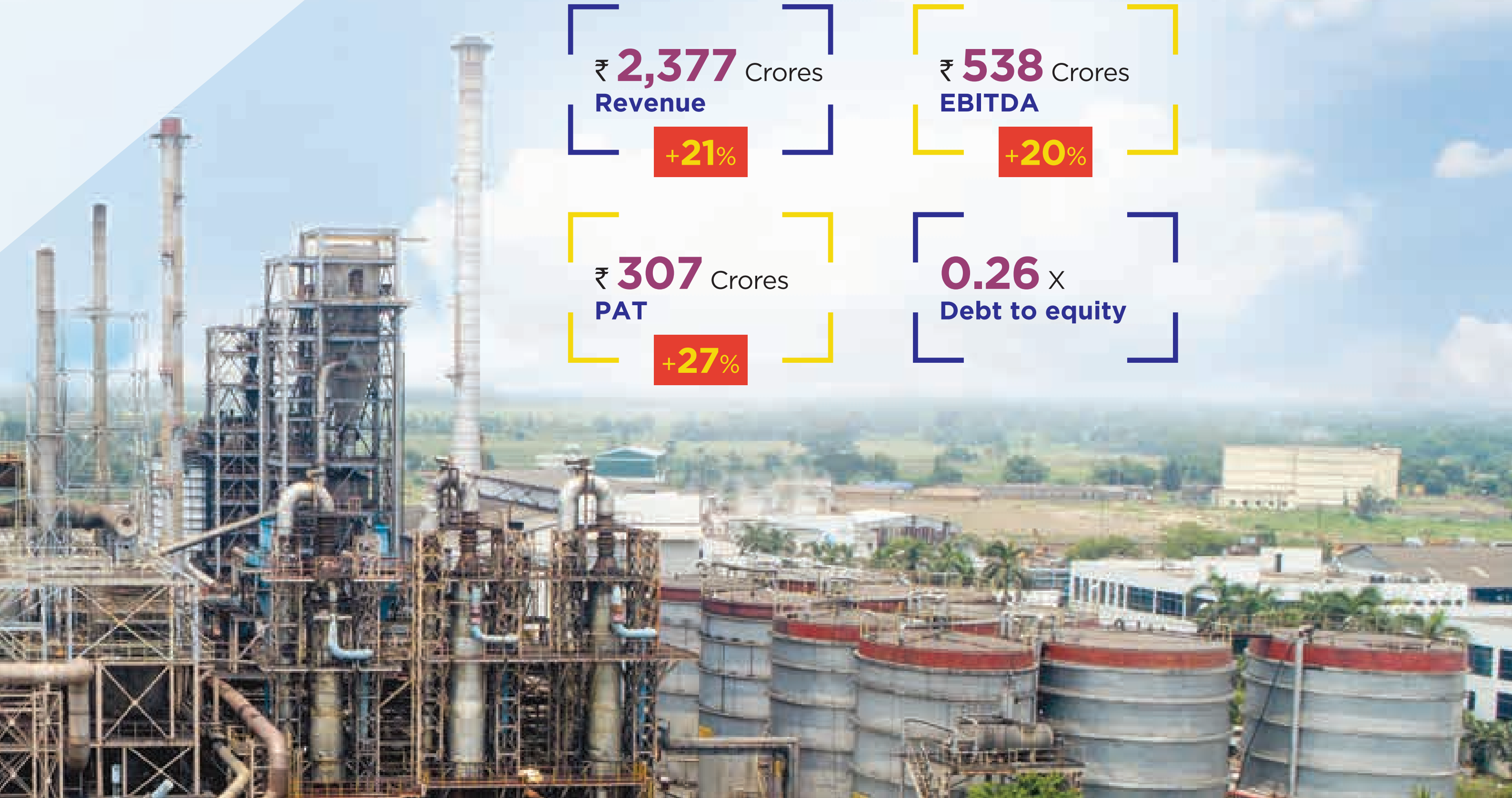
KEY MILESTONES OF 2018-19

₹ **2,377** Crores
Revenue
+21%

₹ **538** Crores
EBITDA
+20%

₹ **307** Crores
PAT
+27%

0.26 x
Debt to equity



ABOUT US

Largest and vertically-integrated Indian speciality carbon corporation

Himadri Speciality Chemical Ltd ('Himadri' or 'the Company') was established in the year 1990. The Company has undergone a massive transformation from when it started as a coal tar pitch manufacturing company to being one of the world's most extensive value chains in the carbon segment today. Himadri's product portfolio highlights its forward integration strategy that encompasses advance carbon material and other value-added speciality products. The Company enjoys strong presence in products like Coal Tar Pitch (CTP) and Carbon Black (CB). While in the CTP segment, Himadri is the market leader by far catering to Indian graphite and aluminium industry, the CB segment caters niche application in tyre and non-tyre industry. Sensing the demand of the future, the Company has gradually expanded into new products and markets like special pitch, Speciality carbon black, Lithium-ion battery material and construction chemicals, among others.

The Company has spread its geographic presence with 9 'Zero Discharge' world-class manufacturing facilities across India and China. Himadri is committed towards maintaining its leadership position in the core products. Parallelly, the Company is also focussing on and developing market for its value-added products. The strong and experienced R&D team (situated at Mahistikry, West Bengal) has global experts on board and is recognised by the Government of India.

The Company is powering its next phase of growth by explicitly advocating the comprehensive approach of the relevant Sustainability Development Goals (SDGs) through its innovations, products and technologies, strongly contributing to the sustainability of the Company.

SECTORS WE CATER

Li-Ion Batteries

Aluminium

Graphite

Infrastructure

Tyres

AWARDS AND ACCOLADES

CII WATER MANAGEMENT AWARD

Winner in 'Within the Fence' Category in CII's Water Management National Competition for Excellence

GREENTECH SAFETY AWARD

Bestowed with Gold Award for 'The Best Performance Nationally' in Chemical sector

FORTUNE INDIA THE NEXT 500 AWARDS 2018

Recognised as no. 1 among 25 Companies for the top wealth creators over the last three years

WORLD'S 100 GREATEST BRANDS

Received the title at the Fourth edition of India-UAE Business and Social Forum

ASIA PACIFIC ENTREPRENEURSHIP AWARD (APEA)

Mr. Anurag Choudhary, CEO received the prestigious APEA, India award under the category of Chemical & Plastics Industry by General Vijay Kumar Singh, MOS, External Affair in New Delhi

ANNUAL REPORT AWARD

Received Gold Award and featured among Top 100 in International Annual Report Competition 2017-18 by League of American Communications Professionals LLC (LACP)

Mechanical Rubber Goods | Plastic | Dyes And Intermediaries | Power | Others

OUR JOURNEY LEADING TO THE NEXT PHASE

BEGINNING

1990
Commissioned Coal Tar distillation plant in Howrah, West Bengal

1992
Went public

1993 – 1999
- Commissioned a new unit at Visakhapatnam, Andhra Pradesh
- Expansion at both the Plants

EXPANSION

2000
Himadri Ispat Limited merged with the Company

2004
Established new Coal Tar distillation plant at Mahistikry, Hooghly, West Bengal

2005
Expansion at Hooghly plant

2006
Commercialised a by-product refining plant at Mahistikry, Hooghly, West Bengal

2007
Established new pitch melting facility at Korba, Chhattisgarh

PRODUCT DIVERSIFICATION

2009
- Acquisition of SNF plant in Vapi, Gujarat
- Started production at Carbon Black Plant and started power plant at Mahistikry, Hooghly, West Bengal

2010
Completed capacity addition at the Coal Tar distillation plant in Mahistikry, Hooghly, West Bengal

2011
- Recognised as an R&D centre from the Government of India
- Completed capacity addition for Carbon Black at Mahistikry, Hooghly, West Bengal
- Commissioned production of SNF at Mahistikry, Hooghly, West Bengal
- Established 100% export-oriented unit in Falta SEZ
- Established a Coal Tar Pitch plant in China

SCALING UP

2012

- Completed brownfield expansion of the power plant (from 12 Megawatts to 20 Megawatts)

2014

- Completed a brownfield project enhancing the Company's Coal Tar distillation capacity in India by 60%

TRANSFORMATION

2016

- Transformed identity to Himadri Speciality Chemical Ltd - reflecting true business nature
- Commenced pitch melting plant at Sambalpur, Odisha
- Over-hauled carbon black marketing
- Installed continuous furnace for advance carbon material at Falta SEZ

FUTURE CORE

2017-2019

- Commenced commercial operations for the pitch melting plant at Sambalpur, Odisha
- Setting up of manufacturing facility of Advance Carbon Material (HSCP) at West Bengal
- Setting up of Carbon Black plant at West Bengal
- Introduced and commercialised 14 new grades of Speciality Carbon Black
- De-bottlenecked coal tar distillation capacity

BUSINESS MODEL

At Himadri, we have inscribed Sustainable Development Goals (SDGs) at the heart of our corporate strategy with internal targets and policies and the development of new products designed to meet the Goals, which demands a change in mindset. Therefore, we are now doing well and doing good to meet these goals in our own way.

Inputs

INTELLECTUAL CAPITAL

Intellectual capital refers to the intangible resources - important for the value creation process.

- Strong R&D team: 66 peoples team working on all aspects of product and technology
- World-class laboratory

Read more on Pg 8

MANUFACTURING CAPITAL

Manufacturing capital comprises all the physical infrastructure including plant, buildings, machinery, equipment, tools and technology.

- 9 manufacturing facilities, strategically located across India and China

Read more on Pg 14

FINANCIAL CAPITAL

It includes pool of funds available to the organisation through financing such as debt, equity, operations and investments.

Equity: ₹ 1677 Crores
Net: ₹ 430 Crores
Cash from operation: ₹ 472 Crores

Read more on Pg 26

Value creation process

Value Chain

Procurement of raw material (Coal Tar) from Indian steel plants → Distillation process → Manufacturing intermediates as well as the final product → Owned logistical support → User-industry

Values-created

(Output and outcome)

Intellectual capital

- 11% improvement in productivity of certain grades through de-bottlenecking
- 14 new grades introduced and commercialised in Speciality Carbon Black

Manufacturing capital

Industries served: 12+

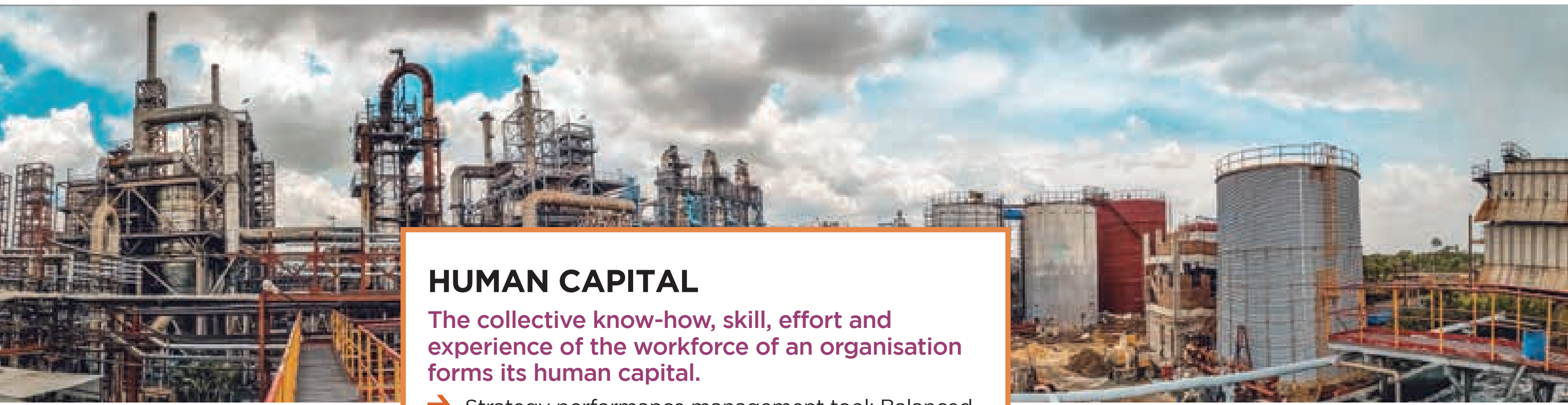
- Considerable market share of carbon black in India

Natural capital

- 7% reduction in energy consumption in certain processes
- Reduction in carbon emission
- Reduction in dependence on fossil fuel

SDG

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 7 AFFORDABLE AND CLEAN ENERGY



HUMAN CAPITAL

The collective know-how, skill, effort and experience of the workforce of an organisation forms its human capital.

- Strategy performance management tool: Balanced scorecard
- Learning and development, career progression and employee welfare
- Entrepreneurial working culture
- Exposure to latest technology

Read more on Pg 20

SOCIAL CAPITAL

Social capital comprises of contributions made by the Company towards social causes.

- 9,574 Free services rendered at village medical centre
- Skill development
- Drinking water project

Read more on Pg 22

NATURAL CAPITAL

Natural capital are renewable and non-renewable natural resources like land, water, air, fossil fuels and solar energy and how the firm utilises these in some form or the other.

- 20MW power plant at Mahistikry which generates power from green gas during production of carbon black
- Solar panels for the lighting equipment, warehouse and packaging activity
- Well integrated system to handle waste

Read more on Pg 24

Vision

To become a globally acclaimed leader in carbon products by adopting appropriate eco-friendly technologies and enhancing core capabilities through continuous product improvement, technical innovations and customer satisfaction.

Mission

- To be a Company that constantly innovates new products and technologies in the field of Carbon
- To have an unrelenting customer focus while being customers' clear choice
- Be a company that attracts, develops individuals to build a proud Himadrian team
- Stay committed to a sustainable future and to improve the social, economic and environmental well-being of communities in the region of our operations

Social capital

Positively impacting the quality of life of the surrounding communities by focussing on education, health, women empowerment, well-being and environment.

Human Capital

- Role clarity and alignment at all level
- Enhanced skills
- Boost in employee morale
- Helping employees meet family and personal needs

Financial capital

Revenue: ₹ 2,377 Crores

EBITDA: ₹ 538 Crores

EBIT: ₹ 516 Crores

PAT: ₹ 307 Crores

INTELLECTUAL CAPITAL

Growing on the strong foundation of R&D and Innovation

Technology is radically changing the face of tomorrow. To be able to create value for customers, it is important to understand and invest in intellectual capital like R&D and innovation wisely. These are prerogatives for being future-ready and riding the growth wave.

WHAT'S NEXT?

We are transforming ideas into tangible concepts and shaping new solutions

14

New grades introduced and commercialised in Speciality Carbon Black

PRODUCT DEVELOPMENT OVER THE YEARS

2010

- Coal Tar Pitch – Binder grade
- Coal Tar Pitch – Impregnating
- Carbon Black
- Naphthalene
- SNF
- C. B. Oil

EFFECTIVE RESEARCH

Improved value chain

The value chain of the business has progressively improved over the decade, through indigenous research and development with focus on special product profile.

Recognised R&D centre

Our research and development department at Mahistikry unit (Hooghly) is recognised by the Government of India. Our centre is also an accredited lab by the National Accreditation Board for Testing and Calibration Laboratories (NABL).

In-house technology

The in-house technology has helped us to:

- Improve quality
- Enhance output by process control
- Develop new products such as Coal Tar Pitch of different grades, advance carbon material and speciality carbon black

World class researcher

The introduction of new grades product, along with growing output and improvement in the manufacturing process, has been made possible due to our strong research team that is constantly involved in R&D process.

Innovation culture

The innovation culture in our organisation is built upon fundamental characteristics, fostered by creating an environment where creativity is encouraged, and our people are rewarded for their efforts. The innovation committee co-operate together to mesh the skills to achieve organisation goal.

2019

- Aluminium Grade Pitch
- Graphite Grade Binder Pitch
- Graphite Grade Zero QI (Quinolene Insoluble) Coal Tar impregnated pitch
- Anode material for Lithium-ion batteries
- Special Pitch
- Naphthalene
- Refined Naphthalene
- Light Creosote Oils
- Heavy Creosote Oils
- Anthracene Oil / C. B. Oil
- Oil/ CT Oil
- SNF
- PCE
- Carbon Black
- Speciality Carbon Black
- Himcoat Enamel
- Himcoat Primer-B
- Himtape
- Himwrap

> "What separates us from the crowd is the R&D backed conceptualisation of product, designed to suit the customers' demand"

Products driving future growth

We emphasise on transformations that drive to the next level of growth. It is our endeavour to come up with products that grow in line with the market trends. After reaching and sharing stage with global leaders in the CTP space, we are now heading towards establishing our new cores for driving future growth.

"What's next is what we endeavour of by developing products in our best way"

WHAT'S NEXT?

Introducing new products, aiming product leadership while mastering and defining new cores

In-house feedstock: Strengthens the forward integration model

Growth drivers for our emerging product

Applications

Capacity expansions

ADVANCE CARBON MATERIAL

Coal Tar is used as a raw material in Advance Carbon Material

- This is a high technology and high margin product with a rapidly growing demand worldwide
- To produce Advance Carbon Material, we have developed the in-house technology

It finds its application as Anode Material used in Lithium-ion Batteries which in turn is used in electric vehicles, energy storage and electronic devices

Advance Carbon Materials project of 20,000 MTPA is progressing well. Commissioning for the same is expected to be in phases, starting during FY20 over the next 12 months thereon

SPECIALITY CARBON BLACK

Forward integration to convert Coal Tar Oil into Carbon Black which is further used in making speciality carbon black

Sales offices and distribution network in 34+ countries across all major markets

- It caters niche application
- It finds application in tyre, moulded rubber goods, plastic, fibre, wire & cables and ink & coatings
- In India, the market for speciality black is still small, indicating a huge market potential

We have set-up Speciality Carbon Black at West Bengal with an annual capacity of 60,000 MTPA which is expected to be commissioned during FY20

WHAT'S NEXT?

ADVANCE CARBON MATERIAL

- Extensive usage as anode material in Lithium-ion batteries
- Successful customer approvals on the pilot projects
- Expansions underway, commercial production expected to commence in FY 2019-20
- Strong realisations per tonne
- Li-ion batteries are growing rapidly with the advent of electric vehicles and increasing adoption of high-end consumer durables
- Huge export opportunity with upcoming Lithium-ion giga factories

Exciting opportunities from the sunrise sectors

ELECTRIC VEHICLES
(Growing Markets)

Forklift

Cars

Bikes

Bus

Golf cart

ENERGY STORAGE
(Growing Markets)

Portable Energy Storage

Stationery Energy Storage

Portable Solar Energy Storage

WHAT'S NEXT?
SPECIALITY CARBON BLACK

- A value-added product
- Expansions underway, commercial production expected to commence in FY 2019-20
- Approximately 40 grades to be introduced over the next 2-3 years which are expected to fetch better realisations
- Import substitution opportunity
- Range of applications across niche segments

Exciting opportunities from the niche segments

CONSUMER ELECTRONIC & DEVICES
(Expanding Markets)

Tablets
Wearables
Smart Phones
Payment Device
Personal Care
Toys
Phones
Power Tools

SPECIALITY BLACK APPLICATIONS

Paint
Cables
Engineered Plastics
Ink
Fibers

Read more about our exciting prospects from pages 14 to 19

MANUFACTURING CAPITAL

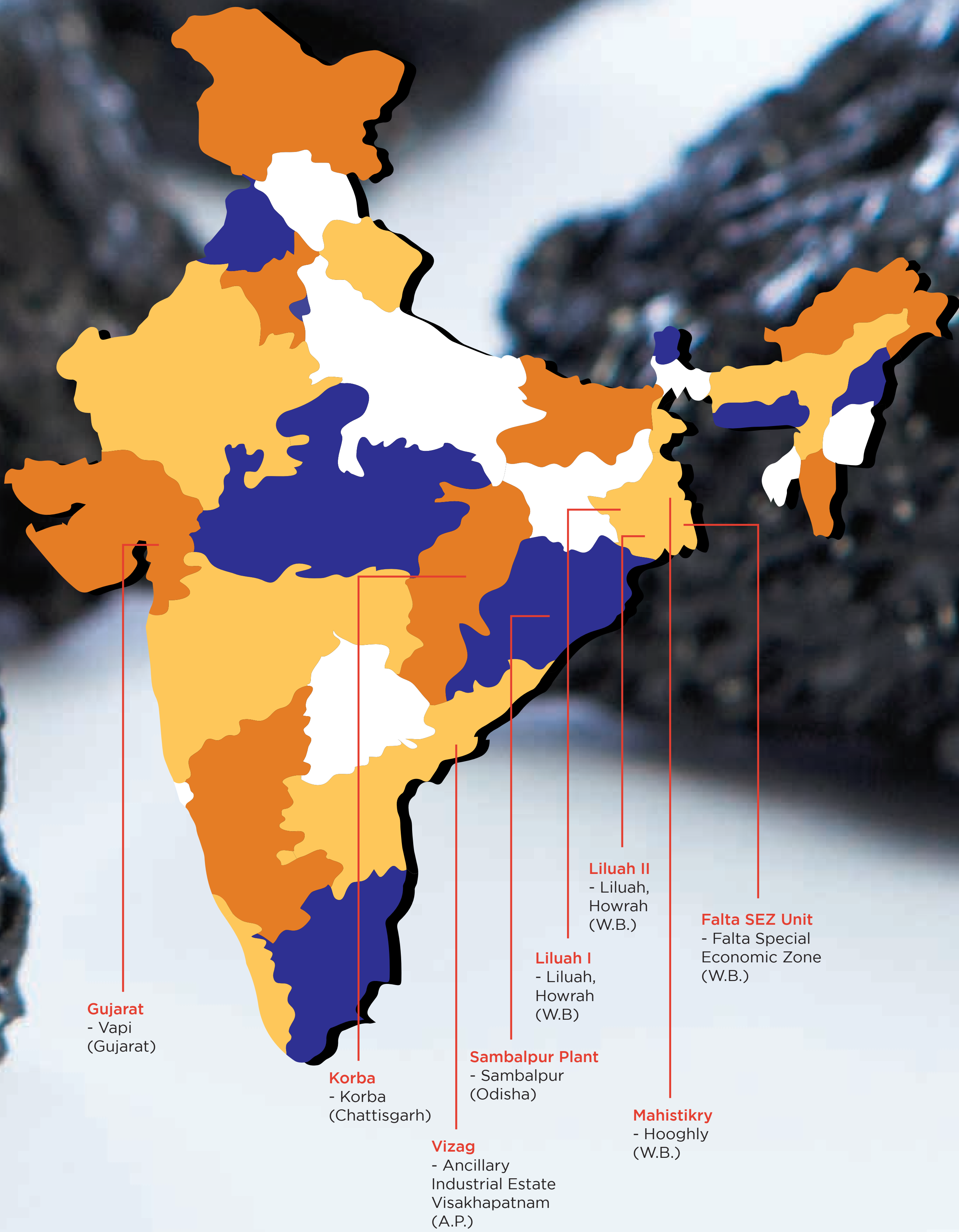
It is essential to constantly upgrade manufacturing capital to enhance efficiency and processes.

It adds to a business's sustainability while enhancing output. We made required changes and improved our capital cycle days, debottlenecked processes and enhanced productivity to a great extent.

WHAT'S NEXT?

We are focusing on enhancing capacity while leveraging our benefits of knowledge and expertise to move onto next phase.

OPERATIONAL PRESENCE



This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features / states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

OPERATIONAL CAPACITY

500,000 TPA
Coal Tar Distillation capacity

120,000 TPA
Carbon Black capacity

68,000 TPA
SNF capacity

20 MW
Power plant capacity

"Excellence is not for someone else to notice but for your own satisfaction and efficiency"

OPERATIONAL EFFICIENCY AT OUR PRODUCTION FACILITIES

SUPERIOR IN-HOUSE RAW MATERIAL PRODUCTION

The in-house production gives us the flexibility and control over the product development, process and production phase. This has helped us strengthen the integration model of the business, saving manufacturing and logistics cost, eliminating supplier credit fee and meeting the market demand.

PRODUCT PORTFOLIO

COAL TAR

Coal Tar Pitch

Advance Carbon Material

ALUMINIUM GRADE PITCH
In pre-baked anode and soderberg in Aluminium manufacturing

GRAPHITE GRADE BINDER PITCH
In Graphite electrode manufacturing

GRAPHITE GRADE ZERO QI IMPREGNATING PITCH
In Graphite electrode, nipple impregnation and UHP grade electrode manufacturing

SPECIAL PITCHES
Used by DRDO

OTHER PITCHES
In refractories, carbon paste, paints/ultra-marine blue and proofing, Himcoat enamel, Himcoat Primer-B, Himtape and Himwrap, among others

HSCP
Anode Material for Lithium-ion Batteries

> "Our product portfolio reflects our ability to diversify while driving success and innovation"

Oil

CARBON BLACK
Tyre manufacturers, conveyor belt, rubber, plastic, fibre coating and inks.

SPECIALITY BLACK
Polymers, paints and coatings, battery electrodes, printing inks, polyester fibre, speciality packaging, films and sheets and consumer-moulded parts

POWER
Captive consumption export to grid

SPECIALITY OILS
Wash oil, wood preservative oil, etc

Naphthalene

REFINED NAPHTHALENE
Dye and Dye Intermediate and Moth balls

SNF & PCE
Commercial and core infrastructure constructions, pipe manufacturers, dyes and pigments, agrochemicals, leather, rubber and high-performance concrete

HUMAN CAPITAL

Employees are the company's key asset and strategic partners in achieving its sustainable development goals

The Himadri team includes professionals with a high level of involvement who share the company's values. Taking care of their well-being and attracting and retaining the best employees is a top priority for the Company.

The human resources strategy is directly linked to the overall strategy of Himadri. It aims to achieve the Company's key goals by providing it with the required number of qualified and engaged employees in the present and the future.

WHAT'S NEXT?

Strong employee incentive and training system and the development of a corporate culture makes the team gear up for the exciting phase ahead.

At Himadri, we lead with an inclusive workplace where diversity is backed by meaningful actions and results. This helps us in building a powerful force for Himadri while winning in the marketplace.

MANPOWER MOVEMENT IN PAST THREE YEARS

722	820	941
2016-17	2017-18	2018-19

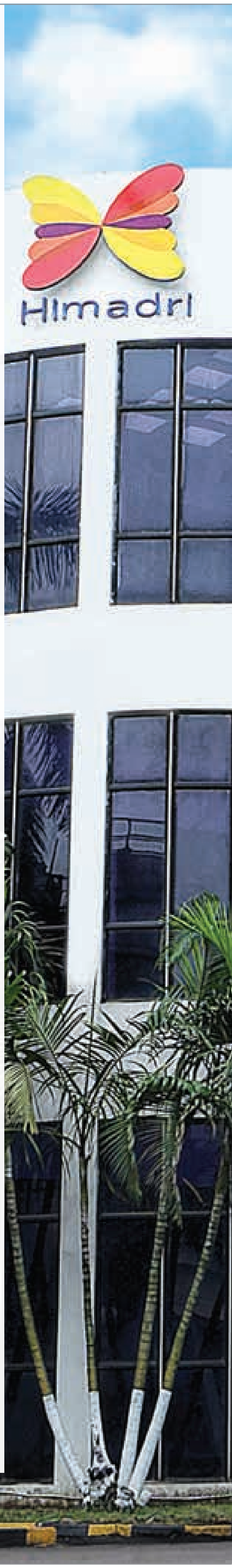
KEY FOCUS AREAS:

- Systematic recruitment system by identifying right talents for right positions
- Talent management, competency development and training
- Development of an incentive system and culture of engagement
- Growth in productivity and organisational efficiency
- Improved efficiency of HR functions

"Collective intelligence of our diverse people have helped us evolve into a home-grown team of future leaders"

SOCIAL CAPITAL

One of Himadri's key priorities in sustainable development is to expand the competitiveness of the territories where it operates and improve the quality of life of the people living there.



Himadri is a reliable partner for the Government and Society in terms of developing a social investment programme in close partnership with all stakeholders.

The Company has been implementing ambitious programmes in the fields of education, health, women empowerment, well-being and environment. The programme takes an integrated approach to creating an environment that is conducive to the development of the regions in which the Company operates through supporting projects that encompass all aspects of public life.

Key initiatives undertaken in 2018-19 are listed on page 53 of the report.

WHAT'S NEXT?

Support systemic positive changes in the regions by engaging local residents and enhancing their social activities. The Company views stakeholders as partners in implementing social programmes, and this cooperation is a key condition for systemic long-term changes.

We at Himadri are committed to support various social causes and uplifting communities

NATURAL CAPITAL

Every business must prudently use natural resources. A cohesive framework that consciously preserves and rejuvenates natural resources is a responsibility that every corporate must take on.

At Himadri, our production facilities are comprehensively reviewed by leading third party auditors. It includes monitoring of surface water, soil as well as groundwater toxicity level.

WHAT'S NEXT?

We are focusing on sustainable process with our zero wastage plants and minimising pollution to a great extent while achieving operational efficiencies.

CONSERVATION OF ENERGY

- We use solar panels in our lighting equipment, warehouse and packaging activity which has been effective enough and helped us in cutting down the energy cost
- Through usage of solar panel, we are also prepared to tackle any power outage
- We are also gearing towards being an environment-friendly firm by minimising the release of greenhouse gases and consuming less water through usage of solar energy
- We use LED bulb across all our plants which reduces the CO2 emissions and efficiently converts electricity into lights, creating a better work environment
- The Company also makes use of green gases to produce power, thereby becoming a 'rare' carbon positive organisation in today's environmentally-distressed society

CLEAN POWER GENERATION

We have installed 20MW co-generation power plants based on waste heat recovery system. The green gas generated during the carbon black manufacturing process is not vented into the environment. Instead, we utilise it for power generation. This method helped us in meeting two objectives: pollution control and operational efficiency.

EFFECTIVE WASTE MANAGEMENT

Across all our facilities, through effluent treatment process, we have maintained zero discharge status. We are using the process wherein there is a minimum waste. The wastewater generated is used in other processes as input. All air emissions are strictly within the norm of State Pollution Control Board (SPCB) and Central Pollution Control Board (CPCB).

> "We believe in conducting our business operations in a sustainable way to support and save the ecosystem"

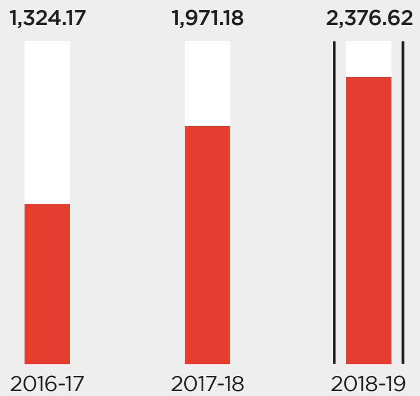
FINANCIAL CAPITAL

A pragmatic deployment of funds is crucial for sustaining growth and expansion in the long term. Prudent use of financial capital is essential for creating value for all stakeholders.

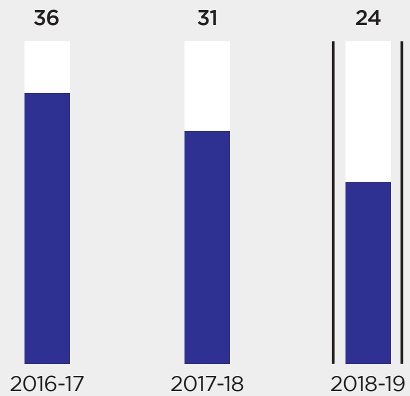
WHAT'S NEXT?

Creating solutions that simplify future needs and offer added value to all stakeholders.

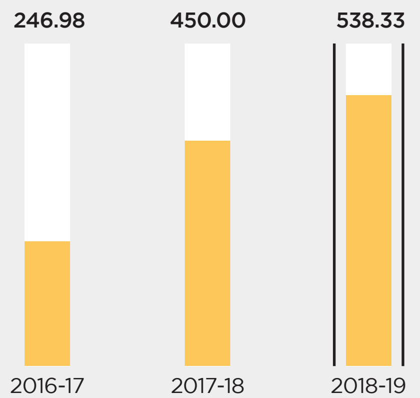
NET REVENUE FROM OPERATIONS (₹ in Cr)



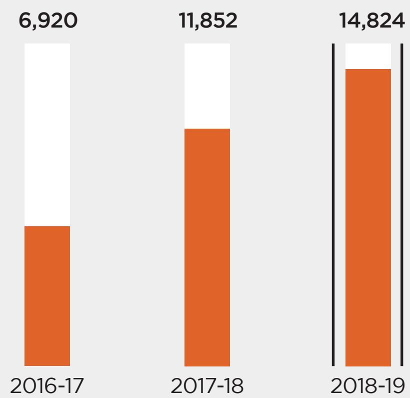
NET WORKING CAPITAL (% of sales)



EBITDA (₹ in Cr)

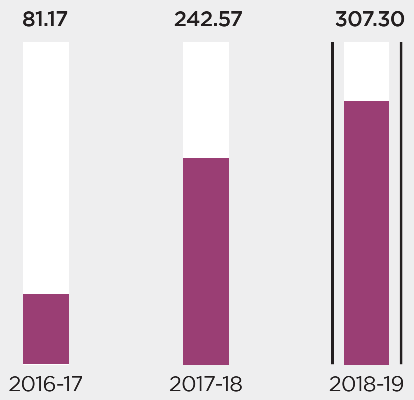


EBITDA PER MT (₹)

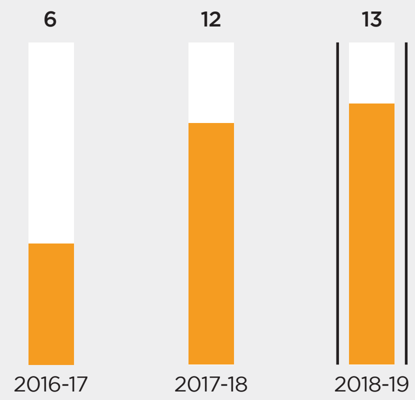


EBITDA: Earnings before interest, tax, depreciation and amortisation | EPS: Earnings per share

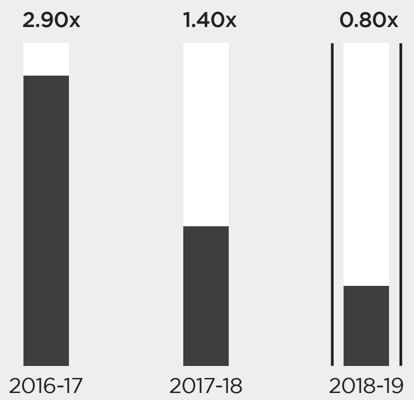
NET PROFIT (₹ in Cr)



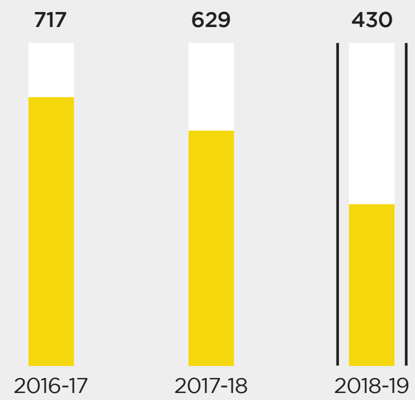
NET PROFIT MARGIN (%)



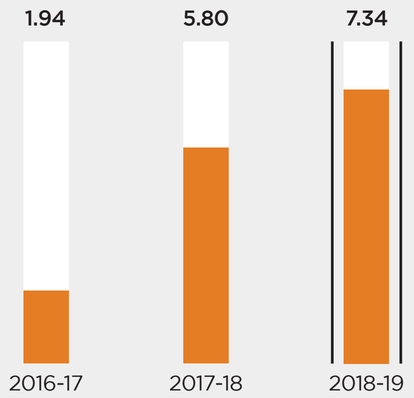
NET DEBT TO EBITDA



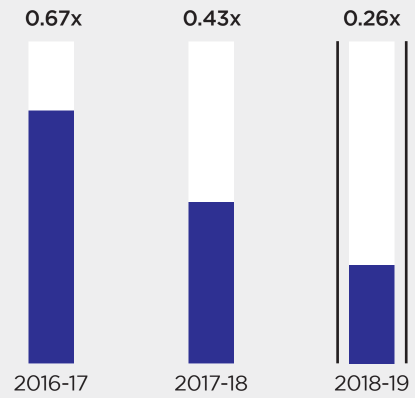
NET DEBT (₹ in Cr)



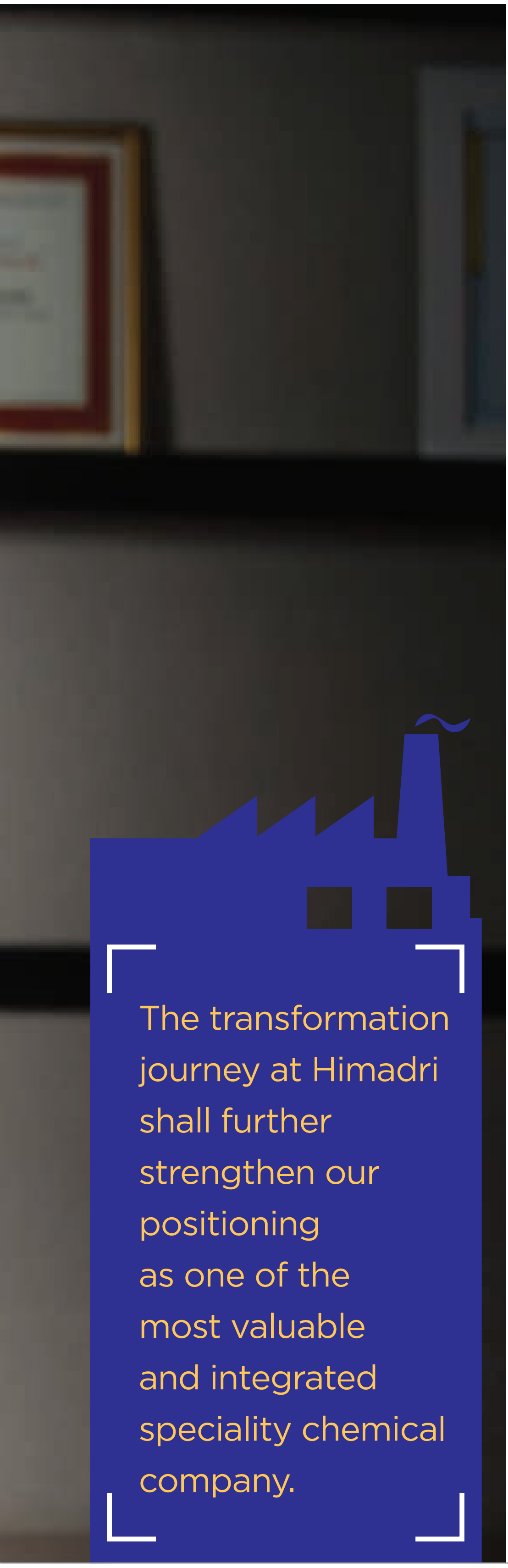
EPS (₹)



DEBT EQUITY



LETTER FROM THE CHAIRMAN



Dear Shareholders,

At Himadri we have always aimed at increasing shareholder values through an effective use of the resource potential and by brining strategies into action. The establishment of new sources of business growth, and a maximum return on investment in new projects is the key objective that we drive through as a theme for the next year. This is largely a reflection of the Company's effective management and the high quality of the decisions made while clearly adhering to the path specified in the long-term strategy.

Official GDP data shows that India has lost its fastest-growing economy tag to China in the last quarter of 2018-19. India's GDP estimate for the entire financial year 2018-19 was 6.8%, which is marginally higher than previous year. However, the potential investment climate and the growth drivers always throw upon an encouraging picture of our economy. With the same Government continuing for its second term, there will be further measures and reforms to strengthen the Indian business scenario. India will look to ascend its rankings amongst the world's largest economies, its contribution to global GDP growth momentum will also increase. India will also play an increasingly important role as one of the Asia-Pacific region's major economic growth engines, helping to drive Asian regional trade and investment flows.

The transformation journey at Himadri shall further strengthen our positioning as one of the most valuable and integrated speciality carbon chemical company. Our constant endeavours to ask ourselves what next keep us engaged in evolving our business model further. Besides, our thrust on R&D has always driven innovation to develop newer grades for next generation products. We are geared up for an increasing global play where large part of our revenues will be contributed by the global markets through our next big business lines – ACM and SCB.

Our business concept is built on responsibility and a long-term view, considering both financial stability and reducing the environmental impact. An important part of our business is offering products with as minimal negative impact on the environment. Besides that, our organisation has successfully built a positive work culture. Engaged, supported and performance-focused people drive our business success. Fostering a culture of respect and performance is key to Himadri becoming a world-class company.

As a socially responsible company, Himadri structures its business development strategy in a symbiotic relationship with the Sustainable Development Goals of the United Nations (UN). The Company's priorities include organising safe production as well as the occupational health and safety of its employees.

In closing, I would like to express our gratefulness to you, dear shareholders, for your support and your loyalty to Himadri. We will do everything in our power to ensure that the company remains on its successful course.

Best Wishes,

Bankey Lal Choudhary

Chairman

INTERACTION WITH THE MANAGING DIRECTOR & CEO

ANURAG CHOUDHARY

Managing Director & CEO of Himadri

shares his thoughts on the Company's next phase of growth

> Himadri continued to make steady progress towards achieving its strategic goals, continued to consistently improve the production indicators and demonstrated strong financial results during 2018-19.

WHAT EXCITES YOU THE MOST ABOUT THE NEXT PHASE?

With the launch of our ambitious projects of ACM and SCB, this is the first time in the history of the Company we are entering into a field where downstream demand is not a constraint but is growing exponentially. If explained in simpler term, we are entering a phase where the growth of company is decoupled from demand. It is now completely upon us on how fast we choose to scale up our capacities. In Particular for ACM, we can grow as per our aspiration by launching products for sunrise industry which is growing at 35% annually. Likewise for SCB, the global market size is 1.1 million while we are starting with a relatively small capacity. By actualising these levers, we will catapult Himadri into a significant global player from that of an established domestic leader. There is a strong demand from the infrastructure segment as well as the related demand of wires, cables and fibres. We are aspiring to become a prime player in this part of the world as we have big opportunities to encash upon. We are at the right geography at right point of time.

YOU SUPPLY TO MAJORITY COMMODITY PLAYERS. SHOULD'NT WE CONSIDER YOUR BUSINESS AS COMMODITY PLAY RATHER THAN SPECIALITY PLAY?

Yes, Himadri is often compared with players in commodity business. We supply to aluminium industry and are several times considered as a commodity player. But if you look at our unique business model, you will understand the stark difference we have as compared to commodity players. Firstly, the kind of product portfolio we have is second to no one as compared globally. The kind of forward integration we have done, it allows us to cater to various segments of the economy. The products manufactured are technical and speciality products having significant impact on the performance of end product. Our quality products are specially customised to meet specific needs. They cannot be easily substituted whereas the commodity can be globally traded with standard specification and available technology.

HOW SUSTAINABLE ARE YOUR PROFITS CONSIDERING A SLOWDOWN IN THE END USER INDUSTRY?

There has been a temporary slowdown in the aluminium industry. But the CTP demand is largely inelastic. This is where we are comfortably placed as we have been consistently providing the best quality CTP to these players. Even the automobile industry has seen a slowdown. But, we have created a niche through our value-added products, distinct customers and differentiated service delivery. Hence, the impact of slowdown is much less and our profits are sustainable and not impacted by such externalities.

HOW HAS BEEN THE PROGRESS ON THE PROJECT EXPANSIONS OF ACM AND SCB?

Both the expansions are on track. We are completely focussed on commencing the operations of SCB and ACM as per the scheduled commitments.

HOW HAVE YOU MANAGED TO STRENGTHEN YOUR FINANCIAL DISCIPLINE AND OVERALL EFFICIENCIES?

It has been a capital disciplined growth journey for us. The entire focus has been on reducing the working capital through intense operational efficiency measures. Year-on-year, we have generated cash and reduced our debt levels from ₹ 1,118 Crores in FY14 to ₹ 430 Crores in FY19. We achieved cash strict financial discipline. Even the expansions are happening entirely through internal accruals. The year 2018-19 led to some important milestones in the form of our revenue crossing ₹ 2,000 Crores mark, EBITDA crossing ₹ 500 Crores mark and PAT crossing ₹ 300 Crores mark. These provides us with an excellent platform to continue our capital disciplined growth journey.

SO WHAT ARE THE DRIVERS OF THE NEXT PHASE OF GROWTH?

R&D remains the most important driver. With the way the industries are technically advancing, R&D plays a crucial role in staying relevant to the market demand. Our relentless execution strategies for timely completion of projects will ensure timely scale up of capacities and serve the future demands. Once the capacities are operational it will be a beginning of the next phase of our journey. The capacities built today will drive higher values over the next five years through new product profiles with minimal capital investments. We will continue pursuing the goals set forth in the Company's long-term development strategy and will strive to maximize the efficiency of all business processes. We remain committed to promoting transparency, engaging with our stakeholders, and taking bold actions that will enable our company, our people, and our planet to thrive in the future.

WHAT'S NEXT

DRIVERS OF THOUGHT LEADERSHIP

TUSHAR CHOUDHARY
Executive Director

ANURAG CHOUDHARY
Managing Director & CEO

AMIT CHOUDHARY
Executive Director

MANAGEMENT DISCUSSION AND ANALYSIS

Section 1

COMPANY OVERVIEW

Himadri is amongst India's largest integrated speciality carbon chemical manufacturer. Leveraging on its technical capabilities, innovation-centric mindset and long standing expertise, the Company has grown length and breadth on one of the most versatile substance – carbon. The Company have been strategically adding more value added products to its core product – coal tar pitch. Today, it has established a niche, sustainable and integrated business model in the speciality chemicals space, seamlessly adding value to the entire product chain.

Himadri actively interacts with its customers in understanding their needs and delivers innovative and fine quality products. This is strongly supported its Government-recognised R&D facilities, demonstrating a strong emphasis on technological innovation and research. This has further led to process improvements, new product developments and improving energy efficiencies levels through optimum usage of resources.

The Company aspires to emerge as one of the leading speciality carbon chemicals conglomerate in the world on the back of a strong product portfolio, cutting-edge research and best-in-class technical capabilities. It offers unmatched product-offerings, derived from coal tar distillation. Largest producer. The Company is also India's third largest producer of Carbon Black and largest producer of Sulphonated Naphthalene Formaldehyde (SNF). With strong innovations and R&D efforts, the Company is also gaining strong traction in the speciality black and advance carbon materials. It intends to play an active role in the next-generation product offerings and build an exciting future for itself.

Section 2

ECONOMIC REVIEW

GLOBAL

The global economy in 2018 witnessed several notable events during the year. After a strong showdown in 2017 and early 2018, there was a slowdown owing to confluence of factors across major economies. The US-China trade wars largely impacted the overall growth momentum across the world. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking, environmental concerns and an increase in trade tensions

with the United States. The Euro area economy witnessed a loss in consumer and business confidence owing to uncertainty around the Brexit outcome. The introduction of new emission standards weakened the car production in Germany while investment levels dropped in Italy as sovereign spreads widened and external demand, especially from emerging Asia, softened.

The conditions seems to have eased in the first quarter of 2019 as the US Federal Reserve signalled a more accommodative monetary policy stance in the US-China trade deals, giving the overall environment a sign of relief. Growth in the developing nations continued to outpace the developed economies.

According to the World Economic Situation and Prospects 2019 by United Nations, the global growth is expected to hover around 3% mark. US may report flat growth owing to the diminishing impact of the fiscal stimulus. Other advanced economies are expected to recover in the second half of 2019, recovering from the temporary drags and financial stress. The UK's economic growth may decline amidst uncertainties amidst the ongoing Brexit negotiations. The emerging market and developing economy group is expected to drive the balance growth momentum, with India expected to be the major growth driver, backed by improvement in domestic demand and several policy reforms.

INDIAN

The Indian GDP was recorded at 6.8% in 2018-19. It is now on its course achieve to 5th position from the UK this year on way to $3 trillion GDP by 2020. Since 2000, India's share in the global economy has doubled from 1.5% to 3.2%. India also improved its ranking by 23 points in the World Bank's Ease of Doing Business (EoDB) Index to 77th place, becoming the top ranked country in South Asia, raking in a more positive image for the country. The growth in the eight core sectors – coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity – remained unchanged at around 4%.

OUTLOOK

The Indian economy is on a rebound as it has recovered from transitory adjustments of demonetisation and Goods and Services Tax (GST). Backed by strong and continued reforms and a rich demographic dividend, India is marching ahead on a solid growth trajectory to complete 75 glorious years of independence. The Indian Industries remain committed to actioning their agenda for the year 2019-20. The Indian economy is expected to show further improvements backed by robust macroeconomic fundamentals such as strong GDP and industrial growth, and a stable inflation regime. The country has reaped substantial benefits under the Make in India program that aims to build the best-in-class manufacturing infrastructure in the country by facilitating investments, nurturing innovation and research and development, promoting skill development initiatives and creating a business-friendly environment.

India is forecasted to become the world's fifth largest economy in 2019, reaching a total GDP size exceeding $3 trillion and overtaking the United Kingdom. By 2025, Indian GDP is also forecast to surpass Japan, which will make India the second-largest economy in the Asia-Pacific region

Section 3

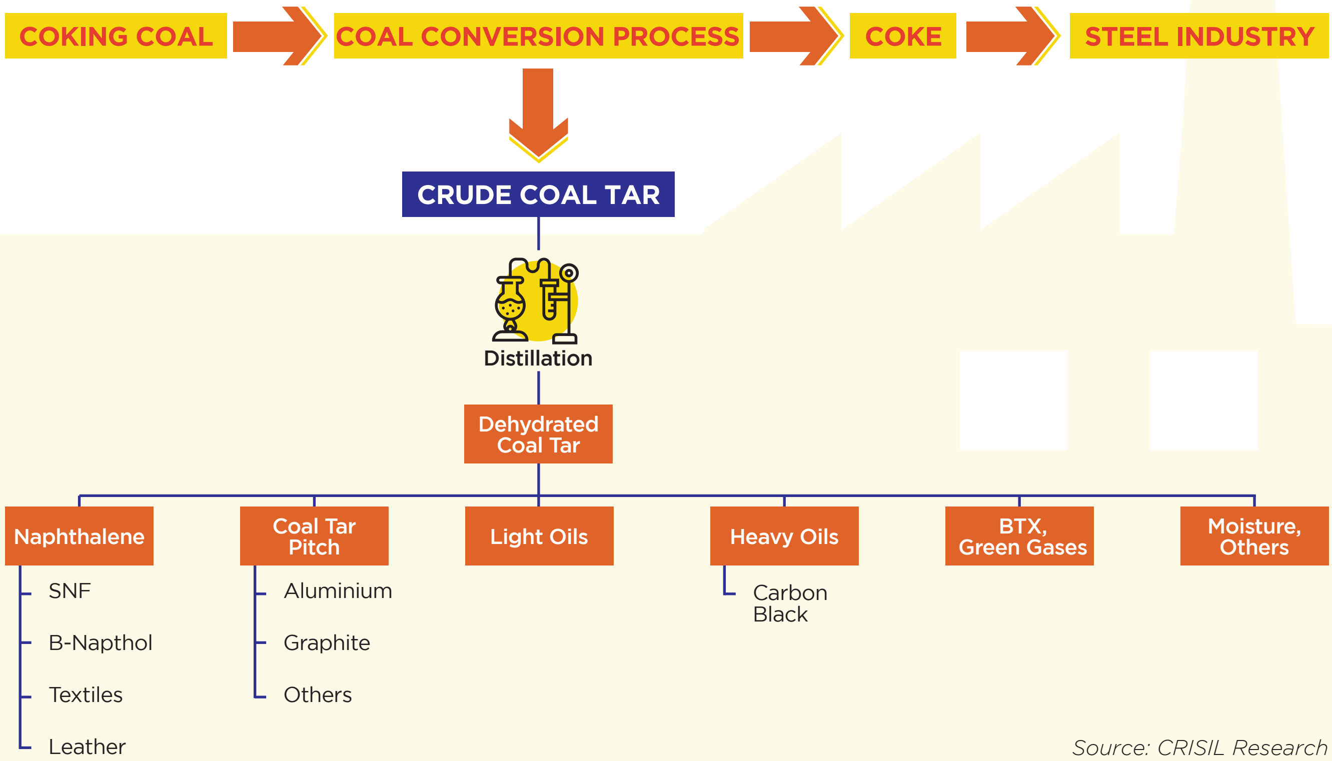
PRODUCT PORTFOLIO

COAL TAR PITCH

Overview and industry developments

Coal tar pitch (CTP), is a complex carbon compound that remains after the distillation of coal tar. It is one of the two main ingredients of carbon anodes that provide the electrolytic chemical reaction during aluminium smelting, leading to higher sustainability and economic feasibility. The increasing use of primary aluminium across various end-use industries such as automotive, aerospace and construction, amongst others has led to an increase in the demand for primary aluminium production, which in turn drives the demand for coal tar pitch. It is also one of the key raw material to make the rapidly growing products like Lithium-ion batteries, LED lights, solar panels and carbon fiber. While aluminium industry comprises the major pie in the application segment, CTP is also extensively used as a binding agent in manufacturing high quality electrodes for graphite production.

Dynamics of coal tar distillation industry



Source: CRISIL Research

Good to know!

Aluminium grade pitch

- It's a specially produced pitch derived from controlled distillation of coal tar
- Used to make pre-baked anode material for manufacturing aluminium

100 kg **CTP** = **1** tonne **Aluminium**

Binder for graphite industry

- Used as a binding agent to manufacture high quality electrodes for producing graphite

440 kg **CTP** = **1** tonne **Graphite**

Approx. **1.7-1.9** kg **Graphite electrode** = **1** tonne **Steel**

Impregnated pitch

- Carbon and graphite electrodes are impregnated with special types of pitch to increase strength and density Impregnation pitch or Zero QI (Quinolene Insoluble) pitch
- Used for smooth penetration in micro pores of electrodes for decreasing porosity and to increase strength & electrical conductance, resulting in more durable and best performing graphite electrodes
- Also used for UHP grade electrodes and some niche applications in defence

Himadri enjoys the status of being one of the few global producers of special grade zero QI impregnated pitch.

Special pitches

- Used as raw material for refractories, carbon composites, carbon paste, paints/ultramarine blue and water proofing among others
- Used by DRDO in long range warhead missiles
- Completely customised to meet the end user industry specifications

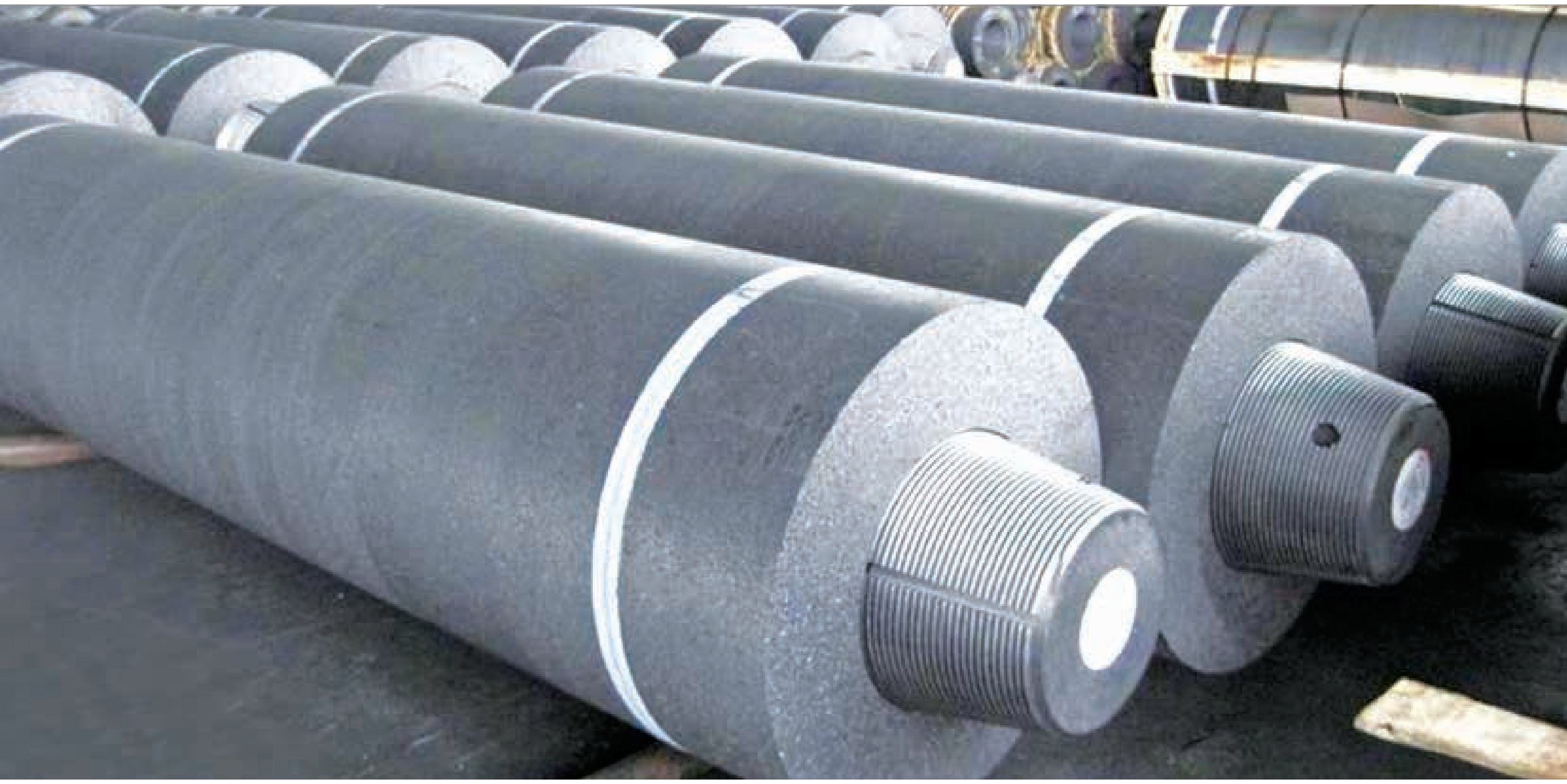
Aluminium Industry

India's aluminium production is expected to touch 3,426 KT during 2018-19 as the domestic smelters operated at a full capacity. The demand for aluminium in the domestic market is poised to grow at 5% to reach 2,200 KT during 2018-19. Aluminium is increasingly finding new applications owing to rising price competence against copper, due to its superior weight to strength ratio, corrosion resistance, formability and dampness, among others. Besides, strong Government reforms like the Make in India Campaign, Smart Cities, Rural Electrification and a focus on building renewable energy projects under the National Electricity Policy have augmented the usage of the metal during 2018-19. Buoyant demand and market recovery across businesses in India is to further increase the demand for aluminium.

Domestic Production, Exports, Imports and Consumption of Primary Aluminium (KT*)

	Production	Change %	Consumption	Change %	Exports	Change %	Imports	Change %
H1-FY18	1,607	18.5%	1,022	-4.2%	774	53.6%	189	-12.0%
H1-FY19	1,845	14.9%	1,156	13.1%	867	12.1%	178	-6.1%

Source: Company fillings, Department of Commerce and Industry, Ministry of Mines
Note: KT Kilotonnes*



Graphite Industry

Graphite is manufactured synthetically using carbon such as tar pitch and petroleum coke. Graphite electrodes are key consumables used in Electric Arc Furnace (EAF) steel production. It has the capability to generate high level of electrical conductivity and has the ability to sustain extremely high heat rate generated during the steel production.

Outlook

Domestic coal-tar pitch demand is expected to witness a robust growth between 2017-20. This will primarily be led by growth in the aluminium and graphite electrodes industry. Aluminium remains the key growth driver owing to strong demand from automotive and transportation sectors, coupled with, rapid urbanisation and growing demand for lightweight vehicles.

However, the demand is likely to be affected by volatile LME prices which is a cause of concern for aluminium industry. Graphite electrode is also slated for promising performance and the application base of coal tar pitch as a chemical intermediate in carbon black manufacturing is visibly growing.

Himadri has the largest market share in the domestic CTP market. What makes this possible?

- Best in class quality with consistency and developing new specifications as per changing customers requirement, using state of art, in house developed technology
- Sustainable operations, with zero discharge facilities and world class environmental norms
- Proximity to high quality coal tar sources
- Strong logistical edge in transporting CTP (that needs to be maintained at 200°C +, making imports and logistics challenging); operates dedicated fleet of over 170 electric heated tankers to transport liquid pitch at high temperatures
- Round the year, steady and inelastic demand for high quality CTP (irrespective of industry cycles) owing to inelastic demand by aluminium smelters

CARBON BLACK

Overview and industry developments

Carbon black is virtually a pure form of elemental carbon manufactured through incomplete combustion or thermal decomposition of heavy hydrocarbons. Coal tar oil is converted into carbon black as a forward integration. It is largely used as a reinforcing filler in tyre industries to improve its longevity. The tyre industry dominates the overall carbon black application with over 74% demand volume. Carbon black is also used as a reinforcement in non-tyre rubber goods like hoses, belts, appearance parts and rollers, accounting for around 19% demand volume. The balance 7% of demand volume comprises special blacks, which are primarily used in plastics compounding or as a pigment in printing inks and paints and coatings.

Tyre Industry

Carbon black is added to rubber as both a filler and as a strengthening or reinforcing agent. For various types of tyres, it is used in inner liners, carcasses, sidewalls and treads utilising different types based on specific performance requirements. The industry is the largest consumer of carbon black.

70 %
Carbon black consumption by tyre industry

22-27 %
Volume of carbon black in a tyre

₹ 20,000 Crores +
Capex plans of the tyre industry

Indian tyre industry accounts for around 70% of carbon black consumption. The demand is driven by the original equipment manufacturers (OEMs) and the replacement market. The domestic automobile industry, which is currently the fourth largest in the world, is expected to become the third largest by 2021. The industry (including component manufacturing) is expected to witness a CAGR of 5.9% and reach USD 251.4-282.8 billion by 2026, thereby becoming the fastest growing industry in the country.

The domestic tyre industry has benefited from strong growth in both original equipment (OE) and replacement segments in the ongoing fiscal. Replacement tyre demand, especially in the truck and bus segment, too has recovered sharply in the last one year supported by post-effects of goods and service tax (GST), pick-up in infrastructure activities, and healthy consumption-driven demand,

According to ICRA, the industry is expected to see strong capex of over ₹ 20,000 Crores over the next few years. The Indian tyre industry may log 7-9% growth over the next five year backed by favourable outlook for the domestic automotive industry. However, increased cost of ownership due to cost of production caused by emission norms and liquidity crisis in industry are causing a demand slowdown in automobile industry.

Outlook

The demand for carbon black in India stood at 984.63 thousand tonnes in 2018 and is projected to witness a CAGR of 5.82% between 2019-2030 to reach 1,853.84 thousand tonnes by 2030. The expansion plans of the end user industry is further boosting the demand for carbon black in the country.

Carbon black demand in India

984.63 thousand tonnes
2018

5.82 % CAGR

1,853.84 thousand tonnes
2030

Himadri is India's third largest carbon black producer. What makes this possible?

- Customised and solution-centric approach for individual applications
- Lowest impurities in carcass and tread black
- Superior inhouse raw material & R&D
- Capability to produce ultra-high surface structure grades
- Proven track record in quality and delivery over last decade

Products with applications in different Industries

Regular Carbon black

Tyres

Conveyor Belt

Hoses

MRG

SPECIALITY BLACK INDUSTRY

Overview and industry developments

This segment includes all demand for carbon black outside the rubber industry. Materials used in these markets include two distinct segments: highly proprietary customised grades and 'clean' versions of conventional ASTM rubber grades, which are engineered to have lower residual levels of sulphur, organics, ash, and other potential contaminants. Its intensely black pigmentation, resistance to UV energy, rheological control and its ability to impart electrical and thermal conductivity to products in which it is applied, makes this product unique. It finds its application across range of products including plastics, printing inks, paints, and adhesives. The demand is driven by consumer spending on both durables and nondurables, construction activity and infrastructure investment, and automotive builds and the servicing of vehicles in use.

The plastics industry is serviced through carbon black masterbatch (a premixed material comprising a polymer and carbon black used in a wide range of thermoplastic). It finds its application across range of polymers including polyolefins, (particularly high and low density polyethylene and polypropylene), workhorse applications of film and blow molding and injection molding, engineering plastics and wire and cable. The inks industry also finds diverse application in the form of mix of commodity (newspaper ink) to high value (inkjet colorants) applications. Paints and coatings contribute to lower volumes, but are considered high valued application.

Speciality black demand drivers

70 %
Plastics

17 %
Printing inks and paints and coatings

13 %
Niche applications, including adhesives, mulch etc

The speciality black market in India is currently 5% of the total volume. It is expected to grow rapidly over the coming years owing to demand from the end-user industries.

ADVANCE CARBON MATERIAL

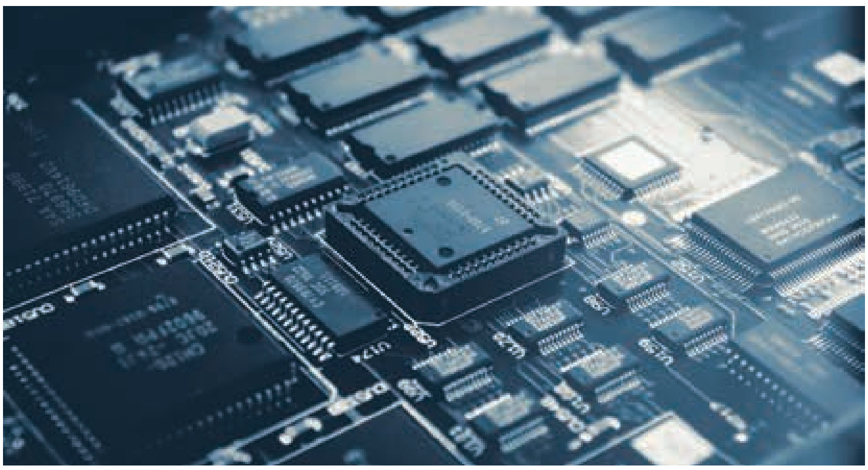
Overview and industry developments

Advance Carbon Material (ACM) is gaining strong traction from power applications that provide highest density per weight. It finds its application as anode materials in the Lithium-ion batteries.

Initially popular as power sources for consumer electronics, Lithium-ion batteries are now growing in popularity for use in both electric vehicles, energy storage devices and several other emerging applications which require light and chargeable power source.

The performance of such batteries – charge/discharge capacity, voltage profile and cyclic stability – depend strongly on the microstructure of the anode materials made of carbon and graphite. Due to the contribution of the carbon materials used in the anode in last five years, the capacity such batteries have improved around 1.7 times.

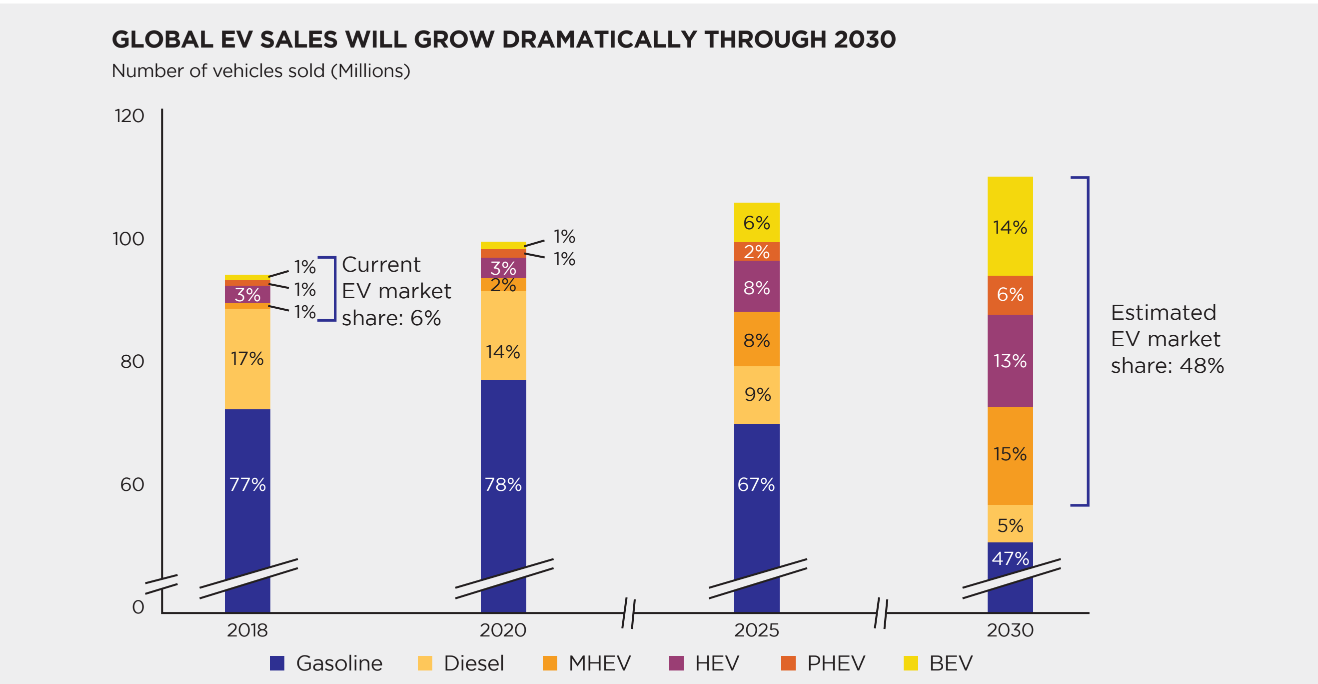
As per Benchmark Minerals Lithium-ion Megafactory Assessment, Feb 2019, the current global capacity stands at 296.5 GWh. The capacity is expected to more than triple to 964.8 Gwh by 2023.



ELECTRIC VEHICLES

While it was regulations which was driving the Electric Vehicle adoption in the last decade, it will be for the next decade the combined weight of regulation, technology advancement in battery and cost reduction in battery that will drive the positive transition of ICE vehicles to EVs. Although the focus on electric vehicles is increasing their current share in the car market is still very limited. The current market share of pure EVs is near about 1%.

Lithium-ion batteries are central to the success story of EV adoption. We are seeing increasing offtake agreements between battery cell manufacturers and car manufacturers. To capture market share and economies of scale, battery cell producers are adding massive amounts of production capacity.



Source: BCG Analysis
Note: EV= Electric Vehicle, MHEV= Mild Hybrid electric vehicle, HEV= Hybrid electric vehicle, PHEV= Plug-in hybrid electric vehicle, BEV= Battery electric vehicle. Because of rounding, not all percentage add up to 100.

The Government's Initiative

The Government of India has set up national mission on transformative mobility and battery storage to drive clean, connected, shared, sustainable and holistic mobility. It has announced an outlay of ₹ 10,000 Crores for FAME (Faster Adoption and Manufacturing of hybrid and Electric Vehicles) II to boost the number of electric vehicles in India. It has further allotted ₹ 1,000 Crores for setting up the charging stations.

Several incentives are on offer for electric buses, three-wheelers and four-wheelers to be used for commercial purposes. Plug-in hybrid vehicles and those with a sizeable Lithium-ion battery and electric motor will also be included in the scheme and fiscal support offered depending on the size of the battery.

To further Government push for Phased Manufacturing, NITI Aayog has put in motion a plan to attract investment for 50GWh of LiB cell manufacturing. These plants are expected to start production by 2023. This along with the proposed mandate to make all 2W and 3Ws electric by early 2020s is surely going to create a huge demand of Lithium-ion batteries and subsequently battery grade raw materials such as Anode.

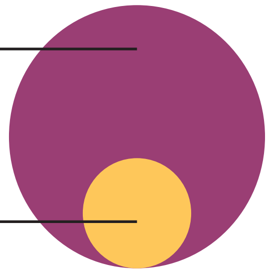
Incentives on offer under phase II of FAME

₹ **10,000** per KW
Planned incentive on the basis of battery size

₹ **20,000** per KW
Planned incentive for electric buses

₹ **8,596** Crores
Total incentive sanctioned

₹ **1,000** Crores
Incentive for setting up charging stations



Source: Heavy Industries Ministry

Himadri emerged as the only Indian company to successfully manufacture advance carbon material from in-house distilled coal tar. What makes this possible?

- In house technological development , through extensive investment and hard work for over 10 years.
- Produces anode material of both synthetic and natural varieties for Lithium-ion batteries
- Strong R&D and backward integration

NAPHTHALENE

Overview and industry developments

The market for naphthalene is expected to register a CAGR of over 3% during the forecast period of 2019-2024. Textile industry is the leading end-user industry for naphthalene in India. Additionally, it is used as surfactant & wetting agent, plasticiser, and pesticide in numerous end use industries such as building & construction, agriculture, household cleaning and others.

SULPHONATED NAPHTHALENE FORMALDEHYDE (SNF)

Overview and industry developments

Naphthalene sulfonates are used in preparation of sulphonated naphthalene formaldehyde (SNF) which is used in polymer-concrete admixtures to neutralise the surface charge on cement particles in enhancing water tied up in the cement agglomerations, and thereafter, in reducing the viscosity of the paste and concrete.

Asia-Pacific dominated the naphthalene market in 2018, owing to the high demand from countries like India and China. The growing construction and agriculture industries of the India are some of the crucial factors that are driving the market growth in the region. Further implementation of RERA would lead to formalization and expansion in real estate industry and could possibly lead to use of admixtures thereby driving need for product such as SNF.

POLY CARBOXYLATE ETHER (PCE)

Overview and industry developments

Polycarboxylate ether (PCE) is composed of methoxy-polyethylene glycol copolymer (side chain) grafted with methacrylic acid copolymer (main chain). It is commonly used in the construction industries, especially as superplasticiser in cement and concrete.

As per NHAI, considering the issues related to environment, longer service life, fuel consumption, resistance to extreme weather conditions, saving of natural resources and maintenance etc., the cement-concrete pavement could be the default mode of construction of National Highways. This would in turn increase the use of PCE based admixtures as they more suited for high strength concrete. Infrastructure projects such as Bharatmala, Dedicated Freight Corridors, and Bullet train routes are expected to increase the offtake of products such as PCE.

Section 4

OPERATIONAL REVIEW

RESEARCH & DEVELOPMENT

Our success and leadership positions depend on the sustainable growth of our business through research, development and innovation in order to foster the adoption of major transforming technologies. The Company's R&D Centre at Mahistikry (Hooghly, West Bengal) is recognised by the Government of India. The Company's state-of-the-art technical capabilities are reflected in its strong product innovation pipeline. The comprehensive research which underlies these activities serves as the foundation for chemical innovation and inspiration across our businesses. Process development and innovation are the key pillars of the Himadri foundation. Our constant focus coupled with technical abilities have enabled us to reduce our product cost, improve quality and achieved better productivity.

Products: Himadri has significantly developed its product value chain over the years. The Company has believed in forward integration and have launched new products at regular intervals.

Process: Himadri's constantly desires to improve its operational efficiency through process development. This has led to improved product yield and a better through put.

Technology: Our technological innovations are based on in-house developments, helping us to compete with global majors. Products like coal tar pitch of different grades, advance carbon material and speciality carbon black are results of in-house technology.

QUALITY

At Himadri our endeavour is to supply consistent quality products and surpass customer expectations. We have an independent Quality Assurance (QA) team which reports directly to the top management and are responsible for the documentation and data control. The QA team also organises frequent internal and external audits.

We thrive to grow on product quality to continue as a partner of choice for our customers. Since inception, quality has topped our priorities. Our entire production process which is DCS based and also has cent percent emphasis on standard reference material testing on every shift ensures that we deliver on our product promise.

The QA is supported by state-of-the-art lab, which has received recognition from the Government. In order to ensure that the QA team remains abreast of the latest techniques, regular training is organised at NABL. Further multi skilling and job rotation was implemented to develop a flexible QA team. Regular quality control audits and documentation of lab practices in the quality manual ensure high-quality products. Regular audits and proprietary tests help maintain consistency in product quality.

Various tests like MRI, CT Scan, C/H Ratio and wettability, among others, are carried out before delivery. This helps ensure consistency in the rheological and operational properties of the product. Further holistic maintenance of the lab equipment eliminates any chance of measurement error in the QA process. Together, these have helped Himadri in achieving best product and higher realisations on the catered products.

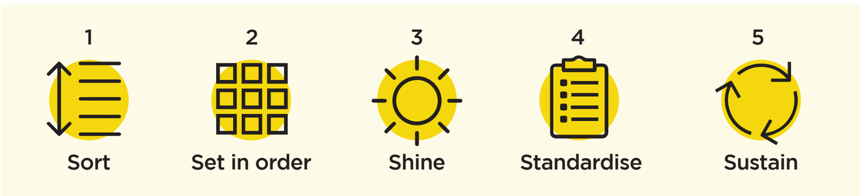
Himadri has created a sustainable business by complying with established regulations, processes and standards to ensure and protect its quality. The Company enjoys supervising its quality control more efficiently with the help of its in-house processing and manufacturing. This also leads to manufacturing environment-friendly products through environment-friendly processes. These products and processes comply with the customer's and government norms.

OPERATIONAL EXCELLENCE

Philosophy: As we scale our operations it is important that we achieve efficiency across the value chain. Theretofore the Operational Excellence initiative was launched to strengthen our focus on achieving greater efficiency and reducing waste across our Operations. The philosophy is based on Five Pillars of TQM (Total Quality Management) - Management Commitment, Customer Focus, Quality Costs, Quality Systems and Continuous Improvement - which rests on the foundation of the Total Employee Involvement Program, Daily Management and Kaizen. The newly formed team has been augmented with senior experienced professionals from the industry and enthusiastic internal hires.

Key Initiatives: The current mandate of this team is to ensure continuous improvement in operations performance and sustainability of systems. The team also owns and program manages key initiatives that help the organisation achieve its targeted growth/improvement opportunities.

Success: One of the foundations of any operations excellence program are a few basic fundamental programs like 5S. This year we re-launched the 5S program with the renewed commitment to achieve and sustain Business Excellence by implementing and integrating 5S Practices into all its Activities at all Levels of the Organization. The objective of the program is to create a safe, healthy, productive and high quality work environment for our employees. The program has received a very high degree of support from the all levels of the organization and has resulted in a solid improvement in the work environment and practices. With the success of 5S, the team is geared to launch more initiatives under the Operational Excellence Framework.



Section 5

FINANCIAL REVIEW

Consolidated Highlights

The consolidated gross revenue from operations stood at ₹ 242,238.66 lakhs during 2018-19 as compared to ₹ 207,184.68 lakhs in 2017-18. EBITDA stood at ₹ 56,254.49 lakhs during 2018-19 as compared to ₹ 45,239.08 lakhs in 2017-18. Profit after tax stood at ₹ 32,423.55 lakhs during 2018-19 as compared to ₹ 24,759.76 lakhs in 2017-18.

Standalone Highlights

Standalone gross revenue from operations stood at ₹ 237,661.90 lakhs in 2018-19 as compared to ₹ 202,152.30 lakhs in 2017-18. EBITDA stood at ₹ 53,833.24 lakhs in 2018-19 as compared to ₹ 45,000.17 lakhs in 2017-18. Profit after tax stood at ₹ 30,729.83 lakhs in 2018-19 as compared to ₹ 24,257.46 lakhs in 2017-18.

Shareholders Funds

The authorised share capital of the Company stood at ₹ 7,000.00 lakhs in the form of equity shares of ₹ 1 each which remained unchanged during the year. The paid up share capital stood at ₹ 4,185.79 lakhs as of 31 March 2019. The Company's reserve and surplus stood at ₹ 163,537.13 lakhs whereas the net worth is ₹ 167,722.92 lakhs.

Dividend

With the Board's decision of being consistent in terms of payment of dividend, the Board has recommended 15% (0.15 per share) dividend for the year 2018-19 to reward its shareholders. The dividend is paid out of its accumulated profits, subject to approval of members at the ensuing Annual General Meeting.

Finance

The Company continued to enjoy working capital facilities from various banks including Axis Bank Limited, Bank of Baroda, Central Bank of India, Citi Bank, N.A., DBS Bank, HDFC Bank, Hong Kong & Shanghai Banking Corporation Limited, ICICI Bank Limited, IDFC Bank, IndusInd Bank Limited, Kotak Mahindra Bank, RBL Bank Ltd, Standard Chartered Bank, State Bank of India, Yes Bank Limited. The Company has serviced these debts proactively.

Section 6

HUMAN RESOURCES

We believe in offering a successful and a rewarding career to our people. We respect each person's aspirations, motivations and career preferences and our broad HR framework is designed to empower people in a wide variety of roles in a workplace culture that encourages transparency and trust.

The Company understands the importance of nurturing and strengthening employee engagement. The HR function, therefore, has worked on multiple drivers of engagement right from helping managers understand their own people management style so that they can play critical role in improving work group engagement.

Employees are the DNA of Himadri' s vision to become a global leader in speciality carbon products. The Company has an excellent track record of harmonious industrial relations built on the foundations of mutual trust and co-operation which has helped sustain productivity levels. The Company's workforce is a partner in its progress and share the common vision for growth, contributing their best. The Company is ready for the future.

The Company has built capabilities for better understanding of its customers, in research and development, marketing and a collaborative program for employees to engage and share ideas. This underlying philosophy shapes our employee policies which ensure our people on the right track.

Himadri nurtures its people by placing great emphasis on learning and development, career progression and employee welfare. In its journey to become a learning organisation, Himadri has been immensely focused on developing individual and organisational learning agility.

Cascading of organisational goals using the Balanced Scorecard (BSC) helps to bring in role clarity and alignment at all levels, creating an empowering work environment. We provide employees opportunities to explore career mobility options within the organisation and within the Himadri Group. There is exposure to latest technology and forums for networking to strengthen subject matter expertise.

Section 7

ENVIRONMENT, HEALTH AND SAFETY MEASURES

Himadri is driven by philosophy that is focused on no harm to people, asset and natural resources. 'Safety' is one of the core values at Himadri. There is an unwavering commitment to the continuous improvement of the organisation's safety performance. Benchmarking with the companies that are best in the business, the Company is committed to continuously employing world-class Safety, Health and Environment practices.

Himadri considers health and safety of its employees as an essential and integral part of all activities. Accidents and risks to health are prevented through continual improvement in the working environment and safety ensures. All employees are covered by health insurance policies.

The Company is committed towards protecting the environment, ensuring a safe workplace and conserving natural resources. Himadri has established a safety, health and environment committee to ensure security and safety within and around the vicinity of its facilities. To strengthen our Safety First Attitude, upgradation of Safety systems including implementation of Fire Detection System was carried out.

This Committee of the Board provides valuable direction and guidance to the Management to ensure that Safety and Sustainability implications are duly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. They also monitor and review reports monthly and quarterly on safety, environment and health performance including policy and legal compliances.

Himadri is subjected to various environmental laws and regulations. These laws are applicable to the production, use and sale of chemicals, emissions into the air, discharges into waterways and other releases of materials into the environment. Along with these, it is also applicable to the generation, handling, storage, transportation, treatment and disposal of waste material.

We are committed to safe and lawful operation of our facilities with respect to the manufacturing and distribution of products. Being a responsible corporate, we have invested and undertaken eco-friendly measures to make our facilities 'Zero discharge plant'. It ensures control of all forms of discharge – solid, liquid or gas. The Company also consciously increased it green cover by planting approx. 5,000 saplings.

Sustained efforts in this direction have resulted in Company being bestowed by Awards of Excellence in both Safety and Environment by Greentech foundation.

Highlights of our Safety Performance for the past three years.

	2016-17	2017-18	2018-19
Fatal Accidents (Nos)	00	00	00
Reportable Incidents (injury) (Nos)	12	11	08

To sensitise employees on Key Health risks, Health talks and seminars by leading subject matter experts were organised. Reaffirming that prevention is better than cure, medical check-ups were organised for the benefit the entire workforce. Yoga and physiotherapy sessions were held to promote the overall well-being of the individual.

Section 8

RISK MANAGEMENT

The Company has been following best practices to mitigate the various aspects of business risk, including foreign exchange management. Its risk management is based on the foundations of Enterprise Risk Management (ERM). This is achieved by implementing adequate risk management policies and practises, which identify and evaluate business risks and underlying opportunities. It forms an integral element of the Company's management and strategy processes. Risk identification, analysis and the planning of risk management measures are carried out as part of the Company's strategy process. Himadri is prone to risks that are particular to its business and the environment within which it operates.

Risks explained

Risk	Impact	Mitigation Measure
Environment risk	The Company is engaged in the manufacturing of speciality chemicals which exposes it to high environment risks. Some of the major risks include - effluent discharge, harmful emissions, improper waste management and resource depletion, among others.	Himadri has created a sustainable business by complying with established regulations to ensure all its activities are socially and environmentally responsible. The Company has made significant investments towards undertaking eco-friendly measures which has helped in making its facilities 'Zero Discharge Plant'.
Dependency on industry	The Company's product cater to the needs of important sectors like aluminium and graphite. Any downturn in the application industries could have an adverse impact on our Company's business and results of operations.	Considering the inelastic demand of the Company's product along with quality and consistency provided, the Company is well positioned to mitigate any downturn in demand.
Raw Material	Unavailability of raw material may impact company's operational outcomes.	The Company maintains 60 days of inventory in order to ensure smooth operations at all times.
Competition	We operate in an increasingly competitive market and our results of operations and financial condition are sensitive. This may materially and adversely affect our competitive pricing and other factors. Increasing competition may result in pricing pressures and decreasing profit margins.	The Company is constantly adding new products to its basket, which helps it to diversify. The Company's large production integrated facility has helped it position itself in a way to face competition from large players. The Company's CTP manufacturing facility's proximity to the client's production unit makes Himadri a strategic vendor for the end-user company.
Quality	All our products and manufacturing processes are subject to stringent quality standards and specifications. Any failure on our part to maintain the applicable standards and manufacture products according to prescribed specifications, may lead to loss of reputation and goodwill of our Company.	The Company has its own distillation facility, enabling usage of raw material from the in-house production. Forward integration further enables the Company to develop and produce a rich quality base of value-added products. The quality rich products also retain the key customers ensuring customer loyalty and low marketing cost.
Market Presence	We operate in a highly competitive industry with a number of other manufacturers that produce competing products, both in India and internationally. With strategic facility location, a company's presence in the market also matters.	The company operates fully dedicated fleet of over 170 tankers to ensure ensures timely delivery and procurement. Liquid pitch needs to be transported at a temperature of more than 200 degree celsius. This makes imports uneconomical. Taking an advantage, the Company also owns a number of customised tankers catering the client's demand. To remain competitive in the market we continuously strive to reduce our production and distribution costs and improve our operating efficiencies and innovate our products offering. Himadri enjoys market presence of 28 years. This presence has reaped goodwill for the Company in the respected industry. Several aluminium and graphite companies in India have been customers of Himadri for the past 20 years. Maintaining this relation, the Company has set up 8 facilities across India from east to west, marking its presence in 5 Indian states.
Obsolescence	Our Company manufacturing operations are subject to operating risks. Any usage of obsolete process or manufacturing of obsolete products could affect our Company's operations by causing production at our manufacturing facilities.	To overcome this, the Company has its own R&D centre at Mahistikry. This R&D department is constantly involved in the process of innovation. With a strong team of 66 people, the Company develops rare and niche products and processes.

Section 9

INDUSTRIAL RELATIONS

Industrial relations form an integral part of any manufacturing firm. At Himadri we believe in embracing our relations with our main assets i.e. our workforce. This helps in swiftly continuing our operations without conflicts between the labours and the Company's management. Utmost care of all the employees across all levels is taken by means of motivation and training sessions. This provides a friendly environment to work in. During the year, employee relationships remained cordial through the adoption of productive and performance-based policies. The Company's non-stop production and progress is the proof how Himadri maintains its relations with labours.

Section 10

SOCIAL WELFARE ACTIVITIES

We engage our employees towards the multi-faceted welfare of the society. They come voluntarily and get actively involved towards various CSR Activities of the Company around the year. During the year 2018-19, we undertook following CSR Activities:

- Distributing free books to the needy school/college students at the commencement of annual academic session
- Awarding annual prizes to meritorious village school students
- Organised free eye check-up camps
- Conducted free village medical centers around the year at Mahistikry and Belechonga villages, Hooghly
- Conducted free skill training center for tailoring and bag making for needy village women
- Arranged food and distribution of free clothes/blankets at various locations and also during festive seasons to needy villagers
- Developed a green belt around our plant to protect mother nature

Free services rendered at Mahistikry Village Medical Centre April'18 –March'19

6,417
Homeopathy Treatment

1,608
Eye Treatment

336
Pathological Investigation

420
Acupuncture Treatment

719
Spectacles Distribution

Eye check-up camps

Blanket distribution during Durga Puja

Women empowerment on dress making and bag making

Plantation activity on World Environment Day 2018

Section 11

STATUTORY COMPLIANCES

The Company Secretary, as the compliance officer, ensures that the Company complies with SEBI regulations and provisions of the Listing Regulations. The Chief Financial Officer, the Chief Executive Officer and the Managing Director act as Compliance Officers for the prevention of insider trading. With a view to cover the risk of compliance with various rules and regulations of the Companies Act, SEBI directives and the Listing Regulations, the Company has appointed Internal Auditors to ensure reporting of any potential non-compliance. Compliance certificates are obtained from various managerial personnel, ensuring compliance to various statues.

Internal Control System

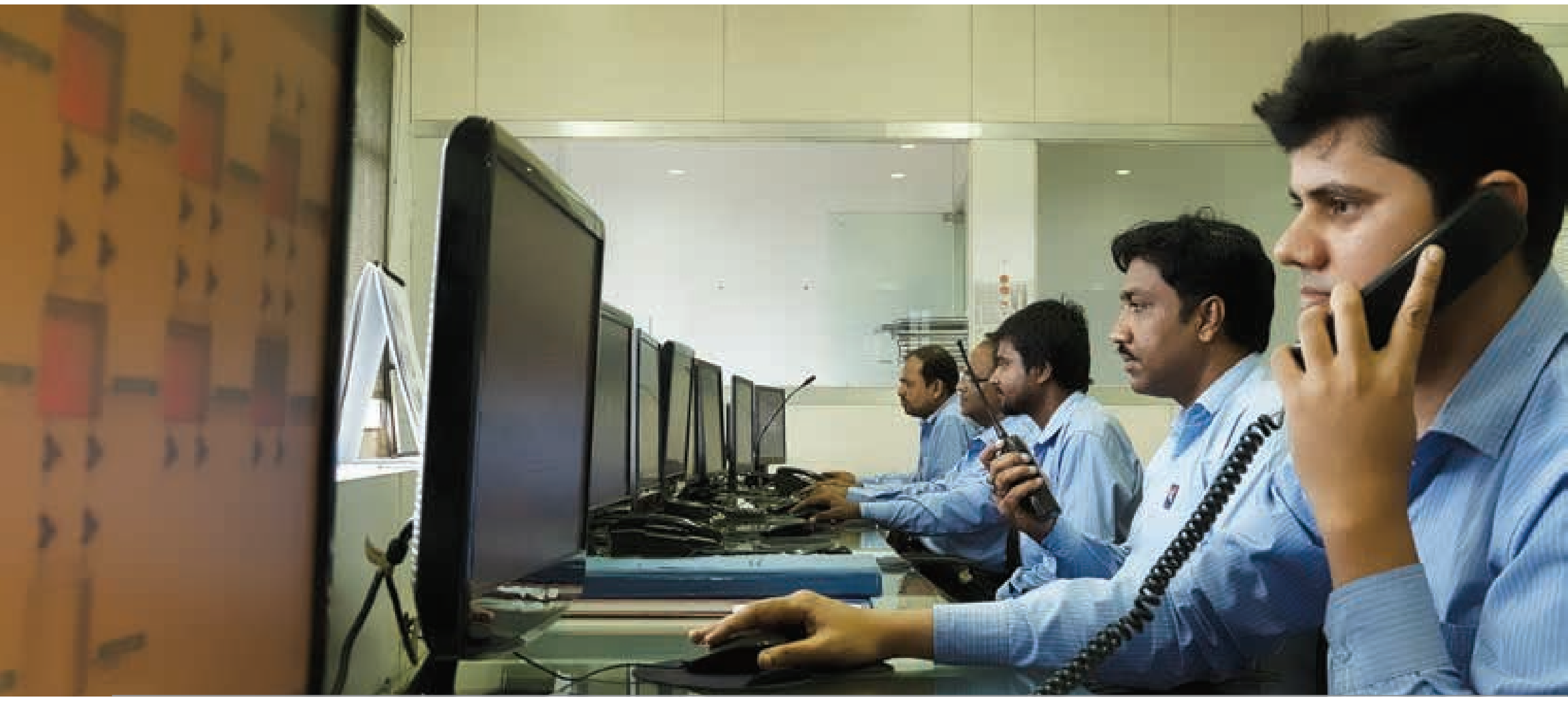
At Himadri, the Board of Directors are responsible for ensuring and laying down the internal financial controls. It is also responsible for evaluating whether such controls are adequate and function effectively or not. Himadri has policies, procedures, control frameworks and management systems in place that map into the definition of Internal Financial Controls as detailed in the Companies Act, 2013. These have been established at the entity and process levels and are designed to ensure compliance to internal control requirements, regulatory compliance and appropriate recording of financial and operational information.

The senior management reviews and certifies the effectiveness of the internal control mechanism over financial reporting, adherence to the code of conduct and Company's policies for which they are responsible and also the compliance to established procedures relation to financial or commercial transactions, where they have a personal interest or potential conflict of interest, if any.

Himadri uses services of independent internal auditors to strengthen the internal controls process. There are well established and comprehensive internal control systems processes, rules, policies and procedures for effective monitoring and control of the entire Company operations and its subsidiaries.

The audit plan is approved by the Audit Committee, which reviews compliance to the plan. During the year, the Audit Committee met regularly to review reports submitted by the Auditors. All significant audit observations and follow-up actions thereon were reported to the Audit Committee.

The Audit Committee also met the Company's Statutory Auditors to ascertain their views on financial statements, including the financial reporting system, compliance to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company. The Management acted upon the observations and suggestions of the Audit Committee.



Board's Report

Dear Shareholders,

Your Directors have the pleasure of presenting their report as a part of the 31st Annual Report of your Company ("the Company" or "HSCL"), together with the Audited Financial Statements and the Auditors' Report thereon for the financial year ended 31 March 2019.

1. FINANCIAL RESULTS

The financial results of the Company for the financial year ended 31 March 2019 are summarized below:

Amount in ₹ Lakhs

Sl. No.	Particulars	Standalone		Consolidated	
		2018-19	**2017-18**	**2018-19**	**2017-18**
I.	**Revenue from operations**	**237,661.90**	202,152.30	**242,238.66**	207,184.68
II.	**Other income**	**1,069.44**	776.73	**776.52**	1,225.95
III.	**Total income (I + II)**	**238,731.34**	202,929.03	**243,015.18**	208,410.63
IV.	**Expenses**				
	Cost of materials consumed	**160,371.13**	133,249.40	**161,758.90**	137,370.32
	Changes in inventories of finished goods and work-in-progress	**(1,590.28)**	(771.63)	**(1,718.27)**	(845.30)
	Excise duty	**-**	5,034.56	**-**	5,034.56
	Employee benefits expense	**5,812.42**	4,663.10	**5,956.17**	4,839.16
	Finance costs	**7,056.94**	7,042.98	**7,105.25**	7,044.87
	Depreciation and amortisation expense	**3,253.26**	3,141.42	**3,443.44**	3,323.24
	Other expenses	**19,325.59**	14,976.70	**20,255.92**	15,546.86
	Total expenses (IV)	**194,229.06**	167,336.53	**196,801.41**	172,313.71
V.	**Profit before tax (III-IV)**	**44,502.28**	35,592.50	**46,213.77**	36,096.92
VI.	**Tax expenses**				
	Current tax	**9,587.01**	7,609.88	**9,683.00**	7,612.00
	Deferred tax	**4,185.44**	3,725.16	**4,107.22**	3,725.16
VII.	**Profit for the year (V-VI)**	**30,729.83**	24,257.46	**32,423.55**	24,759.76

2. PERFORMANCE HIGHLIGHTS

i) Financial Performance - Standalone

The Company achieved total Revenue from Operations of ₹ 237,661.90 lakhs for the year ended 31 March 2019 as against ₹ 202,152.30 lakhs for the year ended 31 March 2018 represented an increase of 17.57% on account of increased volume, improved product mix and better realizations. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/ (gain) and other income was ₹ 53,833.24 lakhs as compared to ₹ 45,000.17 lakhs for the previous year. EBITDA for the year is increased by 19.63% due to increased contribution, higher utilization of capacities and operational efficiencies. During the financial year 2018-19, the Company earned a profit after tax of ₹ 30,729.83 lakhs as compared to ₹ 24,257.46 lakhs in the previous year.

ii) Financial Performance – Consolidated

On consolidated basis, the total revenue from operations in the financial year 2018-19 increased by 16.92% to ₹ 242,238.66 lakhs from ₹ 207,184.68 lakhs in the previous year. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/ (gain) and other income, was ₹ 56,254.49 lakhs as compared to ₹ 45,239.08 lakhs for the previous year. EBITDA for the year is increased by 24.35% due to increased contribution, higher utilization of capacities and operational efficiencies. During the financial year 2018-19, the Company earned a profit after tax of ₹ 32,423.55 lakhs

Board's Report (Contd.)

as compared to ₹ 24,759.76 lakhs in the previous year.

3. DEBENTURE REDEMPTION RESERVE (DRR)

In terms of Section 71(4) of the Companies Act, 2013 the Company has transferred a sum of ₹ 428.56 lakhs (previous year: ₹ 428.56 lakhs) to the credit of Debenture Redemption Reserve out of its current profits for the purpose of redemption of Non-Convertible Debentures issued by the Company.

4. DIVIDEND

In terms of Dividend Distribution Policy of the Company, the Board of Directors of the Company ('the Board') has recommended a dividend of ₹ 0.15 per Share on 418,609,806 equity shares of Face Value ₹ 1/- each for the year ended 31 March 2019 (Dividend for Financial Year 2017-18 @ ₹ 0.10/- per Equity Share on 418,407,867 equity shares of ₹ 1/- each) out of its' current profits, subject to the approval of Members at the ensuing Annual General Meeting (hereinafter referred as 'AGM') of the Company. The Dividend payout (including corporate dividend tax) for the year was ₹ 504.41 lakhs (previous year: ₹ 503.59 lakhs).

The said policy has been annexed to this report as **Annexure I** and also available on the website of the Company at www.himadri.com.

The Register of Members and Share Transfer Books of the Company will remain close for the purpose of payment of dividend for the financial year ended 31 March 2019 and the AGM. Book closure date has been indicated in the notice convening AGM, which forms part of the Annual Report.

5. SUBSIDIARIES

The Company has an unlisted non-material wholly owned Indian Subsidiary Company, Equal Commodeal Private Limited ('ECPL'). The Company also has two step down subsidiary Companies 1) AAT Global Limited in Hong Kong in which the Company holds 100% equity through its wholly owned Indian Subsidiary, 2) Shandong Dawn Himadri Chemical Industry Limited ("SDHCIL") in China, in which the Company holds 94% equity through its wholly owned subsidiary Company, AAT Global Limited.

A report on the performance and financial position of each of the aforementioned subsidiaries as per provisions of sub section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is annexed to the Annual Report and hence not repeated here for the sake of brevity.

- **Names of Companies which become or ceased to be its Subsidiaries, Joint Ventures or associates**

  During the financial year 2018-19, no Company has become or ceased to be a subsidiary or joint venture of the Company, but due to merger of Promoter group companies as sanctioned by Hon'ble Bench of NCLT, Kolkata, pursuant to Section 230 to 232 of the Companies Act, 2013 and rules made thereunder, M/s Himadri Dyes & Intermediates Limited ceases to be associate and Modern Hi-Rise Private Limited a promoter Group Company has become the associate of the Company.

- **Merger of Wholly Owned Subsidiary Company, with Himadri Speciality Chemical Ltd**

  Whereas; the wholly owned Company (WOS) Equal Commodeal Pvt Ltd has been in the process of merger with its' holding Company (HSCL) and the final order of the Hon'ble NCLT is yet to be passed. The key points are summarized as hereunder:-

  1. The Board of Directors of the petitioner companies have approved the Scheme of Amalgamation in its' respective Board meetings held on 13th August 2018;
  2. The holding (being the transferee Company) is a listed on Stock

Board's Report (Contd.)

Exchanges, i.e. BSE Ltd and National Stock Exchange of India Ltd and accordingly has informed about the proposed Scheme of Amalgamation;

3. No valuation report required since there will be no requirement of issue of fresh shares consequent upon sanction of merger;
4. The Statutory Auditors of the Transferee company has issued certificate as regards confirmation of Accounting Treatment;
5. The Tribunal vide its' order dated 1 January 2019 has dispensed with requirement of convening and holding of separate meetings of the Shareholders and the secured and unsecured creditors of the transferor Company;
6. The petitioner Company has filed the necessary affidavit on 6th February 2019 evidencing service of notice upon Regulatory Authorities and publication of the newspaper advertisement;
7. The Chairman of the meetings of the Shareholders and Secured and Unsecured Creditors has submitted his report to the Tribunal on 12th March 2019;

The Tribunal after hearing the arguments, directed to serve notice as per requirement of Rule 16 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 on the Central Government, through Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata, Registrar of Companies, West Bengal and the concerned Income Tax Assessing Officer along with the Chief Commissioner of Income Tax and also on the Official Liquidator, High Court Calcutta, having jurisdiction over the Transferor and Transferee Companies, by hand delivery through personal messenger, registered post or speed post and by electronic mail.

The newspaper advertisement were published on 15th May 2019 one in English daily "Financial Express" (all editions) and one in Bengali daily newspaper "Aajkal" in the prescribed format;

The next date of hearing is fixed on 18.06.2019.

6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Indian Accounting Standards (IND AS) 110 - "Consolidated Financial Statements" as notified by Ministry of Corporate Affairs and as per the general instruction for preparation of consolidated financial statements given in Schedule III of the Companies Act, 2013 and in compliance with the SEBI Listing Regulations, the Company has prepared Consolidated Financial Statements. The Audited Consolidated Financial Statements along with the Auditors' Report thereon forms part of the Annual Report.

7. WINDMILLS

During the financial year 2018-19, the performance of the windmills at Dhule in Maharashtra remained satisfactory and it generated 4,045,006 kwh units of wind energy as compared to 3,139,620 kwh units in the previous year. The revenue generated by the windmills for the year remained at ₹ 212.97 lakhs as compared to ₹ 160.24 lakhs in previous year.

8. WORKING CAPITAL

The Company continued to enjoy working capital facilities under multiple banking arrangements including State Bank of India, Central Bank of India, ICICI Bank, Citibank N.A., Axis Bank Ltd, Yes Bank Ltd, IndusInd Bank Ltd, DBS Bank, Bank of Baroda, Standard Chartered Bank, IDFC Bank, HDFC Bank, Hong Kong & Shanghai Banking Corporation Ltd, Kotak Mahindra Bank and RBL Bank Ltd. The Company has been regular in servicing these debts.

Board's Report (Contd.)

9. REVISION OF CREDIT RATING

The Credit Analysis & Research Ltd (CARE) has revised the rating assigned to the Company's various credit facilities and debt instruments during the financial year 2018-19 and those are as follows:

Facilities	Rating
Long-term Bank Facilities	CARE AA-; Stable (Double A Minus; Outlook Stable)
Short-term Bank Facilities	CARE AA-; Stable/ CARE A1+ (Double A minus; Outlook Stable / A one Plus)
Non-Convertible Debentures	CARE AA-; Stable Double A Minus; Outlook Stable)
Commercial Paper	CARE A1+ (A One Plus)

Further ICRA Limited, a credit rating Agency has assigned the Credit Rating to Company's various credit facilities and instruments as mentioned below:

Facilities	Rating Assigned
Non-Convertible Debenture	[ICRA] AA- (Stable)
Term Loan	
External Commercial Borrowing	
Fund Based Limits	
Non- Fund Based Limits	[ICRA] AA- (Stable)/A1+
Commercial Paper	[ICRA] A1+ Outlook: Outstanding

10. CAPITAL EXPENDITURE

During the financial year 2018-19, the Company incurred capital expenditure on account of addition to fixed assets aggregating to ₹ 20,058.34 lakhs (including Capital work in-progress and capital advances).

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013, Mr. Vijay Kumar Choudhary (DIN: 00173858), the Executive Director of the Company will retire from the office by rotation, and being eligible, offers himself for re-appointment.

During the financial year, Mr. Sakti Kumar Banerjee (DIN: 00631772) and Mr. Hardip Singh Mann (DIN: 00104948) have been re-appointed as an Independent Director for a second consecutive term of 5 (five) years by means of passing Special resolutions at the last Annual General Meeting of the Company.

The Board met 5 (Five) times during the financial year 2018-19 with the maximum time gap not exceeding 120 days in between two consecutive meetings.

The constitution of the Board is in Compliance with the provisions of Section 149 of the Companies Act, 2013 and the SEBI Listing Regulations.

The brief resume and other details relating to the Directors, who are to be appointed / re-appointed as stipulated under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2, are provided in the Notice of Annual General Meeting forming part of the Annual Report.

The number and dates of meetings held by the Board and its Committees, attendance of Directors and remuneration paid to them are given separately in the attached Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

During the financial year 2018-19, there was no change in the Key Managerial Personnel of your Company. However, the Board of Directors at its meeting held on 29 May 2018 has expanded the list of Key Managerial Personnel by designating certain senior managerial personnel as KMP.

Whereas the SEBI Listing Regulations, inter-alia provides that the top 500 listed companies with effect from 1 April 2019 shall have at least one Woman Director to act as Independent Director. Since the Company has been falling within the list of top 500 Companies (Listed), accordingly

Board's Report (Contd.)

it was required to appoint Woman Independent Director. Hence, Ms. Sucharita Basu De, has been appointed as an Independent Woman Director who shall act as Additional Director with effect from 1 April 2019 till forthcoming Annual general meeting.

12. DECLARATION FROM INDEPENDENT DIRECTORS

All the Independent Directors of the Company have given necessary declaration of their Independence to the Board as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations.

13. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were no material changes and commitments that occurred after the close of the year till the date of this Report, which affect the financial position of the Company.

14. DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, and as per Schedule II Part C(A)(4)(a) of the SEBI Listing Regulations, your directors confirm that:

a. In the preparation of the annual accounts for the year ended 31 March 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b. The Directors have selected suitable accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. The Directors have prepared the annual accounts on a going-concern basis;

e. The Directors, have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

f. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

15. NOMINATION & REMUNERATION POLICY

The Company, pursuant to the provisions of Section 178 of the Companies Act, 2013 and in terms of Regulation 19(4) of the SEBI Listing Regulations, has a policy on Nomination and Remuneration for its Directors, Key Managerial Personnel and Senior Management which inter-alia provides for the diversity of the Board and provides the mechanism for performance evaluation of the Directors and the said policy was mended from time to time and may be accessed on the Company's website at the link: https://www.himadri.com/pdf/corporate_governance/nomination_remuneration_policy_june2018.pdf

16. LOANS, INVESTMENTS AND GUARANTEE

During the financial year 18-19, the Company has not given any loans, made investments or provided any guarantee except a loan given of ₹ 209.87 lakhs to one of its wholly owned subsidiary Company, Equal Commodeal Private Limited, for its business purpose. However, the details of Loans, investments made, or guarantee given and subsisting as on the close of the financial year 2018-19 are provided in the notes to the financial statements.

During the financial year 2018-19, pursuant to merger and de-merger in between promoter group companies viz; Himadri Dyes & Intermediates Limited, Himadri Industries

Board's Report (Contd.)

Limited, Himadri Coke & Petro Limited (being the transferor companies) with Modern Hi-Rise Private Limited (transferee company) and Shresth Merchandise Private Limited (resulting company) and demerger of cold storage undertaking of Himadri Industries Ltd with Shresth Merchandise Private Limited as sanctioned by the Hon'ble Bench of NCLT, Kolkata, pursuant to Section 230 to 232 of the Companies Act, 2013 and rules made thereunder, all assets and liabilities (including shares of Himadri Speciality Chemical Ltd) of the Transferor Companies will vest with and transferred to and in favor of the Transferee Company i.e. M/s Modern Hi-Rise Private Limited;

The Company held equity shares in Transferor Companies 1 and 2 and pursuant to the Scheme of Amalgamation, the Company has received certain equity shares as well as optionally convertible preference shares from the Transferee Company as consideration for merger. And also pursuant to Demerger of cold storage business of Himadri Industries Limited (Demerged Company) with Shresth Merchandise Private Limited (Resulting Company), the Company has received certain equity shares as well as Redeemable Preference Shares from the Resulting Company as consideration for merger. Details pertaining to change in amount of investments are provided in the notes to the financial statements.

17. EXTRACTS OF THE ANNUAL RETURN

The extract of Annual Return for the financial year ended on 31 March 2019, as required pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form No. MGT-9 is annexed herewith and marked as **Annexure II** and may also be accessed on the Company's website at the link: https://www.himadri.com/

18. PARTICULARS OF REMUNERATION OF MANAGERIAL PERSONNEL AND EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are annexed herewith and marked as **Annexure III** and **Annexure IV** respectively forming part of this Report.

19. RISK MANAGEMENT (RISK ASSESSMENT AND MINIMIZATION PROCEDURE)

The Company has a Policy on Risk Management (Risk Assessment and Minimization Procedure) to identify various kinds of risk in the business of the Company. The Board and the Senior Management review the policy from time to time and take adequate steps to minimize the risk in business. There are no such risks which, in the opinion of the Board, threaten the existence of your Company. However, some of the risks which are inherent in business and type of industry in which it operates are elaborately described in the Management Discussion and Analysis forming part of this Report.

20. INTERNAL FINANCIAL CONTROLS

The Internal Financial Controls adopted and followed by your Company are adequate and are operating effectively which were reviewed by the Board and Audit Committee from time to time. The Board observed that during the financial year 2018-19, no material or serious observations have been received from the Internal Auditors of your Company regarding inefficiency or inadequacy of such controls.

Board's Report (Contd.)

21. EMPLOYEE STOCK OPTION PLAN (ESOP)

Your Company has adopted the Himadri Employee Stock Option Plan ("ESOP 2016") for granting of options to eligible employees of your Company as approved by the Members of your Company at the 28th Annual General Meeting held on 24 September 2016. The applicable disclosures as required under the SEBI Guidelines as amended, and the details of stock options as at 31 March 2019 under the ESOP 2016 are set out in the attached **Annexure V** and forms part of the report.

Grant of Options (Second Tranche) under "ESOP 2016"

The Nomination and Remuneration Committee at its' meeting held on 8 May 2018 has granted further options of 26,95,000 to the eligible employees in second tranche pursuant to Himadri Employee Stock Option Plan ("ESOP 2016") at an exercise price of ₹ 140/- per share. These options shall vest after 1 year, and are exercisable within a period of five years from the date of grant upon satisfaction of vesting conditions.

22. AUDITORS AND AUDITORS' REPORT

- **Statutory Auditors**

  M/s BSR & Co. LLP, Chartered Accountants, (Firm registration no. 101248W/W-100022) the Statutory Auditors of the Company were re-appointed at the Annual General Meeting held on 22 September 2017 for second term of five years commencing from the conclusion of the 29th Annual General Meeting till the conclusion of the 34th Annual General Meeting to be held for the financial year 2021-22, subject to ratification of the appointment at every Annual General Meeting.

  In accordance with the Companies (Amendment) Act, 2017 with effect from 7 May 2018, the ratification of appointment of Statutory Auditors at every Annual General Meeting has been done away with, therefore the necessary resolution seeking consent of the members for ratification of appointment of statutory auditors will not be placed at the ensuing Annual General Meeting of the Company.

  The Auditors' Report and notes to the financial statements are self-explanatory and therefore do not call for any further explanation.

- **Secretarial Auditor**

  Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board has appointed M/s MKB & Associates, Practising Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31 March 2019 is given in **Annexure VI** attached hereto and forms part of this Report.

  The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

- **Cost Auditor**

  Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended, the Board of Directors at its meeting held on 28 May 2019, and upon recommendation of the Audit Committee, appointed Mr. Sambhu Banerjee, Cost Accountant, as Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year 2019-20. The Company has received necessary consent from Mr. Sambhu Banerjee, Cost Accountant, to act as the Cost Auditor of the Company for the financial year 2019-20 along with the certificate confirming that his appointment would be within limit as applicable.

  As required under the Act, the remuneration payable to Cost Auditor is required to be ratified by the Members of the Company

Board's Report (Contd.)

at the ensuing Annual General Meeting. Accordingly, a Resolution seeking approval of members for ratification of payment of remuneration is included in the Notice convening the Annual General Meeting of the Company.

23. MAINTENANCE OF COST RECORDS

The Company is maintaining cost records as specified by the central government under Section 148 (1) of the Companies Act, 2013.

24. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013 and as per Regulation 22 of the SEBI Listing Regulations for the employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of Protected Disclosure to the Vigilance Officer or the Chairman of the Audit Committee.

The vigil mechanism / whistle blower policy may be accessed on the Company's website at the link: https://www.himadri.com/pdf/corporate_governance/vigil_mechanism_himadri_amended_wef01.pdf

25. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo for the financial year 31 March 2019, as required to be given pursuant to Section 134 (3) (m) of the Companies Act, 2013, read with the Rule 8 (3) of the Companies (Accounts) Rules, 2014, is annexed herewith and marked as **Annexure VII** forming part of this Report.

26. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on the Materiality of and Dealing with Related Party Transactions in terms of Regulation 23 of the SEBI Listing Regulations and the said Policy is posted on the Website of the Company and during the financial year 2018-19 there were no transactions with related parties which qualify as material transactions under the SEBI Listing Regulations.

All the Related Party Transactions entered into by the Company during the financial year were in the ordinary course of business and on arm's length basis. There have been no materially significant related party transactions between the Company and its related parties except Wholly Owned Subsidiaries. The details of the related party transactions are disclosed as per Indian Accounting Standard (IND AS) – 24 and set out in note 40 to the Standalone financial statements forming part of this annual report.

The disclosure of material related party transactions entered in ordinary course of business during the financial year 2018-19 with its wholly owned subsidiary company as required to be made under Section 134(3)(h) read with Section 188 (2) of the Companies Act, 2013 in form AOC-2 is given in **Annexure VIII** forming the part of this report.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board in compliance with the provisions of Section 135(1) of the Companies Act, 2013 and rules made thereunder has a Committee to be known as CSR Committee constituted by Mr. Santimoy Dey, Independent Non-executive Director, Mr. Sakti Kumar Banerjee, Independent Non-executive Director and Mr. Shyam Sundar Choudhary, Executive director of the Company as its members. The CSR policy has been placed on the Website of the Company and can be accessed through the link: https://www.himadri.com/pdf/corporate_governance/policy_on_corporate_social_responsibility.pdf

During the financial year 2018-19 the Company was required to expend a sum of ₹ 329.65 lakhs towards CSR expenditure pursuant to Company's

Board's Report (Contd.)

CSR Policy, however, the Company could expend a sum of ₹ 117.67 lakhs and there was a shortfall of ₹ 211.98 lakhs.

The Company's key objective is to make a difference to the lives of the underprivileged and help bring them to a self-sustaining level. There is a deep commitment to CSR engagement. We are increasing the capacity of our CSR team to take up more projects.

The Company has chosen couple of projects on CSR such as setting up Orphanage at large scale involving a large amount of outlay and same are under active consideration of the management and CSR committee, once the Committee completes the evaluation process which requires a diligence process hence, thereafter the Company will start with the CSR project. The CSR Committee has been continuously focused on providing social benefits to the society in its true sense and the shortfall will be added to the CSR expenditure for the current financial year.

The Annual Report on CSR activities in terms of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and marked as **Annexure IX** forming part of this report.

28. ANNUAL EVALUATION OF THE MEMBERS OF THE BOARD

The Board, upon recommendation of the Nomination and Remuneration Committee and as per the criteria and manner provided for the annual evaluation of each member of the Board and its Committees, has evaluated the performance of the entire Board, its Committees and individual directors. All the members of the Board and its Committees met the criteria of performance evaluation as set out by the Nomination and Remuneration Committee.

29. PUBLIC DEPOSIT

During the financial year 2018-19, the Company has not accepted any deposits from public within the meaning of Section 73 and Section 74 of the Companies Act, 2013, therefore the disclosure pursuant to Rule 8 (5)(v) & (vi) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There were no significant and material orders passed by any Regulatory authority or Courts or Tribunals impacting the going concern status and Company's operation in future, therefore the disclosure under rule 8 (5)(vii) of Companies (Accounts) Rules, 2014, is not applicable to the Company.

31. TRANSFER OF UNCLAIMED DIVIDEND TO IEPF

During the financial year 2018-19, the Company pursuant to provision of Section 124 of the Companies Act, 2013 has transferred a sum of ₹ 478,900 to the Investor Education & Protection Fund, the amount of dividend which was unclaimed/unpaid for a period of seven years for the financial year 2010-11. The Company sends reminder letters to the Shareholders from time to time for claiming their unpaid dividend.

32. TRANSFER OF SHARES TO IEPF

During the financial year 2018-19, the Company pursuant to the provisions of Section 124(6) of the Companies Act, 2013 has transferred 390,200 unclaimed shares of 350 shareholders in respect of which dividend has not been paid or claimed for seven consecutive years or more to the credit of IEPF Authority as prescribed in Section 125 of the Companies Act, 2013 in DEMAT Account No: IN300708/ CL-ID: 10656671 through NSDL.

33. CORPORATE GOVERNANCE

In terms of the provisions of Regulation 34(3) of the SEBI Listing Regulations, the Corporate Governance Report together with a certificate from a Practising Company Secretary confirming compliance, is annexed herewith and marked as **Annexure X** forming part of this report.

Board's Report (Contd.)

34. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under Schedule V of the SEBI Listing Regulations forms an integral part of this report.

35. COMMITTEE ON BUSINESS RESPONSIBILITY REPORTING

Himadri is deeply committed to growing the business responsibly with a long-term perspective, as well as to the nine principles enshrined in the National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs, Government of India, in July 2011.

The Board has constituted a "Business Responsibility Report (BRR) Committee" on 29 May 2018, consisting of 1) Mr. Anurag Choudhary, CEO 2) Mr. Kamlesh Kumar Agarwal – CFO 3) Mr. Monojit Mukherjee, Business Head (CBD); 3) Mr. Somesh Satnalika, Vice President (Strategy & Business Development).

Scope of the Committee

- To review the BRR Policy from time to time and to make modifications required if any;
- To monitor the preparation of the BRR Reporting in the format as prescribed by the SEBI;
- To do all other acts and things which are incidental to the BRR Reporting;

The Board shall review the performance of the Committee as well as BRR Policy on annual basis.

36. BUSINESS RESPONSIBILITY REPORT (BRR)

The Business Responsibility Report (BRR) of the Company as required pursuant to the Regulation 34 (f) of the SEBI Listing Regulations, annexed herewith and marked as **Annexure XI** forming part of this report and the same is also available at Company's website at www.himadri.com

37. LISTING ON STOCK EXCHANGES

The Company's 418,578,745 equity shares of ₹ 1/- each are continued to be listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has remitted the listing fee to these stock exchanges, up to date.

The Non-Convertible Debentures (NCD) issued by the Company on private placement basis aggregating ₹ 15,000 lakhs continue to be listed at BSE and the Company has been regular in the remittance of the listing fee to the concerned exchange for such debentures.

38. DEMATERIALISATION OF SHARES

There were 414,529,419 equity shares of the Company held by the shareholders in dematerialised form as on 31 March 2019, representing 99.03% of the total paid-up share capital of the Company consisting of 418,578,745 equity shares of ₹ 1/- each.

The Company's equity shares are compulsorily required to be traded in dematerialised form; therefore, members are advised to expedite the process of converting the physical shareholding into dematerialised form through their D/P(s).

39. E-VOTING FACILITY AT AGM

In terms of Regulation 44 of SEBI Listing Regulations and in compliance with the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 and 21(1) (a) to (h) of the Companies (Management and Administration) Rules, 2014 (as amended), the Items of Business specified in the Notice convening the 31st Annual General Meeting of the Company may be transacted through electronic voting system and for this purpose the Company is providing e-Voting facility to its' members whose names will appear in the register of members as on the cut-off date (fixed for the purpose), for exercising their right to vote by electronic means through the e-Voting platform to be provided by National Securities Depository Limited (NSDL). The detailed process and guidelines for e-voting has been provided in the notice convening the meeting.

Board's Report (Contd.)

40. INTERNAL COMPLAINT COMMITTEE

The Company has an Internal Complaint Committee as required to be formed under Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder which were notified on 9 December 2013.

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

During the financial year 2018-19, the committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards sexual harassment received by the Committee during the year.

41. DEBT SECURITIES

The details of listing of Non-Convertible Debentures issued by the Company are given here below:

Name	Privately placed 25,00,000 Secured 10.00% p.a. Redeemable Non-Convertible Debentures of face value of ₹ 400/- each aggregating to ₹ 100 Crores	Privately placed 500 Secured 12.50% p.a. Redeemable Non-Convertible Debentures of face value of ₹ 10,00,000/- each aggregating to ₹ 50 Crores.
Scrip Code	946887	949610
Issuer Name	HSCL-10%-24-8-20-PVT	HSCL-12.5%-28-10-20-PVT
ISIN Number	INE019C07023	INE019C07031
Listed	Listed on Debt Market Segment of BSE	Listed on Debt Market Segment of BSE

The Contact details of the Debenture Trustee is:

Axis Trustee Services Limited

The Ruby, 2 Floor, SW,

29, Senapati Bapat Marg,

Dadar (West), Mumbai – 400028

Tel: +91-22-62300451

Fax: +91-22-62300700

Email: debenturetrustee@axistrustee.com;

complaints@axistrustee.com

42. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

43. AWARDS & RECOGNITIONS

The Company has been recognised for Awards & Achievements as follows:

CII Water Management Award

Winner in 'Within the Fence' Category in CII's Water Management National Competition for Excellence

Greentech Safety Award

Bestowed with Gold Award for 'The Best Performance Nationally' in Chemical sector

Fortune India The Next 500 Awards 2018

Recognised as no. 1 among 25 Companies for the top wealth creators over the last three years

World's 100 Greatest Brands

Received the title at the Fourth edition of India-UAE Business and Social Forum

Board's Report (Contd.)

Asia Pacific Entrepreneurship Award (APEA)

Mr. Anurag Choudhary, CEO received the prestigious APEA, India award under the category of Chemical & Plastics Industry by General Vijay Kumar Singh, MOS, External Affair in New Delhi

Annual Report Award

Received Gold Award and featured among Top 100 in International Annual Report Competition by League of American Communications Professionals LLC (LACP)

43. ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere appreciation for the continued support and cooperation extended to the Company by its bankers, customers, vendors, suppliers, dealers, investors, business associates, all the stakeholders, shareholders, debenture holders and various departments of the State and the Central Government.

Your directors also express their thanks to all the employees and officers of the Company for their dedication and hard work and for achieving excellent growth of the Company.

For and on behalf of the Board

	Sd/-	Sd/-
	Bankey Lal Choudhary	**Shyam Sundar Choudhary**
Place: Kolkata	*Managing Director*	*Executive Director*
Date: 28 May 2019	(DIN: 00173792)	(DIN: 00173732)

Annexure I
of the Board's Report

DIVIDEND DISTRIBUTION POLICY

1. PREAMBLE

1.1 Pursuant to Regulation 43A of the SEBI (LODR) Regulations, 2015, the top five hundred listed companies based on market capitalization (calculated as on March 31 of every financial year) shall require to formulate a dividend distribution policy which shall be disclosed in their annual report and on their website. Since the company has been included in the list of top five hundred companies as on March 31, 2018, the Board of Directors (the "Board") of Himadri Speciality Chemical Ltd (the "Company") at its' meeting held on 29th May 2018 has adopted the "Dividend Distribution Policy" of the Company.

1.2 The Dividend Distribution Policy (hereinafter referred to as the Policy'') have been developed in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

1.3 Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend.

2. EFFECTIVE DATE

The Policy shall become effective from the date of its approval by the Board i.e. 29th May 2018;

3. DEFINITIONS: UNLESS REPUGNANT TO THE CONTEXT

"**Act**" shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

"**Applicable Laws**" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of Dividend.

"**Board**" or "**Board of Directors**" shall mean Board of Directors of the Company

"**Company**" shall mean Himadri Speciality Chemical Ltd (Formerly Known as Himadri Chemicals & Industries Limited)

"**Dividend**" shall mean Dividend as defined in Section 2(35) of the Companies Act, 2013.

"**Key Managerial Personnel**" shall mean Key Managerial Personnel as defined in Section 2(51) of the Companies Act, 2013

"**Senior Management**" shall mean officers/ personnel of the listed entity who are members of its' Core Management Team excluding board of directors, normally this shall comprise of all members of the management one level below the executive directors, including functional head [Regulation 16(1) (d) of the SEBI (LODR) Regulations, 2015]

"**Policy or this Policy**" shall mean the Dividend Distribution Policy.

"**Rules**" shall mean Companies (Declaration and payment of Dividend) Rules, 2014

"**SEBI Regulations**" shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

"**Subsidiary**" shall mean Subsidiary of the Company as defined in Section 2987) of the Companies Act, 2013.

4. PURPOSE, OBJECTIVES AND SCOPE

4.1 The Securities and Exchange Board of India ("SEBI") vide its Gazette Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on

Annexure I
of the Board's Report (Contd.)

their market capitalization calculated as on the 31st day of March of every year.

4.2 As the Company is one of the top five hundred companies as on 31 March 2018, the Board has laid down a broad framework for distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

4.3 Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in an amendment of any element or the Policy will be regarded as a deviation.

4.4 The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for further growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

5. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS

5.1 Financial Parameters

The Board of Directors may consider the following financial parameters while recommending any payment of dividend to the Shareholders subject to the approval of the Shareholders:-

- The working Capital requirement;
- The requirement of capital expenditure;
- Quantum of consolidated Net Profit after Tax;
- Fund required for acquisition or new line of business/product diversification;
- Contingency requirement of funds;
- Requirement of funds for payment / repayment/pre-payment of any outstanding borrowings;
- Consideration of past dividend track record;
- Considering legal requirements, regulatory conditions or restrictions as prescribed under the applicable law rules and regulations including Taxation laws;
- The pay-out ratio of the Companies in the same industry.

5.2 Proposals for major capital expenditures

The Board may also take into consideration the need for replacement of capital assets, expansion and modernization or augmentation of the capital asset including any major sustenance, improvement and growth proposals.

5.3 Agreements with lending institutions/ Bondholders/Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

5.4 Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

Annexure I
of the Board's Report (Contd.)

6. INTERNAL & EXTERNAL FACTORS THAT SHALL BE CONSIDERED FOR THE DECLARATION OF DIVIDEND

The Board of Directors will consider the various internal and external factors while recommending any payment of Dividend:-

- Past dividend trend;
- Cash flow from Operations;
- Consistency and stability in earnings;
- Future fund requirement for inorganic growth plan and Investment Opportunities including any investments in subsidiaries/ associates of the Company;
- Leverage of profits and capital adequacy matrix;
- An Outlook of Industry, Business Cycle for the underline business;
- Economic growth and regulatory environment;
- Contingent liabilities;
- Buy-back plan for alternate to the distribution of profit; and
- Any other factor as deemed fit by the Board.

7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE LISTED COMPANY MAY OR MAY NOT EXPECT THE DIVIDEND

The Shareholders of the Company may not expect the dividend under the following circumstances:-

- Whenever the fund requires for a significant expansion of the project requiring more allocation of capital;
- The requirement of significantly more working capital due to higher capacity utilisation or any other factor which may adversely impact the Cash flow of the Company;
- Proposed to undertake any acquisition, merger, amalgamation or Joint Venture as this may require allocation of additional capital expenditure;
- If Company proposes to utilise its accumulated surplus for buy-back of securities;
- Circumstances under which Company has incurred losses or there is any inadequacy of Profit;
- In the performance of any covenant imposed by any of the financial institution, Bank or any Investor/ Investor Group.

8. MANNER OF DIVIDEND PAYOUT

8.1 The given below is a summary of the process of declaration and payment of dividends and is subject to applicable regulations.

8.2 In case of final dividend

a. The recommendation, if any, shall be done by the Board, usually in the Board Meeting that considers and approves the annual financial statements, subject to the approval of the shareholders of the Company.

b. The dividend as recommended by the Board shall be approved/declared at the annual general meeting of the Company.

c. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date/book closure period as per the applicable law.

8.3 In case of interim dividend

a. Interim dividend, if any, shall be declared by the Board.

b. Before declaring an interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

c. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

Annexure I
of the Board's Report (Contd.)

d. In case no final dividend is declared, an interim dividend paid during the year, if any, will be regarded as the final dividend in the annual general meeting.

9. POLICY AS TO HOW THE RETAINED EARNINGS SHALL BE UTILISED

The Company may declare dividend out of the profits of the Company for the current year or out of the profits of any previous years and out of the free reserves available for distribution of dividend subject to the fulfilment of the conditions and criteria as laid down in this policy.

10. PARAMETERS THAT SHALL BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

Since the Company has issued only one class of Share (Equity Shares), hence the policy is applicable to only the equity shares of the Company. If the Company in future issues any other class of securities which may be entitled for the dividend, this policy would be revised and amended by the Board considering the factors affecting the new class of Shares.

11. APPLICABILITY OF THE POLICY

11.1 The Policy shall not apply to

- Determination and declaring the dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by an issue of fully or partly paid bonus shares or other securities, subject to applicable law
- Distribution of cash as an alternative to payment of the dividend by way of buyback of equity shares

12. REPORTING AND DISCLOSURE

As prescribed by Regulation 43A of the Listing Regulation, this Policy shall be disclosed on the Company's website and the Annual report.

13. REVIEW OF THE POLICY/ MODIFICATION

13.1 This Policy shall be subject to modification and amendments pursuant to any further guidelines / certifications as may be issued by regulatory authority/(ies) (SEBI/ MCA) from time to time and the Board of Directors may amend or modify the policy as may be deemed necessary pursuant to those guidelines.

14. COMPLIANCE RESPONSIBILITY

Compliance with this Policy shall be the responsibility of the Senior Management of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

Annexure II
of the Board's Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	:	L27106WB1987PLC042756
ii)	Registration Date	:	28 July 1987
iii)	Name of the Company	:	Himadri Speciality Chemical Ltd
iv)	Category / Sub-Category of the Company	:	Public Company / Limited by shares
v)	Address of the Registered office and contact details	:	23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata – 700001, Ph: 033-22309953, website: www.himadri.com, Email: investors@himadri.com.
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	:	M/s S. K. Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata – 700006, **Contact Person** Dilip Bhattacharya Ph: 033-22196797/4815, email: skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated :-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to Total Turnover of the Company
1	Carbon Materials & Chemicals	23999	90.28%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Equal Commodeal Private Limited – 72/4, Shambhu Nath Pandit Street, Kolkata – 700025	U51909WB2011PTC160507	Subsidiary	100%	2 (87)(ii)
2	AAT Global Limited – Suite 1101, 11/F, Supreme House, 2A Hart Avenue, Tsim Sha Tsui, Kowloon, Hong Kong	N.A.	Subsidiary	100%[1]	2 (87)(ii)
3	Shandong Dawn Himadri Chemical Industry Limited No. 368, North Heping Road, Longkou Economic Development Zone, Longkou City. China – 265700	N.A.	Subsidiary	94%[2]	2 (87)(ii)

[1] Holding through Equal Commodeal Private Limited

[2] Holding through AAT Global Limited

Annexure II
of the Board's Report (Contd.)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter and Promoter Group									
(1) Indian									
a) Individual/ HUF	12,728,600	-	12,728,600	3.04	12,728,600	-	12,728,600	3.04	
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	192,086,607	-	192,086,607	45.91	192,086,607	-	192,086,607	45.89	-0.02
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	**204,815,207**	**-**	**204,815,207**	**48.95**	**204,815,207**	**-**	**204,815,207**	**48.93**	**-0.02**
(2) Foreign									
a) Individual/ NRI	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)	**204,815,207**	**-**	**204,815,207**	**48.95**	**204,815,207**	**-**	**204,815,207**	**48.93**	**-0.02**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,251,551	-	2,251,551	0.54	6,644,192	-	6,644,192	1.59	1.05
b) Banks / FI	353,888	3,000	356,888	0.09	222,146	3,000	225,146	0.05	-0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Foreign Portfolio	9,025,905	-	9,025,905	2.16	10,180,693	-	10,180,693	2.43	0.28
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) FIIs	-	-	-	-	-	-	-	-	-
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Others (specify) Foreign Institutional	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**11,631,344**	**3,000**	**11,634,344**	**2.78**	**17,047,031**	**3,000**	**17,050,031**	**4.07**	**1.29**

Annexure II
of the Board's Report (Contd.)

Category of Shareholders		No. of Shares held at the beginning of the year [As on 1 April 2018]				No. of Shares held at the end of the year [As on 31 March 2019]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2.	**Cent Govt/State Govt/ President of India**	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
3.	**Non-Institutions**									
a)	Bodies Corp.	26,449,822	80,000	26,529,822	6.34	16,780,292	69,460	16,849,752	4.03	-2.32
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 Lakhs	49,031,583	4,904,095	53,935,678	12.89	52,390,934	3,976,866	56,367,800	13.34	0.45
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 Lakhs	13,118,759	-	13,118,759	3.14	14,302,108	-	14,302,108	3.54	0.41
c)	Others (specify) IEPF	2,538,240	-	2,538,240	0.61	2,927,440	-	2,927,440	0.70	0.09
	Trustees	-	-	-	-	-	-	-	-	-
	Non Resident Indians	1,918,720	-	1,918,720	0.46	2,915,543	-	2,915,543	0.70	0.24
	Overseas Corporate Bodies	103,178,860	-	103,178,860	24.66	103,178,860	-	103,178,860	24.65	-0.01
	Foreign Nationals	-	-	-	-	-	-	-	-	-
	Clearing Members	738,237	-	738,237	0.18	172004	-	172,004	0.04	-0.14
	Trusts	-	-	-	-					
	Foreign Bodies – DR	-	-	-	-					
	Sub-total (B)(3):-	**196,974,221**	**4,984,095**	**201,958,316**	**48.27**	**192,667,181**	**4,046,326**	**196,713,507**	**47.00**	**-1.27**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)+(B)(3)	**208,605,565**	**4,987,095**	**213,592,660**	**51.05**	**209,714,212**	**4,049,326**	**213,763,538**	**51.07**	**0.02**
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		**413,420,772**	**4,987,095**	**418,407,867**	**100.00**	**414,529,419**	**4,049,326**	**418,578,745**	**100.00**	**-**

Annexure II
of the Board's Report (Contd.)

(ii) Shareholding of Promoters

		Shareholding at the beginning of the year			Shareholding at the end of the year			
Sl. no	**Shareholder's Name**	**No. of Shares**	**% of total Shares of the Company***	**%of Shares Pledged / encumbered to total shares**	**No. of Shares**	**% of total Shares of the Company**	**%of Shares Pledged / encumbered to total shares****	**% change in share holding during the year**
1	Mr. Damodar Prasad Choudhary	1,484,280	0.35	-	1,484,280	0.35	-	-
2	Mr. Bankey Lal Choudhary	1,484,280	0.35	-	1,484,280	0.35	-	-
3	Mr. Vijay Kumar Choudhary	3,266,640	0.78	-	3,266,640	0.78	-	-
4	Mr. Shyam Sundar Choudhary	3,234,280	0.77	-	3,234,280	0.77	-	-
5	Ms. Sushila Devi Choudhary	850,000	0.20	-	850,000	0.20	-	-
6	Ms. Saroj Devi Choudhary	822,850	0.20	-	822,850	0.20	-	-
7	Ms. Sheela Devi Choudhary	763,420	0.18	-	763,420	0.18	-	-
8	Ms. Kanta Devi Choudhary	822,850	0.20	-	822,850	0.20	-	-
9	Himadri Dyes & Intermediates Limited	98,284,310	23.49	-	-	-	-	(23.49)
10	Himadri Credit & Finance Ltd	9,487,000	2.27	-	9,487,000	2.27	-	-
11	Himadri Industries Ltd	46,140,000	11.03	-	-	-	-	(11.03)
12	Himadri Coke & Petro Limited	38,175,297	9.12	-	-	-	-	(9.12)
13	Modern Hi-Rise Private Limited	-	-	-	182,599,607	43.62	-	43.62
Total		**204,815,207**	**48.95**	**-**	**204,815,207**	**48.93**	**-**	**(0.02)**

*Based on the paid up capital at the beginning of the Financial Year 2018-19 i.e. 418407867

** Based on the paid up capital at the end of the Financial Year 2018-19 i.e. 418578745; During, the year Company allotted 170878 equity share pursuant to ESOP Scheme.

Annexure II
of the Board's Report (Contd.)

Note:

(a) The Promoter Group Company (1) Himadri Dyes & Intermediates Limited; (2) Himadri Industries Limited; (3) Himadri Coke & Petro Limited have been merged with Modern Hi-Rise Private Limited, a promoter group company, pursuant to the Composite Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble National Company Law Tribunal, Kolkata ("NCLT Kolkata") vide their order dated 01 March 2019.

(2) Anurag Choudhary (PAN - ABYPC2666D); Amit Choudhary (PAN - ACNPC1121B); Tushar Choudhary (PAN- ACAPC2057K); Rinku Choudhary (AOGPC4836A); Swaty Choudhary (PAN- ACSPA5005D); Shikha Choudhary (PAN- ACLPC8207C) are part of Promoter Group but they are not holding any shares in the Company.

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no.	Name of the Promoter	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year (1 April 2018 – 31 March 2019)	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Himadri Dyes & Intermediates Limited						
2	At the beginning of the year	01-04-2018		98,284,310	23.49	-	-
3	Increase / Decrease in Shareholding during the year	01-03-2019	Merger	(98,284,310)	(23.49)	-	-
	At the end of the year	31-03-2019		-	-	-	-
2	Himadri Industries Ltd						
	At the beginning of the year	01-04-2018		46,140,000	11.03	-	-
	Increase / Decrease in Shareholding during the year	01-03-2019	Merger	(46,140,000)	(11.03)	-	-
	At the end of the year	31-03-2019		-	-	-	-
3	Himadri Coke & Petro Limited						
	At the beginning of the year	01-04-2018		38,175,297	9.12	-	-
	Increase / Decrease in Shareholding during the year	01-03-2019	Merger	(38,175,297)	(9.12)	-	-
	At the end of the year	31-03-2019		-	-	-	-
4	Modern Hi-Rise private Limited						
	At the beginning of the year	01-04-2018		-	-	-	-
	Increase / Decrease in Shareholding during the year	01-03-2019	Merger	182,599,607	43.62	182,599,607	43.62
	At the end of the year	31-03-2019				182,599,607	43.62

Annexure II
of the Board's Report (Contd.)

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. no.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	BC India Investments						
	At the beginning of the year	01/04/2018	-	103,178,860	24.66	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-	-	-
	At the end of the year	31/03/2019	-	-	-	103,178,860	24.65
2	FRANKLIN INDIA SMALLER COMPANIES FUND#						
	At the beginning of the year	01/04/2018	-	-	-	-	-
	Increase / Decrease in Shareholding during the year	21/09/2018	Buy	1,983,350	0.47	1,983,350	0.47
		28/09/2018	Buy	1,418,881	0.34	3,402,231	0.81
		05/10/2018	Buy	100,000	0.02	3,502,231	0.84
		12/10/2018	Buy	60,000	0.01	3,562,231	0.85
		19/10/2018	Buy	90,000	0.02	3,652,231	0.87
		26/10/2018	Buy	133,549	0.03	3,785,780	0.90
		02/11/2018	Buy	66,451	0.02	3,852,231	0.92
		07/12/2018	Buy	1,336,590	0.32	5,188,821	1.24
		01/02/2019	Buy	333,849	0.08	5,522,670	1.32
		08/02/2019	Buy	264,700	0.06	5,787,370	1.38
		15/02/2019	Buy	150,000	0.04	5,937,370	1.42
		22/02/2019	Buy	382,261	0.09	6,319,631	1.51
		01/03/2019	Buy	294,933	0.07	6,614,564	1.58
		29/03/2019	Buy	29,561	0.01	6,644,125	1.59
	At the end of the year	31/03/2019	-	-	-	6,644,125	1.59
3	DILIPKUMAR LAKHI						
	At the beginning of the year	01/04/2018	-	5,709,329	1.36	-	-
	Increase / Decrease in Shareholding during the year	10/08/2018	Sell	-10,871	0.00	5,698,458	1.36
		09/11/2018	Sell	-5,000	0.00	5,693,458	1.36
		30/11/2018	Sell	-10,000	0.00	5,683,458	1.36
		18/01/2019	Sell	-10,000	0.00	5,673,458	1.36
		15/03/2019	Sell	-10,000	0.00	5,663,458	1.35
	At the end of the year	31/03/2019	-	-	-	5,663,458	1.35

Annexure II
of the Board's Report (Contd.)

Sl. no.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year: No. of Shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of Shares	Cumulative Shareholding during the year: % of total shares of the Company
4	HSBC GLOBAL INVESTMENT FUNDS - ASIA EX JAPAN EQUITY SMALLER COMPANIES						
	At the beginning of the year	01/04/2018	-	3,264,414	0.78	-	-
	Increase / Decrease in Shareholding during the year	11/05/2018	Buy	202,176	0.05	3,466,590	0.83
		18/05/2018	Buy	217,312	0.05	3,683,902	0.88
		22/06/2018	Buy	771,752	0.18	4,455,654	1.06
		27/07/2018	Buy	353,600	0.08	4,809,254	1.15
		14/09/2018	Sell	-616,946	-0.15	4,192,308	1.00
		16/11/2018	Sell	-224,456	-0.05	3,967,852	0.95
		01/02/2019	Sell	-92,845	-0.02	3,875,007	0.93
	At the end of the year	31/03/2019				3,875,007	0.93
5	INVESTOR EDUCATION AND PROTECTION FUND						
	At the beginning of the year	01/04/2018	-	2,538,240	0.61	-	-
	Increase / Decrease in Shareholding during the year	27/07/2018	Transferred to Fund	195,550	0.05	2,733,790	0.65
		10/08/2018	Transferred to Fund	3,206	0.00	2,736,996	0.65
		19/10/2018	Transferred from Fund	-1,000	0.00	2,735,996	0.65
		01/03/2019	Transferred to Fund	191,444	0.05	2,927,440	0.70
	At the end of the year	31/03/2019	-	-	-	2,927,440	0.70
6	VALLABH ROOPCHAND BHANSHALI						
	At the beginning of the year	01/04/2018	-	2,366,475	0.57	-	-
	Increase / Decrease in Shareholding during the year	16/11/2018	Sell	-260,000	-0.06	2,106,475	0.50
		21/12/2018	Sell	-36,475	-0.01	2,070,000	0.49
		22/02/2019	Sell	-205,000	-0.05	1,865,000	0.45
		01/03/2019	Sell	-32,443	-0.01	1,832,557	0.44
	At the end of the year	31/03/2019	-	-	-	1,832,557	0.44

Annexure II
of the Board's Report (Contd.)

Sl. no.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	Chaturveda Advisory Services LLP						
	At the beginning of the year	01/04/2018	-	8,844,856	2.11	-	-
	Increase / Decrease in Shareholding during the year	06/04/2018	Sell	-1,786,181	-0.43	7,058,675	1.69
		13/04/2019	Sell	-263,906	-0.06	6,794,769	1.62
		20/04/2019	Sell	-268,343	-0.06	6,526,426	1.56
		27/04/2019	Sell	-692,922	-0.17	5,833,504	1.39
		03/08/2018	Buy	49,018	0.01	5,882,522	1.41
		07/09/2018	Sell	-797,961	-0.19	5,084,561	1.22
		14/09/2018	Sell	-1,413,184	-0.34	3,671,377	0.88
		21/09/2018	Sell	-3,364,989	-0.80	306,388	0.07
		28/09/2018	Sell	-134,646	-0.03	171,742	0.04
		05/10/2018	Buy	317,210	0.08	488,952	0.12
		12/10/2018	Buy	693,928	0.17	1,182,880	0.28
		19/10/2018	Buy	90,603	0.02	1,273,483	0.30
		26/10/2018	Buy	447,828	0.11	1,721,311	0.41
		02/11/2018	Buy	381,463	0.09	2,102,774	0.50
		09/11/2018	Buy	582	0.00	2,103,356	0.50
		16/11/2018	Buy	207,630	0.05	2,310,986	0.55
		23/11/2018	Buy	1,423,883	0.34	3,734,869	0.89
		30/11/2018	Buy	438,228	0.10	4,173,097	1.00
		07/12/2018	Sell	-181,201	-0.04	3,991,896	0.95
		14/12/2018	Sell	-287,935	-0.07	3,703,961	0.89
		21/12/2018	Sell	-1,319,698	-0.32	2,384,263	0.57
		28/12/2018	Sell	-609,378	-0.15	1,774,885	0.42
		04/01/2019	Sell	-505,755	-0.12	1,269,130	0.30
		11/01/2019	Sell	-31,440	-0.01	1,237,690	0.30
		18/01/2019	Sell	-1,269	0.00	1,236,421	0.30
		25/01/2019	Buy	185,099	0.04	1,421,520	0.34
		01/02/2019	Buy	652,426	0.16	2,073,946	0.50
		08/02/2019	Sell	-125,413	-0.03	1,948,533	0.47
		15/02/2019	Sell	-167,385	-0.04	1,781,148	0.43
		22/02/2019	Sell	-60,000	-0.01	1,721,148	0.41
		29/03/2019	Sell	-37,649	-0.01	1,683,499	0.40
	At the end of the year	31/03/2019	-	-	-	1,683,499	0.40

Annexure II
of the Board's Report (Contd.)

Sl. no.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year: No. of Shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of Shares	Cumulative Shareholding during the year: % of total shares of the Company
8	ANANT UDYOG LLP						
	At the beginning of the year	01/04/2018	-	1,540,000	0.37	-	-
	Increase / Decrease in Shareholding during the year	06/04/2018	Buy	5,000	0.00	1,545,000	0.37
		13/04/2018	Buy	5,000	0.00	1,550,000	0.37
		20/04/2018	Buy	10,000	0.00	1,560,000	0.37
		27/04/2018	Buy	5,000	0.00	1,565,000	0.37
		04/05/2018	Buy	30,000	0.01	1,595,000	0.38
		09/05/2018	Buy	10,000	0.00	1,605,000	0.38
		25/05/2018	Buy	5,000	0.00	1,610,000	0.38
		08/06/2018	Buy	10,000	0.00	1,620,000	0.39
		13/07/2018	Buy	5,000	0.00	1,625,000	0.39
		12/10/2018	Sell	-30,000	-0.01	1,595,000	0.38
		19/10/2018	Sell	-30,000	-0.01	1,565,000	0.37
		09/11/2018	Sell	-10,000	0.00	1,555,000	0.37
		14/12/2018	Sell	-10,000	0.00	1,545,000	0.37
		15/03/2019	Sell	-40,000	-0.01	1,505,000	0.36
	At the end of the year	31/03/2019	-	-	-	1,505,000	0.36
9	ENAM INVESTMENT & SERVICES PVT LTD						
	At the beginning of the year	01/04/2018	-	1,416,707	0.34	-	-
	Increase / Decrease in Shareholding during the year	19/10/2018	Sell	-1,16,000	-0.03	1,300,707	0.31
	At the end of the year	31/03/2019	-	-	-	1,300,707	0.31
10	AKASH BHANSHALI#						
	At the beginning of the year	01/04/2018		1,200,000	0.29	-	-
	Increase / Decrease in Shareholding during the year	01/02/2019	Sell	-2,53,000	-0.06	947,000	0.23
	At the end of the year	31/03/2019	-	-	-	947,000	0.23
11	ECAP EQUITIES LIMITED*						
	At the beginning of the year	01/04/2018		2,098,700	0.50		
	Increase / Decrease in Shareholding during the year	29/06/2018	Sell	-2,78,793	-0.07	1,819,907	0.43
		06/07/2018	Sell	-712,209	-0.17	1,107,698	0.26
		13/07/2018	Sell	-250,443	-0.06	857,255	0.20
		20/07/2018	Sell	-316,150	-0.08	541,105	0.13
		27/07/2018	Sell	-541,105	-0.13	0	0.00
	At the end of the year	31/03/2019	-	-	-	-	-

Annexure II
of the Board's Report (Contd.)

Sl. no.	Name of the Shareholders	Date	Reason	Shareholding at the beginning of the year: No. of Shares	Shareholding at the beginning of the year: % of total shares of the Company	Cumulative Shareholding during the year: No. of Shares	Cumulative Shareholding during the year: % of total shares of the Company
12	MANEK BHANSHALI*						
	At the beginning of the year	01/04/2018		1,426,795	0.34		
	Increase / Decrease in Shareholding during the year	19/10/2018	Sell	-231,000	-0.06	1,195,795	0.29
		16/11/2018	Sell	-340,000	-0.08	855,795	0.20
		22/02/2019	Sell	-91,000	-0.02	764,795	0.18
		01/03/2019	Sell	-72,614	-0.02	692,181	0.17
	At the end of the year	31/03/2019	-	-	-	692,181	0.17

Not included in top ten at the beginning of the Year 01.04.2018. The same is reflected above since included in top ten at the end of the Year.

*Ceased to be the top ten as on 31.03.2019. The same is reflected above since included in top ten shareholders as on 1 April 2018.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. no.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year: No. of Shares	Shareholding at the beginning of the year: % of total Shares of the Company	Cumulative Shareholding during the year: No. of Shares	Cumulative Shareholding during the year: % of total Shares of the Company
Directors					
1	Mr. Bankey Lal Choudhary, Managing Director				
	At the beginning of the year	1,484,280	0.35	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	1,484,280	0.35
2	Mr. Shyam Sundar Choudhary, Whole Time Director				
	At the beginning of the year	3,234,280	0.77	-	-
	Changes during the year	-	-	-	-
	At the end of the year			3,234,280	0.77
3	Mr. Vijay Kumar Choudhary, Whole Time Director				
	At the beginning of the year	3,266,640	0.78	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	3,266,640	0.78
4	Mr. Sakti Kumar Banerjee, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

Annexure II
of the Board's Report (Contd.)

Sl. no.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Mr. Santimoy Dey, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Mr. Hanuman Mal Choraria, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
7	Mr. Hardip Singh Mann, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
8	Ms. Rita Bhattacharya, Nominee Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
9	Mr. Santosh Kumar Agrawala, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
10	Mr. Suryakant Balkrishna Mainak, Independent Director				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
Key Managerial Personnel					
1	Mr. Anurag Choudhary, CEO				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
2	Mr. Amit Choudhary- President-Projects				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
3	Mr. Tushar Choudhary- President-Operations				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-

Annexure II

of the Board's Report (Contd.)

Sl. no.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
4	Mr. Kamlesh Kumar Agarwal, CFO				
	At the beginning of the year	-	-	-	-
	Changes during the year Allotment pursuant to Himadri ESOP Scheme. Date of Allotment : 19-01-2019	18,550	0.004	18,550	0.004
	At the end of the year		-	18,550	0.004
5	Mr. Bajrang Lal Sharma, Company Secretary				
	At the beginning of the year	-	-	-	-
	Changes during the year	-	-	-	-
	At the end of the year	-	-	-	-
6	Dr. Soumen Chakraborty, President, CBD				
	At the beginning of the year	-	-	-	-
	Changes during the year Allotment pursuant to Himadri ESOP Scheme. Date of Allotment : 19-01-2019	14,000	0.003	14,000	0.003
	At the end of the year	-	-	14,000	0.003
7	Mr. Monojit Mukherjee ,Business Head –Carbon Black Div				
	At the beginning of the year	-	-	-	-
	Changes during the year Allotment pursuant to Himadri ESOP Scheme. Date of Allotment : 19-01-2019	13,276	0.003	13,276	0.003
	Date of Sale: 08-03-2019	-13,276	-0.003	-	-
	At the end of the year	-	-	-	-
8	Mr. Somesh Satnalika, VP- Strategy & Business Development				
	At the beginning of the year	-	-	-	-
	Changes during the year Allotment pursuant to Himadri ESOP Scheme. Date of Allotment : 19-01-2019	11,686	0.003	11,686	0.003
	At the end of the year	-	-	11,686	0.003
9	Mr. Santanu Chatterjee, Sr. VP- HR and Admin				
	At the beginning of the year	-	-	-	-
	Changes during the year Allotment pursuant to Himadri ESOP Scheme. Date of Allotment : 19-01-2019	4,115	0.001	4,115	0.001
	At the end of the year	-	-	4,115	0.001

Annexure II
of the Board's Report (Contd.)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Amount in ₹ Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	54,049.81	11,965.62	-	66,015.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	699.06	-	-	699.06
Total (i+ii+iii)	**54,748.87**	**11,965.62**	**-**	**66,714.49**
Change in Indebtedness during the financial year				
Addition	5,225.54	207,351.69	-	212,577.23
Reduction	31,122.18	199,729.69	-	230,851.87
Net Change	**(25,896.64)**	**7,622.00**	**-**	**(18,274.64)**
Indebtedness at the end of the financial year				
i) Principal Amount	28,084.01	19,562.98	-	47,646.99
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	768.22	24.64	-	792.86
Total (i+ii+iii)	**28,852.23**	**19,587.62**		**48,439.85**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors

Amount in ₹ Lakhs

Sl. no.	Particulars of Remuneration	Name of MD/WTD			Total Amount
		Mr. Bankey Lal Choudhary, Managing Director	Mr. Shyam Sundar Choudhary, Whole Time Director	Mr. Vijay Kumar Choudhary, Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	125.00	125.00	125.00	375.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5.46	5.18	0.68	11.32
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	**130.46**	**130.18**	**125.68**	**386.32**
	Ceiling as per the Act*	10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013			

Annexure II
of the Board's Report (Contd.)

B. Remuneration to other Directors

Amount in ₹ Lakhs

Sl. no.	Name of the Director and its Category	Fee for attending board / committee meetings	Commission	Others, please specify	Total
Independent Directors					
1	Mr. Sakti Kumar Banerjee	2.12	-	-	2.12
2	Mr. Santimoy Dey	2.12	-	-	2.12
3	Mr. Hardip Singh Mann	1.20	-	-	1.20
4	Mr. Hanuman Mal Choraria	1.64	-	-	1.64
5	Mr. Santosh Kumar Agrawala	1.20	-	-	1.20
6	Mr. Suryakant Balkrishna Mainak	0.80			0.80
Total (1)					**9.08**
Other Directors					
1	Ms. Rita Bhattacharya	1.00	-	-	1.00
Total (2)					**1.00**
Total (B)					**10.08**

TOTAL MANAGERIAL REMUNERATION (TOTAL A+B) = ₹ 396.40

OVERALL CEILING AS PER THE ACT – Remuneration paid to Non-executive Directors in the form sitting fees for attending the Board / Committee meetings are well within the ceilings as prescribed under Section 197 of the Companies Act, 2013 read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

C. Remuneration to Key Managerial Personnel Other than MD/WTD

Amount in ₹ Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel									
		Mr. Anurag Choudhary- CEO	Mr. Amit Choudhary - President- Projects	Mr. Tushar Choudhary- President -Operations	Mr. Kamlesh Kumar Agarwal -CFO	Mr. Bajrang Lal Sharma -CS	Mr. Monojit Mukherjee- Business Head – Carbon Black Div	Mr. Somesh Satnalika - VP- Strategy & Business Development	Dr. Soumen Chakraborty - President, CBD	Mr. Santanu Chaterjee - Sr. VP- HR and Admin	Total
1	Gross salary	150.68	125.61	125.61	76.85	17.69	125.13	117.09	67.71	32.00	838.37
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	150.00	125.00	125.00	76.53	17.69	124.81	116.77	67.17	31.68	834.65
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.68	0.61	0.61	0.32	-	0.32	0.32	0.54	0.32	3.72
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-	-	-	-	-
2	Stock Option	-	-	-	20.41	-	14.89	12.85	15.59	4.58	68.32
3	Sweat Equity	-	-	-	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-	-	-	-	-
	Others specify...	-	-	-	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-	-	-	-
	Total	**150.68**	**125.61**	**125.61**	**97.26**	**17.69**	**140.02**	**129.94**	**83.30**	**36.58**	**906.69**

Annexure II
of the Board's Report (Contd.)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences under the Companies Act, 2013 for the year ended 31 March 2019.

For and on behalf of the Board

	Sd/-	Sd/-
	Bankey Lal Choudhary	**Shyam Sundar Choudhary**
Place: Kolkata	*Managing Director*	*Executive Director*
Date: 28 May 2019	(DIN: 00173792)	(DIN: 00173732)

Annexure III
of the Board's Report

DETAILS PURSUANT TO RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. **The ratio of remuneration of each Director to median remuneration of employees of the Company for the financial year 2018-19:**

Name	Designation	Ratio
Mr. Bankey Lal Choudhary	Managing Director	57 : 1
Mr. Shyam Sundar Choudhary	Executive Director	57 : 1
Mr. Vijay Kumar Choudhary	Executive Director	57 : 1

2. **The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year 2018-19:**

Name	Designation	% increase in remuneration
Mr. Bankey Lal Choudhary	Managing Director	25 %
Mr. Shyam Sundar Choudhary	Executive Director	25 %
Mr. Vijay Kumar Choudhary	Executive Director	25 %
Mr. Anurag Choudhary	Chief Executive Officer	50 %
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer	69 %
Mr. Bajrang Lal Sharma	Company Secretary	10 %

* Refer Note

3. **The percentage increase in the median remuneration of employees in the financial year 2018-19:**

   The percentage increase in the median remuneration of employees is 12%

4. **The number of permanent employees on the rolls of the Company:**

   There were 941 number of permanent employees on the rolls of the Company as on 31 March 2019.

5. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

   Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 12% whereas the increase in the managerial remuneration for the same financial year was 36%.

6. **Affirmation that the remuneration is as per the remuneration policy of the Company.**

   The remuneration paid to Directors, Key Managerial Person and other employees are as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

   ***Note:** The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non -Executive Directors are provided in the Report on Corporate Governance and are governed by the Remuneration Policy of the Company, as provided in the Annual Report. In view of this, the calculation of the ratio of remuneration and percentage increase in remuneration of Non-Executive Directors would not be meaningful and hence not provided.

Annexure IV
of the Board's Report

DETAILS PURSUANT TO RULE 5 (2) & (3) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Names of the Top Ten Employees in terms of Remuneration Drawn

Name	Designation, Nature of Employment	Remuneration Received (₹ in Lakhs)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	% of equity Shares held	Last employer, designation	Relative of any director of the Company
Mr. Anand Prakash	Sr. Vice President, Permanent	298.68	PhD (Mechanical Engineering) from University of Minnesota, B-Tech (Chemical Engineering) from IIT Bombay, 13	01.02.2018	38	-	Cabot Corporation Product Line Manager (Special Blacks)	Nil
Mr. Anurag Choudhary	Chief Executive Officer, Permanent	150.68	B.Com, 28	01.04.1991	47	-	None	Mr. Shyam Sundar Choudhary
Mr. Amit Choudhary	President Projects, Permanent	125.61	B.Com, 20	01.05.1999	44	-	None	Mr. Shyam Sundar Choudhary
Mr. Tushar Choudhary	President Operations, Permanent	125.61	B.Com, 20	01.05.1999	43	-	None	Mr. Bankey Lal Choudhary
Mr. Monojit Mukherjee	Business Head-CBD, Permanent	140.02	PGDM (Marketing) from IIM Ahmedabad, B. Tech in Chemical, 34	16.04.2014	61	-	Philips Carbon Black Limited, Executive Director (Marketing & New Projects)	Nil
Mr. Somesh Satnalika	VP- Strategy and Business Development, Permanent	129.94	PGDM (Finance), CA, 15	09.06.2014	37	-	Booz & Co., Senior Associate	Nil
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer, Permanent	97.26	FCA & CS, 24	06.09.1995	48	-	None	Nil

Annexure IV
of the Board's Report (Contd.)

Name	Designation, Nature of Employment	Remuneration Received (₹ in Lakhs)	Qualification, Experience (yrs)	Date of commencement of employment	Age (yrs)	% of equity Shares held	Last employer, designation	Relative of any director of the Company
Dr. Soumen Chakraborty	President CBD, Permanent	83.30	Phd (Polymer Science), M-tech, B-Tech, 42	26.08.2015	69	-	Dunlop India (P) Ltd,	Nil
Mr. Rana Dey[3]	Assistant Vice President, Permanent	21.86	B.Tech (Chemical)	26.11.2018	44	-	Vesuvius India Ltd	Nil
Mr. Arvind Shetty	GM-Strategy, Permanent	47.31	MBA (Marketing & Operations) from Narsee Monjee Institute of Management, Mumbai, B.Tech, 12.8 years	29.01.2018	40	-	Renoir Management Consulting (India) Pvt Ltd, Project Manager	Nil

Notes:

1. Remuneration includes salary, Company's contributions to provident fund, superannuation, bonus, allowances, performance bonus and monetary value of perquisites.
2. Mr. Anurag Choudhary was employed throughout the financial year hence is covered under Rule 5(2)(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
3. Mr. Rana Dey was employed for a part of the financial year hence is covered under Rule 5(2)(ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
4. None of the aforesaid employees are covered under Rule 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Annexure V
of the Board's Report

Disclosure as required under Section 62(1)(b) of the Companies, Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 14 of the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are appended as below:

Sl. No		Himadri Employee Stock Option Plan 2016	
1	**Date of Shareholders' Approval**	24 September 2016	
2	**Total No of Options approved under ESOS**	4,000,000	
3	**Vesting Requirements**	The Options granted under ESOP 2016 would vest after one year but not later than five years from the date of grant of such option. Vesting of Options would be subject to continued employment with the Company and Options would vest on passage of time and also fulfilment of certain performance parameters.	
4	**Date of Grant**	5 January 2017	8 May 2018
5	**Exercise price or pricing formula**	₹ 19 (Exercise Price)	₹ 140 (Exercise Price)
6	**Maximum term of options granted**	9.65 years from the date of grant	4.57 years from the date of grant
7	**Source of Shares**	Primary	Primary
8	**Variation in terms of option**	No variation	No variation
9	**Method of Option Valuation**	Black Scholes Merton Model	Black Scholes Merton Model
10	**Option Movement during the year**		
	- Number of Options outstanding at the beginning of the period	1,281,100	-
	- Number of Options granted during the year	-	2,695,000
	- Number of Options forfeited / lapsed during the year	64,200 (lapsed)	14,82,500 (lapsed)
	- Number of Options vested during the year	217,292	-
	- Number of Options exercised during the year	170,878	-
	- Number of Shares arising as a result of exercise of options	170,878	-
	- Money realized by exercise of options (Amount in ₹)	3,246,682	-
	- Loan repaid by the Trust during the year from exercise price received	-	
	- Number of Options outstanding at the end of the year	1,046,022	1,212,500
	- Number of Options exercisable at the end of the year	46,414	-
11	**Weighted average exercise price of Options granted whose**		
(a)	Exercise Price equals market price	-	-
(b)	Exercise Price is greater than market price	-	140
(c)	Exercise Price is less than market price	19	-

Annexure V
of the Board's Report (Contd.)

Sl. No		Himadri Employee Stock Option Plan 2016		
12	**Weighted average fair value of Options granted during the year whose**			
(a)	Exercise Price equals market price	-	-	
(b)	Exercise Price is greater than market price	-	23.01	
(c)	Exercise Price is less than market price	24.94	-	
13	**Employee Wise details of Options granted during the financial year 2018-19 to:**			
i.	**Senior Management Personnel**			

Name	Designation	Options granted during the year	Exercise Price
Mr. Kamlesh Kumar Agarwal	Chief Financial Officer	88,700	140
Mr. Bajrang Lal Sharma	Company Secretary	10,800	140
Mr. Monojit Mukherjee	Business Head –Carbon Black Div	68,800	140
Mr. Somesh Satnalika	VP- Strategy & Business Development	86,600	140
Dr. Soumen Chakraborty	President, CBD	47,500	140
Mr. Santanu Chatterjee	Sr. VP- HR and Admin	18,400	140

ii. **Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during the year; and**

Name	Designation	Options granted during the year	Exercise Price
	None		

iii. **Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversations) of the Company at the time of grant**

Name	Designation	Options granted during the year	Exercise Price
	None		

Note:

1) Other details as required under Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 forms part of the Notes to financial statements in this Annual Report.

Annexure VI
of the Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (*Appointment and Remuneration of Managerial Personnel) Rules, 2014*]

To

The Members,

Himadri Speciality Chemical Ltd

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HIMADRI SPECIALITY CHEMICAL LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended on 31st March 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2019, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;

iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;

iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Overseas Direct Investments, Foreign Direct Investments and External Commercial Borrowings;

v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by 'SEBI', to the extent applicable:

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e) The Securities and Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008;

   f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

Annexure VI
of the Board's Report (Contd.)

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

vi) Other than fiscal, labour and environmental laws, which are generally applicable to all companies, the following laws/acts are specifically applicable to the Company:

a) The Petroleum Act 1934 and Rules made thereunder;

b) The Legal Metrology Act, 2009;

c) The Bengal Electricity Duty Act, 1935 and rules thereunder;

d) The West Bengal Ground Water Resources (Management, Control and Regulation) Act, 2005;

e) The Boilers Act, 1923;

f) The West Bengal Molasses Control Act, 1973 and West Bengal Molasses Control (Regulation, Storage and Transport) Notified Order 1986;

g) The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016;

h) The Environment (Protection) Act, 1986;

i) The Water (Prevention and Control of Pollution) Act, 1974;

j) The Air (Prevention and Control of Pollution) Act, 1981;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review.

b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under audit, the Company has:

i) passed a resolution by special majority according approval to the proposed Merger of Equal Commodeal Private Limited ("Transferor Company") with Himadri Speciality Chemical Ltd ("Transferee Company") under Section 232 read with Section 230 of the Companies Act, 2013 at their meeting held on 13th February 2019 as per directions of the Hon'ble National Company Law Tribunal, Kolkata Bench.

Annexure VI
of the Board's Report (Contd.)

ii) passed a special resolution through postal ballot for raising of additional capital by way of one or more public or private offerings to eligible investors through an issuance of equity shares or other eligible securities for an amount not exceeding ₹ 1,000 Crore;

iii) passed a special resolution for alteration of Articles of Association of the Company;

iv) passed resolution through postal ballot according approval of Contracts/ Arrangements with Proposed Related Party;

v) allotted 1,70,878 equity shares of Re.1/- each of the Company to the eligible employees on exercise of options pursuant to "Himadri Employee Stock Option Plan 2016" on 19th January 2019.

This report is to be read with our letter of even date which is annexed as **Annexure-I** which forms an integral part of this report.

For MKB & Associates
Company Secretaries

Sd/-
Manoj Kumar Banthia
[Partner]
ACS no. 11470
COP no. 7596
FRN: P2010WB042700

Date: 28.05.2019
Place: Kolkata

Annexure VI
of the Board's Report (Contd.)

ANNEXURE- I TO THE SECRETARIAL AUDIT REPORT

To
The Members,
Himadri Speciality Chemical Ltd
Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MKB & Associates
Company Secretaries

Sd/-
Manoj Kumar Banthia
[Partner]
ACS no. 11470
COP no. 7596
FRN: P2010WB042700

Date: 28.05.2019
Place: Kolkata

Annexure VII
of the Board's Report

Information as per Section 134(3)(m), read with the Rule 8(3) of Companies (Accounts) Rules, 2014 for the year ended 31 March 2019:

A. CONSERVATION OF ENERGY

Sl. No	Particulars	Description
1.	**Steps taken or impact on conservation of energy**	During the year the Company has installed variable frequency drivers for all cooling towers fan which resulted a Saving of energy 7.5 KW/HR. The Company has also replaced the energy saving V belts in pelletizer which helps in reducing the power load by 18KW and also PIN has been installed at outer surface of dryer for better utlisation of waste gas heat which resulted in reduction of waste gas consumption and increase in quantum of gas in CPP boiler which ultimately increased the productivity of particular grade of Carbon Black
2.	**Steps taken by the Company for utilizing alternate source of energy**	During the year the Company has introduced solar module partially in the plant for lighting the lamps around the plant which reduced the dependence of conventional source of energy. The Company has its' own co-generation 20MW Power Plants based on waste heat recovery system. The gas is a bye-product of carbon black manufacturing industry which is hazardous and also a threat to the environment. Hence instead of venting this into the environment, the Company utilizes that waste gas for generation of power. This serves the twin objectives of pollution control as well as achievement of economy in expansion since the power generated is used by the Company in its own projects.
3.	**Capital investment on energy conservation equipment.**	The power plants are already being operational, no additional expenditure has been incurred therein.

B. TECHNOLOGY ABSORPTION

Sl. No	Particulars	Description
1.	Efforts made towards technology absorption	In-house Research & Development play a vital role in the following areas :- 1. Improvement in quality and enhanced output by process control; 2. Finding alternate means to save energy and cost; 3. Development of new products 4. Re-cycling the waste and optimum utilization thereof;
2.	Benefits derived like product improvement, cost reduction, product development, import substitution	1. Maintenance of leading position in market; 2. Reduction in cost of fuel consumption; 3. Improvement in quality of output in line with global standards; 4. Optimum utilization of resources by improving the quality of output and refining process technology; 5. Development and evolution of various kind of value added products like Advanced Carbon Material, SNF etc.

Annexure VII
of the Board's Report (Contd.)

Sl. No	Particulars	Description
3.	Expenditure incurred on Research and Development	Capital expenditure as well as recurring expenditure incurred from time to time during the year on laboratory items, tools, spares, handling equipment and salaries of research personnel remain merged with various heads, as per established accounting policy and expenditures incurred during the year under review, on Research & Development are as follows: i) Capital expenditure: ₹ 123.87 lakhs; ii) Revenue expenditure: ₹ 407.26 lakhs; iii) Total Research & Development expenditure: ₹ 531.13 lakhs; iv) Total R&D expenditure as a percentage of total turnover: 0.22%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total foreign exchange used and earned during the year:

Amount in ₹ Lakhs

	2018-19	2017-18
Total foreign exchange outgo in terms of actual outflow	**50,116.39**	72,246.66
Total foreign exchange earned in terms of actual inflows	**17,192.80**	9,203.11

Annexure VIII
of the Board's Report

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

a. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(b)	Nature of contracts/arrangements/transactions:	
(c)	Duration of the contracts / arrangements/transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Justification for entering into such contracts or arrangements or transactions:	
(f)	Date(s) of approval by the Board:	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188:	

b. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(b)	Nature of contracts/arrangements/transactions:	
(c)	Duration of the contracts / arrangements/transactions:	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

Note: The above disclosures on material transactions are based on the principle that transactions with wholly-owned subsidiaries are exempt for the purpose of Section 188 (1) of the Companies Act, 2013.

Annexure IX
of the Board's Report

ANNUAL REPORT ON CSR ACTIVITIES

1. **Brief outline of the Corporate Social Responsibility (CSR) Policy of the Company**

   The Company adopted CSR Policy as recommended by the CSR Committee and the scopes of the Policy are given hereunder:

   (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

   (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

   (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

   (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

   (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

   (vi) measures for the benefit of armed forces veterans, war widows and their dependents;

   (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

   (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

   (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

   (x) rural development projects;

   (xi) slum area development.

   The following kinds of Expenditures were approved by the CSR Committee to be undertaken by the Company including ongoing expenditures or expenditure to be made by the Company during FY 2018-19 directly or made through Company's Trusts:

   a. Expenditure on promotion of education including undertaking of recurring expenditure of running a School and expenditure on distribution of Mid-day meal among the poor children, situated at Village area surrounding the Company's Factory at Mahistikry;

   b. Expenditure on running a dispensary (Medical Services) within the surrounding area of Company's Plant situated at Mahistikry, including cost of medicine, free health check-up facility etc;

   c. Expenditure on eradicating hunger and distribution of food, drinking water and cloth;

Annexure IX

of the Board's Report (Contd.)

2. The Composition of CSR Committee

The Corporate Social Responsibility Committee ('the CSR Committee') of the Board is responsible for overseeing the execution of the Company's CSR Policy, and ensuring that the CSR objectives are met. The CSR committee comprise of the following Directors:

i) Mr. Santimoy Dey, Independent Non-Executive Director

ii) Mr. Sakti Kumar Banerjee, Independent Non-Executive Director

iii) Mr. Shyam Sundar Choudhary, Whole time Director

3. Financial Details

Amount in ₹ Lakhs

Particulars	Amount
Average Net Profit of the Company for the last three financial years	15,267.13
Prescribed CSR Expenditure (A) (2% of the average net profits)	305.34
Amount unspent in FY 2017-18 (B)	24.31
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year (A) + (B)	329.65
Amount spent	117.67
Amount unspent	211.98

4. Manner in which the amount spent during the financial year is detailed below

Amount in ₹ Lakhs

1	2	3	4	5	6	7	8
Sl. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise ₹ In Lakhs**	**Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1	Expenditure on Promotion of Education	(a)	Mahistikry, Dist-Hooghly (WB)	-	6.76	6.76	Direct and through implementing agencies
2	Expenditure on running a dispensary	(b)	Surrounding area of the District and the State in which the Company's Plant is situated	-	12.02	12.02	Direct and through implementing agencies

Annexure IX
of the Board's Report (Contd.)

Amount in ₹ Lakhs

1	2	3	4	5	6	7	8
Sl. No.	**CSR Project or activity identified**	**Sector in which the project is covered**	**Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise ₹ In Lakhs**	**Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
3	Expenditure on eradicating hunger and distribution of food, drinking water and cloth	(c)	Surrounding area of the District and the State in which the Company's Plant is situated	-	98.88	98.88	Direct and through implementing agencies*
	Total			**-**	**117.67**	**117.67**	

* Some CSR activities has been carried out directly by the Company and some through implementing agencies. Details of implementing agencies are 1) Nanhey Lal Mohini Devi Foundation 2) Bharat Seva Nidhi Trust 3) Himadri Foundation

5. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

The required explanation for reasons for not expending the required amount has been provided in the Board's Report for the financial year 2018-19.

6. Responsibility Statement

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the projects and activities in compliance with our CSR objectivities.

For and on behalf of the Board

	Sd/-	Sd/-
	Bankey Lal Choudhary	**Santimoy Dey**
Place: Kolkata	*Managing Director*	*Chairman – CSR Committee*
Date: 30 April 2019	(DIN: 00173792)	(DIN: 06875452)

Annexure X
of the Board's Report

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 (3) read with Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI Listing Regulations') the details of compliance by the Company with the norms on Corporate Governance are as under:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to, but not limited to, a set of laws, regulations and good practices & systems that enable an organisation to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders. Sound governance practices and responsible corporate behavior contribute to superior long term performance of organisations. Corporate governance is the creation and enhancement of long-term sustainable value for our stakeholders through ethically driven business process. At Himadri, it is imperative that our Company's affairs are managed in a fair and transparent manner.

Corporate Governance requires everyone to raise their level of competency and capability to meet the expectations in managing the enterprise and its resources optimally with prudent ethical standards. The Company recognises that good corporate governance is a continuous exercise. Adherence to transparency, accountability, fairness and ethical standards are an integral part of the Company's function. The Company's structure, business dealings, administration and disclosure practices are aligned to good corporate governance philosophy. The Company has an adequate system of control in place to ensure that the executive decisions taken should result in optimum growth and development which benefits all the stakeholders. The Company also aims to increase and sustain its corporate values through growth and innovation.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company conforms to the requirements of the Corporate Governance as stipulated in Part C of the Schedule V of the SEBI Listing Regulations that are implemented in a manner so as to achieve the objectives of the principles stated in the clause with respect to Rights of Shareholders, Role of Stakeholders in Corporate Governance, Disclosure and Transparency, Responsibilities of the Board and Other responsibilities prescribed under these regulations.

A Management Discussion and Analysis Report has been given as a separate Annexure forming the part of the Annual Report.

2. BOARD OF DIRECTORS ("BOARD")

The Company recognizes the importance of a diverse board in its success. The Board is entrusted with the ultimate responsibility of the management, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. SEBI Listing Regulations mandate that for a Company with a non-executive chairman, at least one third of the board should comprise of independent directors and where the listed entity does not have a regular non- executive chairperson, at least half of the Board of directors shall comprise of independent directors. The Board is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders.

We believe that an active, well - informed and independent Board is necessary to ensure the highest standards of corporate governance.

Annexure X
of the Board's Report (Contd.)

a) Composition of the Board

The Company has a balanced mix of Executive, Non-Executive and Independent Non-Executive Directors. As on 31 March 2019, the Board consisted of 10 (Ten) directors, out of which 3 (Three) Directors are Executive, 1 (One) is Nominee Director i.e Woman Director (Non-Executive) and 6 (Six) are Non-Executive Independent Directors. The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 (hereinafter referred to as "the Act, 2013") and Regulation 17 (1) of SEBI Listing Regulations.

Further in compliance with the amended Regulation 17(1)(a) of SEBI (LODR) (Amendment) Regulations, 2018, which has come into effect from 01.04.2019, the Company has appointed Ms. Sucharita Basu De as an independent woman director w.e.f 01.04.2019.

Further, in the opinion of the Board, all the Independent Directors of the Company satisfy the criteria/conditions of independence as laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In Compliance with Regulation 17A of the SEBI (LODR) (Amendment) Regulations, 2018 none of the Directors on the Board holds directorship more than eight listed entities and none of the Directors on the Board is Independent Directors of more than 7 (Seven) listed companies and none of the Whole-time Directors are Independent Directors in any listed Company. None of the Directors on the Board is a member of more than 10 (Ten) Committees and Chairman of more than 5 (Five) Committees as specified in Regulation 26 (1) of the SEBI Listing Regulations, across all the Companies in which he/she is a Director. For the purpose of determination of limit of chairpersonship and membership, the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.

b) Disclosure of Relationships between Directors inter-se

Sl. No	Name of the Director	Category	Relationship between Directors inter-se*
1	Mr. Shyam Sundar Choudhary	Promoter, Executive Director	Brother of Mr. Bankey Lal Choudhary and Mr. Vijay Kumar Choudhary
2	Mr. Bankey Lal Choudhary	Promoter, Managing Director	Brother of Mr. Shyam Sundar Choudhary and Mr. Vijay Kumar Choudhary
3	Mr. Vijay Kumar Choudhary	Promoter, Executive Director	Brother of Mr. Bankey Lal Choudhary and Mr. Shyam Sundar Choudhary
4	Ms. Rita Bhattacharya	Nominee Director (Non-Executive) of LIC of India	NA
5	Mr. Hardip Singh Mann	Independent, Non-Executive	NA
6	Mr. Sakti Kumar Banerjee	Independent, Non-Executive	NA
7	Mr. Santimoy Dey	Independent, Non-Executive	NA
8	Mr. Hanuman Mal Choraria	Independent, Non-Executive	NA
9	Mr. Santosh Kumar Agrawala	Independent, Non-Executive	NA
10	Mr. Suryakant Balkrishna Mainak	Independent, Non-Executive	NA

**Relative as per Section 2(77) of the Companies Act, 2013*

Apart from the relations mentioned hereinabove, there is no inter-se relation among the Directors of the Company.

Annexure X
of the Board's Report (Contd.)

c) **Board procedure and access to information**

The Board is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of the Company reviewed all information provided periodically for discussion and consideration at its meetings as provided under the Act, 2013 (including any amendment and re-enactment thereof) and SEBI Listing Regulations inter alia the agendas mentioned in Part A of Schedule II of SEBI Listing Regulations.

Detailed agenda, setting out the business to be transacted at the meeting(s) is circulated to the Directors well in advance as stipulated under the Act, 2013 and Secretarial Standard – 1 ("SS-1"). All material information are incorporated in the detailed agenda for facilitating meaningful and focused discussion at the meetings. Where it is not practicable to enclose any document to the agenda, the same is placed before the meeting. Additional item(s) on the agenda, if required are permitted to be discussed at the meeting.

Board makes timely strategic decisions, to ensure operations are in line with strategy; to ensure the integrity of financial information and the robustness of financial and other controls; to oversee the management of risk and review the effectiveness of risk management processes; and to ensure that the right people are in place and coming through. Non-executive directors are expected to provide an effective monitoring role and to provide help and advice as a sounding board for the executive directors. All this is in the long term interest of the Company and should be based on the optimum level of information, through smooth processes, by people with the right skills mix and in a constructive manner. The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, and management.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, as and when necessary. The meetings of the Board are generally convened at the Company's Corporate Office at Kolkata. In case of urgency or when the Board meeting is not practicable to be held, the matters are resolved through circulation, which is then noted by the Board in its next meeting.

The facility to participate in meeting(s) through video conferencing is also provided to Directors to the extent permissible.

The minutes of the Board Meetings are circulated in advance as per the requirement of SS-1 to all the Directors and confirmed at subsequent Meeting.

The Board also reviews the declarations made by the Managing Director / Chief Financial Officer / Unit Heads of the Company regarding compliance of all applicable laws on a quarterly basis.

The Board also periodically reviews compliance by the Company with the applicable laws/statutory requirements concerning to the business and affairs of the Company.

d) **Meetings of the Board of Directors**

During the financial year 2018-19, the Board met 5 (Five) times, i.e. on 29 May 2018, 13 August 2018, 12 November 2018, 18 December 2018 and 29 January 2019. The maximum time in between two meetings was not more than 120 days and the required information were made available to the Board. These meetings were well attended by the Directors. The dates for the Board Meetings were decided well in advance and communicated to the Directors and stock exchange(s). The agenda along with the explanatory notes were sent well in advance to each Director.

Annexure X
of the Board's Report (Contd.)

e) Separate Meeting of Independent Directors

Schedule IV of the Act, 2013 and Regulation 25(3) of the SEBI Listing Regulations mandates the Independent Directors of the Company to hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. During the financial year 2018-19, 1 (One) separate meeting of Independent Directors was held on 29 January 2019 without the presence of the Non-Independent Directors and the members of the Management, inter alia, to discuss matters pertaining to review of performance of Non-Independent Director and the Board as a whole, including the Chairman of the meetings (taking into account the views of the Executive and Non-Executive Directors), assess the quality, quantity and timeliness of flow of information between the Management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

f) Performance Evaluation

Pursuant to the provisions of the Act, 2013 and SEBI Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, of individual Directors and that of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committees and Corporate Social Responsibility Committee. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its committees, Board Culture, Execution and Performance of Specific Duties, Obligations and Governance and the evaluation was done, based upon the responses received from the Directors.

The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the director being evaluated). The Directors expressed their satisfaction with the evaluation process.

The details of composition of the Board as at 31 March 2019, the attendance record of the Directors at the Board Meetings held during financial year 2018-19 and at the last Annual General Meeting (AGM), as also the number of Directorships, Committee Chairmanships and Memberships held by them in other Public Companies and number of Board Meetings and dates on which held and number of shares and convertible instruments held by non-executive directors are given here below:

Sl. No.	Directors' name	No of Shares held	Category	Attendance		Directorship in public Companies*	No. of committee position held in all Companies[a]	
				Board Meetings	Last AGM		As Member	As Chairman
1	Mr. Shyam Sundar Choudhary	3234280	Promoter Executive Director	3	-	3	1	-
2	Mr. Bankey Lal Choudhary	1484280	Promoter Managing Director	4	Y	4	-	-
3	Mr. Vijay Kumar Choudhary	3266640	Promoter Executive Director	2	-	3	-	-
4	Ms. Rita Bhattacharya	-	Nominee Director (Non-Executive) of LIC of India	5	Y	1	-	-
5	Mr. Hardip Singh Mann	-	Independent Non-Executive	5	-	1	-	-

Annexure X
of the Board's Report (Contd.)

Sl. No.	Directors' name	No of Shares held	Category	Attendance		Directorship in public Companies*	No. of committee position held in all Companies[a]	
				Board Meetings	Last AGM		As Member	As Chairman
6	Mr. Sakti Kumar Banerjee	-	Independent Non-Executive	5	Y	1	2	-
7	Mr. Santimoy Dey	-	Independent Non-Executive	5	Y	2	2	1
8	Mr. Hanuman Mal Choraria	-	Independent Non-Executive	5	Y	2	3	1
9	Mr. Santosh Kumar Agrawala	-	Independent Non-Executive	5	Y	2	1	1
10	Mr. Suryakant Balkrishna Mainak	-	Independent Non-Executive	3	-	8	8	3

The Directorships/Committee Memberships are based on the latest disclosures received by the Company.

*Directorship in Public Companies includes listed as well as reporting entity

[1] Pursuant to Regulation 26 of the SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committee and Stakeholder's Relationship Committee in all Public Limited Companies (including Himadri Speciality Chemical Ltd) have been considered;

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within the limits as prescribed under the Act and the SEBI Listing Regulations.

The details of the Board of Directors holding Directorship in other listed Companies along with the category of directorship are given here below:

Sl. No	Directors' name	Names of other listed entities holding directorship	Category
1	Mr. Shyam Sundar Choudhary	-	-
2	Mr. Bankey Lal Choudhary	Himadri Credit & Finance Limited	Managing Director
3	Mr. Vijay Kumar Choudhary	-	-
4	Ms. Rita Bhattacharya	-	-
5	Mr. Hardip Singh Mann	-	-
6	Mr. Sakti Kumar Banerjee	-	-
7	Mr. Santimoy Dey	-	-
8	Mr. Hanuman Mal Choraria	-	-
9	Mr. Santosh Kumar Agrawala	Himadri Credit & Finance Limited	Independent Director
10	Mr. Suryakant Balkrishna Mainak	1. Care Ratings Limited 2. Capacite's Infraprojects Ltd. 3. The Investment Trust of India Ltd 4. Gloster Limited	Independent Director Independent Director Independent Director Independent Director

Annexure X
of the Board's Report (Contd.)

g) Formal Letter of Appointment to the Independent Directors

During the financial year 2018-19, two Independent Directors, Mr. Sakti Kumar Banerjee and Mr. Hardip Singh Mann were re-appointed at the 30th Annual General Meeting held on 4 September 2018, for the second term of five consecutive years up to 31 March 2024, and the Company has issued appointment letters as per provisions of Schedule IV of the Companies Act, 2013 and Individual letter of appointment was issued to the Independent Directors on their re-appointment containing the detailed terms and conditions of their re-appointment, role, duties and liabilities, evaluation process, code of conduct, etc. The letter of re-appointment issued to the Independent Directors has been posted on the Company's website at www.himadri.com

h) Familiarisation Programme for Independent Directors

Pursuant to Regulation 25 (7) of the SEBI Listing Regulations, the Company imparted Familiarization Programme for Independent Directors to familiarize them about their roles, rights and responsibilities in the Company, nature of the Industry in which the Company operates, review of Investments of the Company, business model of the Company, Prevention of Insider Trading regulations, SEBI Listing regulations, etc. The details of the familiarisation programme are available on the website of the Company at www.himadri.com

i) Codes and Policies

The Board has adopted all applicable codes and policies as per the requirement of the Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Listing Regulations. The requisite codes and policies are posted on the Company's website at www.himadri.com and references thereof have been given elsewhere in this Annual Report.

j) Code of Conduct for all Directors and Senior Management Personnel

Regulation 17(5) of the SEBI Listing Regulations requires every listed company to have a Code of Conduct for its directors and senior management. Further, Schedule IV of the Act requires the appointment of Independent Director to be formalised through a letter of appointment, which shall set out the Code for Business Ethics that the Company expects its directors and employees to follow. The said schedule also requires the Independent Directors to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

In terms of the above, there exists a Code of Conduct, for all the Board Members and Senior Management of the Company. The Board of Directors has laid down a separate Code for the Non-Executive Directors of the Company. The aforesaid Codes are available on the Company's website at www.himadri.com All Directors and Senior Management Personnel ("SMPs") of the Company as on 31 March 2019, have individually affirmed compliance with the said Code in terms of Regulation 26 of the SEBI Listing Regulations. A declaration signed by the Chief Executive Officer to this effect is enclosed at the end of this report. The Code of Conduct for the Non-Executive Directors is in line with the provisions of Section 149(8) and Schedule IV of the Act, 2013 and contains brief guidance for professional conduct by the Non-Executive Independent Directors.

Annexure X
of the Board's Report (Contd.)

Pursuant to the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, effective from 1 April 2019, the Board of the Company laid down Code of Conduct to regulate, monitor and report of Trading by the Designated Persons and other connected persons and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to ensure timely and adequate disclosure of price sensitive information to the Stock Exchange(s) by the Company to enable the investor community to take informed investment decisions with regard to the Company's securities. The Code of Conduct to regulate, monitor and report Insider Trading has replaced the Company's earlier code on Insider Trading framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992.

k) Brief Note on the Directors seeking appointment / re-appointment at the 31st Annual General Meeting

The Company has furnished information as required by Regulation 34 (2) read with Schedule V of the SEBI Listing Regulations relating to the Directors retiring by rotation and seeking re-appointment in the Notice convening the 31st Annual General Meeting. Shareholders may kindly refer the same. The names of the companies in which the Directors hold directorship and membership of committees of the Board are given separately.

Information about Directors proposed to be appointed/re-appointed as required under Reg. 36(3) of SEBI Listing Regulations is furnished in the Notice convening the ensuing Annual General Meeting.

l) List of core skills/expertise/competencies identified by the Board of Directors

The Board at its meeting held on 28 May 2019 has identified the below mentioned core skills/expertise/competencies/ as required by the Company in the context of its business (es) and sectors(s) for it to function effectively and those actually available with Board.

S.N	Skills / Expertise / Competencies required by the Board of Directors	
1	Understanding of Business/Industry	Experience and knowledge of the area of operation and associated businesses
2	Strategy and strategic planning	Ability to think strategically and identify and critically assess strategic opportunities and threats and develop effective strategies in the context of the strategic objectives of the Company's policies and priorities.
3	Critical and innovative thoughts	The ability to critically analyse the information and develop innovative approaches and solutions to the problems.
4	Financial Understanding	Ability to analyse and understand the key financial statements, assess financial viability of the projects and efficient use of resources.
5	Market Understanding	Understanding of Market.
6	Risk and compliance oversight	Ability to identify key risks to the organisation in a wide range of areas including legal and regulatory compliance, and monitor risk and compliance management frameworks.

Annexure X
of the Board's Report (Contd.)

m) Committees of Board

The Board constituted various committees as mandated under Chapter IV of the SEBI Listing Regulations to function in specific areas and to take informed decisions within delegated powers. Each Committee exercises its functions within the scope and area as defined in its constitution guidelines. The Company Secretary acts as the Secretary to all the Committees of the Board. These Committees are constituted in conformity with the Companies Act, 2013 and the SEBI Listing Regulations and are mentioned as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility (CSR) Committee
- Risk Management Committee
- Business Responsibility Report Committee

n) Other Board Committees

The Board, in addition to the mandatory Committees under Chapter IV of the SEBI Listing Regulations has constituted various other committees as required by law namely:

- Share Transfer Committee
- Finance and Management Committee
- Strategy & Investment Committee
- Internal Complaint Committee

3. AUDIT COMMITTEE

a. Composition, Meetings and Attendance

The Board of Directors of the Company has constituted a qualified and independent Audit Committee that acts as a link between the management, the Statutory and Internal Auditors and the Board. The Audit Committee comprises of three (3) Non-Executive Directors, of which all are Independent Directors. Mr. Hanuman Mal Choraria, Chairman of the Committee is an Independent and Non-Executive Director with over three decades of experience in Corporate Law, Accounting and Taxation. All the members of the Audit Committee are financially literate with majority having accounting or related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act, 2013 and Regulation 18 of the SEBI Listing Regulations with the Stock Exchanges.

The Managing Director, Statutory Auditors, Internal Auditors, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) are invited to attend meetings of the Audit Committee. The Key Managerial Personnel are also invited from time to time to provide feedback on the observation of the Internal Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

Annexure X
of the Board's Report (Contd.)

The Audit Committee met 5 (five) times during the year with a maximum time in between two meetings was not exceeding 120 days, i.e., on 29 May 2018, 13 August 2018, 12 November 2018, 18 December 2018 and 29 January 2019. The Committee reviewed the results of operation and the statement of significant related party transactions submitted by management. The composition of the Audit Committee and the details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Hanuman Mal Choraria	Chairman, Independent Non-Executive	5
2	Mr. Sakti Kumar Banerjee	Member, Independent Non-Executive	5
3	Mr. Santimoy Dey	Member, Independent Non-Executive	5

b. **Terms of reference**

The present terms of reference of the Audit Committee are aligned as per the provisions of Section 177 of the Act, 2013 and include the roles as laid out in Part C of Schedule II of the SEBI Listing Regulations. The brief description of the terms of reference of the Audit Committee are as follows:

(i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

(iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Act, 2013;

b) Changes, if any, in accounting policies and practices and reasons for the same;

c) Major accounting entries involving estimates based on the exercise of judgment by management;

d) Significant adjustments made in the financial statements arising out of audit findings;

e) Compliance with listing and other legal requirements relating to financial statements;

f) Disclosure of any related party transactions;

g) Modified opinion(s) in the draft audit report;

(v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

Annexure X
of the Board's Report (Contd.)

(vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(viii) Approval or any subsequent modification of transactions of the Company with related parties;

(ix) Scrutiny of inter-corporate loans and investments;

(x) Valuation of undertakings or assets of the Company, wherever it is necessary;

(xi) Evaluation of internal financial controls and risk management systems;

(xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xiv) Discussion with internal auditors of any significant findings and follow up there on;

(xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

(xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(xviii) To review the functioning of the Whistle Blower mechanism;

(xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;

(xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(xxi) Reviewing the utilization of loans/and or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on date of coming into force of this provision.

As stipulated in Part C of Schedule II of SEBI Listing Regulations, the Audit Committee also reviews management discussion and analysis of financial performance, significant related party transactions, and Internal Audit reports relating to internal control and appointment/removal and terms of remuneration of Internal Auditor.

The Audit Committee may also review such matters as considered appropriate by it or referred to it by the Board.

Annexure X
of the Board's Report (Contd.)

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Act, 2013 as well as in terms of Regulation 19 of the SEBI Listing Regulations comprised of requisite number of Independent Non-Executive Directors. Mr. Santimoy Dey, the Independent Non-Executive Director is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met 6 (Six) times during the year i.e. on 8 May 2018, 25 June 2018, 1 October 2018, 8 November 2018, 19 January 2019 and 25 March 2019 and reviewed the remuneration paid/payable to its Whole-time Directors, Key Managerial Personnel and Senior Executives. The details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Non-Executive	6
2	Mr. Sakti Kumar Banerjee	Member, Independent Non-Executive	6
3	Mr. Hanuman Mal Choraria	Member, Independent Non-Executive	6

b. Terms of Reference

The present terms of reference of the Nomination and Remuneration Committee is aligned as per the provisions of Section 178 of the Act, 2013 and include the roles as laid out in Part D Para (A) of Schedule II of the SEBI Listing Regulations. The brief description of the terms of reference of the Nomination and Remuneration Committee are as follows:

i) formulation of the criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

ii) formulation of criteria for evaluation of performance of independent directors and the Board;

iii) devising a policy on diversity of Board of Directors;

iv) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

vi) Recommend to the Board, all remuneration, in whatever form, payable to senior management

The Nomination & Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by the shareholders at the Annual General Meetings of the Company held on 24 September 2016.

c. Remuneration policy

The Board of Directors of the Company has on the recommendation of the Nomination and Remuneration Committee of the Board approved a Nomination and Remuneration Policy of the Company which, inter alia, covers appointment, remuneration and removal of Directors, Key Managerial Personnel and Senior Management, succession planning

Annexure X
of the Board's Report (Contd.)

and Board diversity. This policy is available in the Investor Relations section of the Company's website at www.himadri.com

d. **Criteria for Performance Evaluation of Independent Directors**

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Non- Executive Directors. They are enumerated as below:

a. **Qualifications:** Details of professional qualifications of the member

b. **Experience:** Details of prior experience of the member, especially the experience relevant to the entity

c. **Knowledge and Competency.**

d. **How the person fares across different competencies as identified for effective functioning of the entity and the Board (The entity may list various competencies and mark all directors against every such competency)**

e. **Whether the person has sufficient understanding and knowledge of the entity and the sector in which it operates**

f. **Fulfilment of functions:** Whether the person understands and fulfils the functions to him/her as assigned by the Board and the law (e.g. Law imposes certain obligations on independent directors)

g. **Ability to function as a team:** Whether the person is able to function as an effective team- member

h. **Initiative:** Whether the person actively takes initiative with respect to various areas

i. **Availability and attendance:** Whether the person is available for meetings of the Board and attends the meeting regularly and timely, without delay.

j. **Commitment:** Whether the person is adequately committed to the Board and the entity

k. **Contribution:** Whether the person contributed effectively to the entity and in the Board meetings

l. **Integrity:** Whether the person demonstrates highest level of integrity (including conflict of interest disclosures, maintenance of confidentiality, etc.)

m. **Independence:** Whether person is independent from the entity and the other directors and there is no conflict of interest

n. **Independent views and judgement:** Whether the person exercises his/ her own judgement and voices opinion freely

Annexure X
of the Board's Report (Contd.)

e. Remuneration to Directors and Disclosures

a) Details of remuneration paid / payable to the Directors for the year ended 31 March 2019 and their shareholding as on that date is as under:

Amount in ₹ Lakhs

Names of the Directors	Salary (₹)	Perquisites (₹)	Bonus (₹)	Commission (₹)	Sitting Fees (₹)	Stock Option	Pension	Total (₹)	Service Contract/ Notice period/ Severance Fees	Shareholding (Equity) (No.)
Mr. Shyam Sundar Choudhary	125.00	5.46	-	-	-	-	-	130.46	Present tenure valid till 31 March 2020	3234280
Mr. Bankey Lal Choudhary	125.00	5.18	-	-	-	-	-	130.18	Present tenure valid till 31 March 2019	1484280
Mr. Vijay Kumar Choudhary	125.00	0.68	-	-	-	-	-	125.68	Present tenure valid till 31 March 2020	3266640
Ms. Rita Bhattacharya	-	-	-	-	1.00	-	-	1.00	Nominee Director	-
Mr. Hardip Singh Mann	-	-	-	-	1.20	-	-	1.20	Appointed as Independent Director up to 31.03.2024	-
Mr. Sakti Kumar Banerjee	-	-	-	-	2.12	-	-	2.12	Appointed as Independent Director up to 31.03.2024	-
Mr. Santimoy Dey	-	-	-	-	2.12	-	-	2.12	Appointed as Independent Director up to 23.09.2019	-
Mr. Hanuman Mal Choraria	-	-	-	-	1.64	-	-	1.64	Appointed as Independent Director up to 23.09.2019	-
Mr. Santosh Kumar Agrawala	-	-	-	-	1.20			1.20	Appointed as Independent Director up to 13.11.2021	-
Mr. Suryakant Balkrishna Mainak	-	-	-	-	0.80			0.80	Appointed as Independent Director up to 02.08.2022	

*Remuneration of Executive Directors were revised w.e.f 1 October 2018, by the Board, however, the remuneration paid to each of the Director are within the ceiling provided under the Section 198 read with Schedule V of the Companies Act, 2013

* There are no notice period and severance fees.

Annexure X
of the Board's Report (Contd.)

b) **Details of fixed components and performance linked incentives along with the Performance Criteria:**

As per the remuneration approved by the shareholders, apart from the salary, no performance linked incentive is paid to any of the Director.

c) **Stock options, details, if any and whether issued at discount as well as the period over which accrued and over which exercisable:**

The Company has not issued any stock options to its Directors of the Company.

d) **Criteria of making payments to Non-Executive Directors:**

The criteria for making payments to Non-Executive Directors is placed on the website of the Company at www.himadri.com

5. RISK MANAGEMENT COMMITTEE

Risk Management is crucial to achieve the Company's objective in strengthening its financial position, safeguarding interests of stakeholders, enhancing its ability to continue as a going concern and maintain a consistent sustainable growth.

The Company has constituted a Risk Management Committee ('RMC') for framing, implementing and monitoring the Risk Management Policy of the Company on 11.08.2014 pursuant to clause 49 of Listing Agreement. Further the SEBI pursuant to Regulation 21 of SEBI Listing Regulations, had mandated that the top 500 listed Companies shall have a Risk Management Committee with effect from 1 April 2019, accordingly the Company has re-constituted the Risk Management Committee with the following members:

1. Mr. Santimoy Dey- Chairman (Independent Director)
2. Mr. Shyam Sundar Choudhary- Member (Whole time Director)
3. Mr. Bankey Lal Choudhary- Member (Managing Director)
4. Mr. Anurag Choudhary- Member (CEO)
5. Mr. Kamlesh Kumar Agarwal- Member (CFO)

The terms of reference are

a) To assist the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.

b) To lay down the procedure and to inform the Board members about the risk assessment and minimizing procedures.

c) To update risk management systems in the Company

6. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Composition, Meetings and Attendance

The Stakeholders' Relationship Committee comprise of 3 (Three) members. The Committee comprises of Mr. Santimoy Dey, as the Chairman, Mr. S.S. Choudhary and Mr. S.K. Banerjee as its members and majority of directors are Independent.

The Committee reviewed the status of Investors' Complaints periodically relating to transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend, among others.

Annexure X
of the Board's Report (Contd.)

During the year, the Committee met 9 (Nine) times i.e. on 20 April 2018, 12 May 2018, 1 June 2018, 2 July 2018, 2 August 2018, 6 October 2018, 3 November 2018, 31 December 2018 and 25 February 2019. The details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Santimoy Dey	Chairman, Independent Non-Executive	9
2	Mr. Sakti Kumar Banerjee	Member, Independent Non-Executive	9
3	Mr. Shyam Sundar Choudhary	Member, Executive Director	6

b) Terms of Reference

- To resolve the grievances of the Security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- To review of measures taken for effective exercise of voting rights by shareholders.
- To review of adherence to the service standards adopted by the Company in respect of various services rendered by the Registrar and Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company.
- Such other matters as per the directions of the Board of Directors of the Company which may be considered necessary in relation to shareholders and investors of the Company.

c) Name and Designation of Compliance Officer

Mr. Bajrang Lal Sharma, Company Secretary has been designated as Compliance Officer in terms of Regulation 6(1) (a) of the SEBI Listing Regulations with stock exchange(s). Further, Mr. Kamlesh Kumar Agarwal, Chief Financial Officer of the Company has been authorised under Regulation under 30(5) of the SEBI Listing Regulations for the purpose of determining materiality of an event or information for the purpose of making disclosures to stock exchanges. The shareholders may send their complaints directly to the Company Secretary, Himadri Speciality Chemical Ltd, 23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata - 700 001 or may email at: investors@himadri.com Those members who desire to contact over telephone may do so at 91- 033- 2230 9953 / 4363.

d) Status of Investors' Grievances

There were 7 complaints pending at the beginning of the year. During the financial year 2018-19, total 267 complaints were received from investors, and 270 complaints were resolved satisfactory and the remaining 4 complaints were also resolved subsequently in the month of April 2019.

The Company regularly updates the status of Investors Complaints on "SCORES", an online portal introduced by SEBI for resolving Investors complaints. There was one investors' complaint pending at the end of the financial on the SCORES, which was subsequently resolved.

7. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company in terms of Section 135(1) of the Act, 2013 has constituted Corporate Social Responsibility Committee consisting following Directors as members:

Annexure X
of the Board's Report (Contd.)

a. Mr. Santimoy Dey (Chairman, Independent Director)

b. Mr. Shyam Sundar Choudhary, (Whole Time Director)

c. Mr. Sakti Kumar Banerjee (Independent Director)

Terms of reference

The terms of reference of Corporate Social Responsibility Committee include the following:

- To formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act, 2013;
- To recommend the amount of expenditure to be incurred on the activities referred above and
- To monitor the Corporate Social Responsibility Committee from time to time.

During the financial year 2018-19, the Committee met 2 (Two) times on 27 April 2018 and 19 January 2019.

The CSR policy of your Company is displayed on the Company's website at www.himadri.com

8. BUSINESS RESPONSIBILITY REPORT COMMITTEE

The SEBI vide its Circular dated 4 November, 2015, has mandated top 500 Companies as per market capitalisation that Annual Report of their Companies shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an Environmental, Social and Governance perspective, in the format as specified by SEBI in the aforesaid Circular. Accordingly, the BRR containing the general information about the Company, financial details of the Company, other details like BR information, principle–wise performance etc. forms part of this Annual report.

The Board has re-constituted the Business Responsibility Committee comprising of the below members for matters pertaining to the Business Responsibility:

- Mr. Bankey Lal Choudhary, Managing Director
- Mr. Anurag Choudhary, CEO
- Mr. Monojit Mukherjee, Business Head Carbon Black Division
- Mr. Somesh Satnalika, Vice President Strategy & Business Development
- Mr. Kamlesh Kumar Agarwal, CFO

9. SHARE TRANSFER COMMITTEE

The Board has re-constituted the Share Transfer Committee, comprises of Mr. S. S. Choudhary, as the Chairman, Mr. B. L. Choudhary and Mr. Santimoy Dey as its members. The Committee approves transfer of shares, consolidation /sub-division of shares/ re-materialization and other related matters.

In accordance with Regulation 40 read with Schedule VII of the SEBI Listing Regulations, and in order to expedite the process of share transfer and the redressal of investors' grievances, the Board has delegated its powers with the Company Secretary of the Company, who periodically visits the office of the Company's Registrar and Share Transfer Agent M/s S. K. Infosolutions Pvt. Ltd and monitors the activities.

The Committee holds periodical meetings for transfer and transmission of shares and co-ordinates with Company's Registrar & Share Transfer Agent. During the financial year 2018-19, the Committee met 18 (Eighteen) times.

The Company confirms that there were no share transfers lying pending as on 31 March 2019 and all request for de-materialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

10. FINANCE AND MANAGEMENT COMMITTEE

The Finance and Management Committee comprises of Mr. S. S. Choudhary, Mr. B. L. Choudhary and Mr. Santimoy Dey as its members. During the financial year 2018-19, the Committee met 35 (thirty five) times.

Annexure X
of the Board's Report (Contd.)

Terms of reference

The terms of reference of Finance and Management Committee include the following:

- To Sign and execute documents, letters on behalf of the Company in compliance with the various rules and regulations made under the various enactments
- To sign and execute documents, letters, agreements on behalf of the Company other matters incidental to the business of the Company in ordinary course of business
- To Borrow moneys from banks (otherwise than issue of debentures) from time to time for its' projects expansion and working capital and providing security;
- To sign & execute documents with banks and financial institutions;
- To open banking accounts with banks and to deal with matters relating thereto;
- To Investing the surplus funds of the Company
- To Making loans in ordinary course of business;
- To delegate its' authority to employees for representing the Company before various authorities including Court of laws;
- All other day-to-day operations of the Company.

11. STRATEGY & INVESTMENT COMMITTEE

During the financial year 2018-19, the Board via Resolution by Circulation on 2 May 2018 has constituted Strategy & Investment Committee with a view to focus on Company's Strategic planning and to evaluate capital deployment in the context of the Company's Corporate Strategy.

The Committee comprises of 4 (Four) members of which three are members of the Board (Mr. S. S. Choudhary, Mr. Santimoy Dey and Mr. Sakti Kumar Banerjee) and one senior executive (Mr. Anurag Choudhary, CEO) of the Company. During the financial year 2018-19, the Committee met 1 (One) time.

Terms of reference

The terms of reference of Strategy & Investment Committee include the following:

- To focus on the evaluation of the Company's strategic plans and to evaluate the Company's capital deployment in the context of the Company's Corporate Strategy;
- To review the proposals for acquisition of potential targets for deploying capital of the Company for expanding the installed manufacturing capacity or acquisitions resulting in forward and backward integration in manufacturing process of the Company. The Committee upon review, shall place such proposal along with its analysis before the Board for its consideration and approval
- To assist the Board in fulfilling its oversight responsibilities relating to long term strategy of the Company, risks and opportunities relating to such strategy, and strategic decisions regarding investments and acquisitions by the Company.
- To monitor the Company's progress against strategic goals and provide feedback and advice on merger and acquisition strategy, capital strategy, market capabilities and resource requirements.
- To review individual transactions, including potential investments, asset sales, proposed equity and/or debt offerings, or other transactions.
- To deal with all merger and restructuring proposals in capacity of creditor/ shareholder of the entities participating in merger or restructuring process and the Committee shall make decisions and resolutions, and would exercise all powers of the Board for such matters.

Annexure X
of the Board's Report (Contd.)

12. INTERNAL COMPLAINT COMMITTEE

The Company has an Internal Complaint Committee constituted in terms of Section 4 of the Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Act, 2013, which was re-constituted from time to time.

Terms of reference

The terms of reference of Internal Complaint Committee include the following:

i) The Committee shall act in accordance with the provisions of the Act and Rules (including any statutory modifications, alteration or re-enactment thereon for the time being in force) made there under including the service rules, if any made applicable on the employee of the Company;

ii) The Committee shall follow the service rules while dealing with the complaints in case the complaints is against the employee of the Company and deal with the matter keeping in view the principal of natural justice;

iii) The Committee shall maintain all records relating to Complaints received and their redressal;

iv) The Committee shall hold such meetings as may be required from time to time for redressal of the Complaints made under the provisions of the Act.

v) The Committee shall ensure to maintain high degree of confidentiality with regards to the aggrieved person as well as the respondent;

vi) The Committee shall organise such number workshops or awareness programme from time to time for educating the employees of the Company in this regard;

vii) The Committee shall prepare an Annual Report ending 31 December each year in terms of Section 21 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 containing the following details:

a) Number of complaints of sexual harassment received in the year;

b) Number of complaints disposed off during the year;

c) Number of cases pending for more than ninety days;

d) Number of workshops or awareness programme against sexual harassment carried out;

e) Nature of action taken by the employer or District Officer

The Committee has submitted the Annual Report to the Employer and to the Board in terms of Section 21 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013. There was no complaint of sexual harassment received by the Committee during the financial year 2018-19.

13. GENERAL BODY MEETINGS

i) Details of location, time and date of the last three Annual General Meetings are given below:

Financial Year	Number of the AGM	Date	Venue	Time
2015-16	28th AGM	24 September 2016	"Bharatiya Bhasha Parishad" 36A, Shakespeare Sarani, Kolkata – 700 017	10.00 am
2016-17	29th AGM	22 September 2017	"Kala Kunj Hall" 48 Shakespeare Sarani, Kolkata- 700 017	03.30 pm
2017-18	30th AGM	4 September 2018	"Kala Kunj Hall" 48 Shakespeare Sarani, Kolkata- 700 017	10.30 am

Annexure X
of the Board's Report (Contd.)

ii) Details of Special Resolution(s) passed during the last three years in Annual General Meetings.

28th AGM held on 24 September 2016	1. Approval of "Himadri Employee Stock Option Plan 2016" and Grant of Employee Stock Options to the employees of the Company thereunder; 2. Approval of Grant of Employee Stock Options to the employees of Subsidiary Companies of the Company under" Himadri Employee Stock Option Plan 2016";
29th AGM held on 22 September 2017	1. Appointment of Mr. Vijay Kumar Choudhary (DIN: 00173858) as Whole Time Director of the Company for a further period of 3 (Three) years with effect from 1 April 2017 to 31 March 2020.
30th AGM held on 4 September 2018	1. Re-appointment of Mr. Sakti Kumar Banerjee (DIN: 00631772) as an Independent Director of the Company for a further period of 5 (five years) for second term with effect from 1 April 2019 to 31 March 2024. 2. Re-appointment of Mr. Hardip Singh Mann (DIN: 00104948) as an Independent Director of the Company for a further period of 5 (five years) for second term with effect from 1 April 2019 to 31 March 2024. 3. Alteration of Articles

iii) Details of Resolution passed through Postal Ballot conducted last year.

During the year ended 31 March 2019, the Company has passed the following Special Business through Postal Ballot (including e-voting), conducted in accordance with the provisions of Sections 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard (SS-2) on General Meetings and the SEBI Listing Regulations:

1. Resolutions passed through Postal Ballot dated 18 December 2018:

a. Special Resolution: Approval for raising of additional capital by way of one or more public or private offerings to eligible investors through issuance of equity shares or other eligible securities for an amount not exceeding ₹ 1000 crores.

Notice of Postal Ballot were sent through permitted modes (email, speed post and courier) to all the members of the Company along with Postal Ballot Form and postage pre-paid self-addressed envelopes (in case of physical dispatches). The said dispatch was completed on 31 December 2018.

Mr. Bankey Lal Choudhary, Managing Director and Mr. Bajrang Lal Sharma, Company Secretary of the Company, were authorised by the Board and were responsible for conducting the entire postal ballot and e-voting process under the provisions of the Act read together with the rules made thereunder and in terms of the SEBI Listing Regulations.

The Board had appointed Mr. Samir Kumar Ghosh, Company Secretary in Practice as the Scrutinizer, for scrutinizing the Postal Ballot process in a fair and transparent manner. On the basis of the Report of the Scrutinizer, Mr. Bankey Lal Choudhary, Managing Director, declared the results of the Postal Ballot on 1 February 2019. The details of the Voting are as follows:

Annexure X
of the Board's Report (Contd.)

Summary of Voting Results

No. of Votes Casted	In favour		In Against	
	No of Votes	%	No of Votes	%
321548261	317202884	98.65 %	4345377	1.35%

On the basis of the Scrutinizer's report dated 1 February 2019, the special resolution as proposed in the notice of Postal ballot was duly passed with requisite majority on Wednesday the 30 January 2019 (i.e. the last date of receipt of Postal ballot Forms) as per clause 16.6.3 of SS-2.

b. **Ordinary Resolution: Approval of Contracts/Arrangements with Proposed Related Party.**

Notice of Postal Ballot were sent through permitted modes (email, speed post and courier) to all the members of the Company along with Postal Ballot Form and postage pre-paid self-addressed envelopes (in case of physical dispatches). The said dispatch was completed on 31 December 2018.

Mr. Bankey Lal Choudhary, Managing Director and Mr. Bajrang Lal Sharma, Company Secretary of the Company, were authorised by the Board and were responsible for conducting the entire postal ballot and e-voting process under the provisions of the Act read together with the rules made thereunder and in terms of the SEBI Listing Regulations.

The Board had appointed Mr. Samir Kumar Ghosh, Company Secretary in Practice as the Scrutinizer, for scrutinizing the Postal Ballot process in a fair and transparent manner. On the basis of the Report of the Scrutinizer, Mr. Bankey Lal Choudhary, Managing Director, declared the results of the Postal Ballot on 1 February 2019. The details of the Voting are as follows:

Summary of Voting Results

No. of Votes Casted	In favour		In Against	
	No of Votes	%	No of Votes	%
115996263	115892455	99.91 %	103808	0.089%

On the basis of the Scrutinizer's report dated 1 February 2019, the special resolution as proposed in the notice of Postal ballot was duly passed with requisite majority on Wednesday the 30 January 2019 (i.e. the last date of receipt of Postal ballot Forms) as per clause 16.6.3 of SS-2.

2. **Pursuant to the Order of the National Company Law Tribunal, Kolkata Bench dated 1 January 2019, a meeting of the Equity Shareholders was held on 13 February 2019, wherein option of Postal Ballot was provided to the members to approve the Scheme of Amalgamation between Equal Commodeal Private Limited, the Transferor Company (WOS) with Himadri Speciality Chemical Ltd, the Transferee Company (being holding Company) pursuant to Section 232 read with Section 230 of the Companies Act, 2013;**

Notice of the Hon'ble National Company Law Tribunal (NCLT) convened meeting of the equity shareholders, Secured Creditors and Unsecured Creditors of Himadri Speciality Chemical Ltd were sent through permitted modes

Annexure X
of the Board's Report (Contd.)

(email, speed post and courier) to all the members of the Company along with Postal Ballot Form and postage pre-paid self-addressed envelopes (in case of physical dispatches). The said dispatch was completed on 10 January 2019.

Mr. Bankey Lal Choudhary, Managing Director and Mr. Bajrang Lal Sharma, Company Secretary of the Company, were authorised by the Board and were responsible for conducting the entire postal ballot and e-voting process under the provisions of the Act read together with the rules made thereunder and in terms of the NCLT order.

Mr. Mohan Ram Goenka was appointed as Chairman of the said meeting and Mr. N. Gurumurthy as Scrutinizer, for scrutinizing the Postal Ballot process in a fair and transparent manner. On the basis of the Report of the Scrutinizer, Mr. Bankey Lal Choudhary, Managing Director, declared the results of the Postal Ballot on 15 February 2019. The details of the Voting are as follows:

Summary of Voting Results

No. of Votes Casted	In favour		In Against	
	No of Votes	%	No of Votes	%
320181611	320177548	99.99 %	4063	0.001%

On the basis of the Scrutinizer's report dated 15 February 2019, the special resolution as proposed in the notice of Postal ballot was duly passed with requisite majority on Wednesday the 13 February 2019

The final order is yet to be pass by the Hon'ble NCLT.

iv) **No Special Resolution at present is proposed to be passed through Postal Ballot. Therefore, the procedure for Postal Ballot is not applicable.**

14. MEANS OF COMMUNICATION

a. **Quarterly/Annual Financial Results:** The unaudited quarterly financial results are announced within 45 days from the end of each quarter and the audited annual results are announced within 60 days from the end of the last quarter. These financial results, after being taken on record by the Audit Committee and Board of Directors, are communicated to the Stock Exchanges where the shares of the Company are listed. Any news, updates, or vital/useful information to shareholders are being intimated to Stock Exchange(s) and are being displayed on the Company's website: www.himadri.com

b. **Newspapers:** During the financial year 2018-19, financial results (Quarterly & Annual) were published in newspapers viz. The Financial Express, Economic Times in English (all editions), Jansatta (Hindi) and Ei Samay (Vernacular) in the format prescribed under Annexure XI of the SEBI Listing Regulations with the Stock Exchanges where the shares of the Company are listed.

c. **Website:** The financial results are also posted on the Company's Website at www.himadri.com The Company's website provides information about its business and the section on "Investor Relations" serves to inform and service the Shareholders allowing them to access information at their convenience.

d. **Annual Report:** Annual Report is circulated to all the members within the required time frame, physically through post and via e-mail, wherever the e-mail ID is available in accordance with the "Green Initiative Circular" issued by MCA. The shareholders have been provided e-voting option for the

Annexure X
of the Board's Report (Contd.)

resolutions passed at the general meeting to vote as per their convenience.

e. **E-mail ID of the Registrar & Share Transfer Agent:** All the share related requests/ queries/ correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agent of the Company, M/s S. K. Infosolutions Pvt. Ltd 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 and/ or e-mail them at skcdilip@gmail.com

f. **Designated E-mail ID for Complaints/ Redressal:** In compliance with Regulation 46(2) of SEBI Listing Regulations entered into with the Stock Exchange(s), the Company has designated an e-mail ID investors@himadri.com exclusively for the purpose of registering complaints/ grievances by investors. Investors whose requests/queries/correspondence remain unresolved can send their complaints/ grievances to the above referred e-mail ID and the same would be attended to promptly by the Company.

g. **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for Corporates. Any Corporate Action, *inter alia*, the Shareholding Pattern, Corporate Governance Report, Financial Results, disclosures with respect to Board Meeting or any other Corporate Action Announcements are filed electronically on NEAPS.

h. **BSE Corporate Compliance & Listing Centre:** The Listing Centre is a web-based application designed by BSE for Corporates. Any Corporate Action, *inter alia*, the Shareholding Pattern, Corporate Governance Report, Financial Results, and other intimations are filed electronically on BSE's Listing Centre.

i. **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redressal system through SCORES. The Action Taken Reports are uploaded online by the Company for any complaints received on SCORES platform, thereby making it convenient for the investors to view their status online.

j. **News releases/Investor Updates and Investor presentations:** The Company usually uploads a general presentation, press release, earning release periodically about the Company and its business on the website for the benefit of all the stakeholders. However, during the year the Company has not made any specific presentation to any Institutional Investor.

15. GENERAL SHAREHOLDER INFORMATION

Annual General Meeting (AGM) and Book Closure Dates

The day, Date, Time and Venue of the 31st Annual General Meeting and Book Closure Dates in relation thereto have been indicated in the Notice Convening the AGM, which forms part of the Annual report.

Financial Year

The financial year of the Company is from 1 April to 31 March every year.

Annexure X
of the Board's Report (Contd.)

Tentative Schedule for the Meetings for the financial year 2019-20

Financial Year	
Board meetings for approval of quarterly results	**2019-20**
- Quarter ended 30 June 2019	Within 2 Week of August 2019
- Quarter ended 30 September 2019	Within 2 week of November 2019
- Quarter ended 31 December 2019	Within 2 week of February 2020
- Audited Financial Results for the year ended 31 March 2020	Within 60 days from the end of the financial year
Annual General Meeting for the financial year 2019-20	In accordance with Section 96 of the Act, 2013
Posting of Annual Report	21 (clear) days before the meeting
Posting of Dividend Warrants	Within 30 days from the date of AGM
Receipt of Proxy Forms	At least 48hrs before the meeting

Dividend payment date

The Company will remit the dividend within a period of 30 days from the date of declaration and the required funds will be transferred to the Dividend Account within 5 days from the date of the Annual General Meeting.

Listing of Securities on stock exchange(s)

Equity Shares: The Company's shares are presently listed on the following stock exchange(s):

Sl. No.	Stock exchange	Listing code
1	BSE Limited P. J. Towers, Dalal Street, Fort Mumbai- 400 001	500184
2	National Stock Exchange of India Ltd "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	HSCL

The Company has remitted the listing fee to the Stock Exchanges.

Non-Convertible Debentures: The Non-Convertible Debentures (NCDs) issued by the Company on private placement basis aggregating to ₹ 150 Crores are listed at BSE Limited. The details are given hereunder:

Sl. No.	Details of NCD	Stock Exchange	Listing Code	ISIN Number
1	10.00 % Secured, Redeemable Non-Convertible Debentures of ₹ 400/- each aggregating to ₹ 100 Crores issued on Private placement basis to LIC of India	BSE Limited	946887	INE019C07023
2	12.50% Secured, Redeemable Non-Convertible Debentures of ₹ 10,00,00/- each aggregating to ₹ 50 Crores issued on Private placement basis to LIC of India	BSE Limited	949610	INE019C07031

The Company has been regular in making payment of interest on these debentures. The Company has remitted the listing fee to the Stock Exchange(s).

Annexure X
of the Board's Report (Contd.)

Market price data

Monthly high / low market price of the shares during the financial year 2018-19 at the BSE Limited and at National Stock Exchange of India Ltd were as under: -

	BSE		NSE	
	Amount in ₹		Amount in ₹	
Month	High	Low	High	Low
Apr-18	155.10	140.85	155.10	140.55
May-18	149.90	120.20	149.35	118.90
Jun-18	145.00	109.50	144.90	109.55
Jul-18	137.70	113.00	138.10	113.00
Aug-18	152.00	126.10	154.85	126.00
Sep-18	135.20	111.30	136.50	111.60
Oct-18	131.45	103.55	131.35	106.10
Nov-18	146.90	124.65	147.15	124.20
Dec-18	141.60	125.90	142.00	125.05
Jan-19	137.90	108.00	137.80	107.20
Feb-19	120.30	94.00	120.50	91.10
Mar-19	126.50	112.30	126.70	112.50

Stock Performance in comparison to broad-based indices

	BSE SENSEX		NSE CNX NIFTY	
Financial Year	Change in Himadri Share Price	Change in SENSEX	Change in Himadri Share Price	Change in Nifty
2018-19	-20.09%	+17.30%	-20.42%	+14.93%

Registrar and Share Transfer Agent

The Company has engaged the services of M/s S. K. Infosolutions Pvt. Ltd of 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, a SEBI registered Registrar as its Share Transfer Agent for processing the transfer, sub-divisions, consolidation, splitting of securities among others. Since the shares are compulsorily required to be traded in dematerialized form, shareholders are requested to get their physical shareholdings converted into DEMAT form through their depository.

All the queries related with shares may be forwarded directly to the Company's Registrar. The Company has made necessary arrangements with Depositories viz NSDL/ CDSL for dematerialization of shares. M/s S. K. Infosolutions Pvt. Ltd has appointed as common agency to act as transfer agent for both physical and demat shares.

Shareholders are requested to surrender the old share certificates having Face Value of ₹ 10/- each to the Registrar and Share Transfer Agent for cancellation and exchange of new certificates of face Value of ₹ 1/- each pursuant to stock split approved by the shareholders at the Annual General Meeting held on 28 September 2010, for which the Record Date was fixed on 9 November 2010.

Share Transfer System

The Company ensures that all transfers are duly affected within the prescribed period. The Board has constituted a Share Transfer Committee for approval of the transfers, which meets on regular intervals. Share Transfer, Duplicate issue of shares and all other investors' related activities are attended and processed at the office of the Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, Kolkata.

Annexure X
of the Board's Report (Contd.)

Pursuant to Regulation 40(9) of the SEBI Listing Regulations, certificate on half-yearly basis is filed with the stock exchange(s) for due compliance of share transfer formalities by the Company.

However, the SEBI pursuant to notification issued on 8 June 2018 amended the Regulation 40 of the SEBI Listing Regulations, and provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository w.e.f 01 April 2019.

Nomination facilities

Section 72 of the Act, 2013 read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, provides for the facility of nomination to shares and debentures. This facility is mainly useful in case of those holders who hold their shares in single name. Investors are advised to avail of this facility to avoid any complication in the process of transmission, in case of death of the holders.

In case the shares are held in physical mode, the nomination form may be obtained from the Registrar & Share Transfer Agent. In case of shares held in Demat form, such nomination is to be conveyed to the DP as per the formats prescribed by them.

Dividend remittance

Dividend on equity shares as recommended by the Board for the year ended 31 March 2019, when declared at the ensuing annual general meeting will be paid:

i) in respect of shares held in electronic form, to those persons whose names appear as beneficial owners in the statement (s) furnished by the Depositories as on the close of the market day prior to start of book closure and

ii) In respect of shares held in physical form, to those Shareholders whose names appear on the Company's register of members after giving effect to all valid share transfers in physical form lodged with the Company before the start of date of book closure.

Members may please note that the dividend warrants shall be payable at par at the designated branches of the bank for an initial period of three months. The members are therefore advised to encash dividend warrants within the initial validity period of three months. After expiry of initial validity period, bank draft will be issued against cancellation of warrants upon request of the shareholders, if any.

Electronic Clearing Service – NECS

Members desirous of receiving dividend by direct electronic deposits of dividend vide NECS in their account may authorise the Company with their mandate. Members are requested to provide necessary details of their bank account to Company's Registrar and Share Transfer Agent, M/s S. K Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, Ph No: 91-033- 22196797/ 4815.

Bank details in case of physical Shareholdings

With a view to provide protection against fraudulent encashment of dividend warrants, members are requested to provide, if not provided earlier, their bank account number, bank account type, names and address of bank branches, with their folio number to Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, to enable them to print the same on dividend warrants. This is a mandatory requirement in terms of SEBI circular No. D&CC/ FITTC / CIR-04/ 2001 dated 13 November 2001.

Details of Payee

Further the SEBI with a view to safeguard the interest of the shareholders, has issued circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20 April 2018, which inter-alia requires that the Issuer Company, the RTA and the processing Bank shall ensure that the Dividend Warrant shall contains the details of the payee, Bank Name, Bank Account, Bank Branch of the

Annexure X
of the Board's Report (Contd.)

holder of securities, therefore the shareholders are requested to share the required information with the Registrar & Share Transfer Agent of the Company. However, the Company has issued reminder letters to the security holders for providing such information.

Unclaimed / Unpaid Dividend

The amount of unclaimed dividend is lying credit in separate banking accounts. Members may please note that pursuant to Section 124(5) and Section 125 of the Companies Act, 2013 the amount lying in credit of any unpaid dividend account if, remained un-claimed for 7 years from the date it became unpaid / unclaimed shall be transferred to the Investor Education and Protection Fund. As on 31 March 2019, the following amounts are unclaimed and lying credit in separate bank accounts with various banks.

Financial Year	Date of declaration	Amount Unpaid/ unclaimed as on 31.03.2019	Due date for transfer to Investor Education and Protection Fund	Banker's name in which the unpaid amount is lying
2011-12	29 September 2012	502,731.20	4 November 2019	State Bank of India
2012-13	23 September 2013	532,524.70	29 October 2020	State Bank of India
2013-14	24 September 2014	518,775.50	30 October 2021	State Bank of India
2015-16	24 September 2016	323,710.95	30 October 2023	State Bank of India
2016-17	22 September 2017	601,043.80	28 October 2024	State Bank of India
2017-18	4 September 2018	340,494.20	10 October 2025	State Bank of India

Therefore, members who have so far not uncashed their dividend warrants or have not received the dividend warrants may write to the Company or its' Share Transfer Agents for issue of Banker's Cheque / Bank drafts. Shareholders are requested to provide their Bank Account details to be printed on the Bank drafts / Banker's Cheques.

Transfer of Shares to IEPF

During the financial year 2018-19, the Company has transferred 3,90,200 unclaimed shares of 350 shareholders in respect of which dividend has not been paid or claimed for seven consecutive years or more pursuant to Section 124 (6) of the Companies Act, 2013 to the credit of IEPF Authority as prescribed in Section 125 of the Companies Act, 2013 in DEMAT Account No: IN300708/ CL-ID: 10656671 through NSDL.

However, the shareholders may re-claim those shares from the IEPF Authority by complying with prescribed procedure and filing the e-Form- IEPF-5 on line with MCA portal. The shareholder claiming the shares should take a print out of the e-Form (IEPF-5) and forward the same with all documents as mentioned in the e-form to the NODAL Officer of the Company for onward submission to the IEPF Authority along with verification report. The name, address and contact no of the NODAL Officer of the Company is given hereunder:

Name: Mr. Bajrang Lal Sharma,
Designation: Company Secretary & Compliance Officer
Himadri Speciality Chemical Ltd
Regd. Off: 23A, Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata- 700 001
Corporate Office: 8, India Exchange Place, 2 Floor, Kolkata- 700 001
Contact No: 033-22309953/ 22304363
E-mail: blsharma@himadri.com

Annexure X
of the Board's Report (Contd.)

Credit ratings obtained along with any revisions thereto during the financial year for all debt instruments

Rating Agency: ICRA Limited vide its' letter dated 18th September 2018, has assigned the Credit Rating to Company's various credit facilities and instruments as mentioned below:

Facilities	Amount (In Crores)	Rating Assigned
Non-Convertible Debenture	150	[ICRA] AA- (Stable)
Term Loan	100.51	
External Commercial Borrowing	JPY 172 Million	
Fund Based Limits	621	
Non- Fund Based Limits	744	[ICRA] AA- (Stable)/A1+
Commercial Paper	300	[ICRA] A1+ ; Outlook: Outstanding

Revision of Rating by CARE

Credit Analysis & Research Limited (CARE) vide their letter dated 13 December 2018 has revised the rating assigned to company's various credit facilities and instruments as mentioned below:

Facilities	Amount (₹ in Crore)	Rating	Remarks
Long Term Bank Facilities	528.02	CARE AA-; Stable (Double A minus; Outlook : Stable)	Revised from CARE A+; Stable (Single A Plus; Outlook: Stable)
Short Term Bank Facilities	445.00	CARE AA-; Stable/ CARE A1+ (Double A minus; Outlook : Stable/ A One Plus)	Revised from CARE A+; Stable/ A1+ (Single A Plus; Outlook: Stable/ A One Plus)
Long Term/ Short term Bank Facilities	106.00	CARE A1+ (A One Plus)	Reaffirmed
Non-Convertible Debenture	150.00	CARE AA-; Stable (Double A minus; Outlook : Stable)	Revised from CARE A+ ; Stable (Single A Plus; Outlook :Stable)
Commercial Paper	150.00	CARE A1+ (A One Plus)	Re-affirmed

Annexure X
of the Board's Report (Contd.)

Distribution of Shareholding and Shareholding Pattern as on 31 March 2019

- **Distribution of Shareholding as on 31 March 2019**

No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
Upto 5000	80903	97.73	34322568	8.20
5001 to 10000	998	1.21	7352753	1.76
10001 to 20000	442	0.53	6273362	1.50
20001 to 30000	131	0.16	3208400	0.77
30001 to 40000	67	0.08	2365322	0.57
40001 to 50000	56	0.07	2537193	0.61
50001 to 100000	77	0.09	5385272	1.29
100001 to 500000	70	0.08	12553503	3.00
500001 to 1000000	15	0.02	11154512	2.66
1000001 and Above	19	0.02	333425860	79.66
Total	**82778**	**100.00**	**418578745**	**100.00**

- **Shareholding pattern as on 31 March 2019**

Category of shareholders	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
(A) Promoter Group				
(a) Directors & relatives	8	0.01	12728600	3.04
(b) Bodies corporate	2	0.00	192086607	45.89
Sub- total (A)	**10**	**0.01**	**204815207**	**48.93**
(B) Non-promoters				
(a) Mutual funds / UTI	2	0.00	6644192	1.59
(b) Financial institutions/Bank	3	0.00	225146	0.05
(c) Foreign Company	1	0.00	103178860	24.65
(d) Foreign Portfolio	51	0.06	10180693	2.43
(e) Bodies corporate	798	0.96	16849752	4.03
(f) Individuals	79939	96.57	70669908	16.88
(g) NRI(s)	1,861	2.25	2915543	0.70
(h) Nationalised Bank	0	0	0	0
Clearing Member	112	0.14	172004	0.04
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	1	0.00	2927440	0.70
Sub Total (B)	**82,768**	**99.99**	**213763538**	**51.07**
Total (A) + (B)	**82,778**	**100.00**	**418578745**	**100.00**

Annexure X
of the Board's Report (Contd.)

Dematerialization of shares and liquidity

The shares of the Company are under compulsory demat list of SEBI and it has joined as a member of the Depository services with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an Issuer Company for dematerialization of its' shares. Shareholders can get their shares dematerialized with either NSDL or CDSL.

Pursuant to stock split approved by the shareholders at the Annual General Meeting held on 28th September 2010, each equity shares of face value of ₹ 10/- each has been sub-divided into ten equity shares of ₹ 1/- each and the depositories allotted the following new ISIN number to the Company:

NSDL - INE 019C01026	CDSL - INE 019C01026

As on 31 March 2019, out of the 41,85,78,745 equity shares of the Company 41,45,29,419 shares were held in Electronic form representing 99.03% to the total paid up share capital, whereas balance of 40,49,326 shares were held in physical form representing 0.97% to the total paid up share capital of the Company.

The summary is given below

Held in dematerialised form in CDSL	**35122221**	8.39%
Held in dematerialised form in NSDL	**379407198**	90.64%
Physical	**4049326**	0.97%
Total No.of shares	**418578745**	**100.00%**

Foreign Exchange Risk and Hedging activities

In terms of the SEBI Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Disclosures relating to risks including commodity price risk, foreign exchange risk, etc., have been adequately covered under the Management Discussion and Analysis Report.

Locations of Plants

Sl. No.	Location of Plant
1	Mahistikry, P.S.- Haripal, District- Hooghly (W.B.)
2	Liluah Unit (Howrah), 58, N.S. Road, Liluah, Howrah - 711 204 (W. B.)
3	Liluah Unit (Howrah), 27-B, Gadadhar Bhatt Road, Liluah, Howrah- 711 204 (W.B.)
4	Korba Unit - Vill- Jhagrah, Rajgamar Colliery, Korba- 495683 (Chhattisgarh)
5	Vizag Unit - Plot No. 67, 68 & 69, Ancillary Industrial Estate, Vill: Pedagantyada, PIN- 530 013 (A. P.)
6	Wind Mills Division: a. Vill- Amkhel: Taluka- Sakri, District- Dhule, Maharashtra b. Vill- Titane, Taluka- Sakri, District- Dhule, Maharashtra
7	Vapi Unit - G.I.D.C., Phase I, Vapi, Gujarat
8	Sambalpur Unit, Kenghati. P.O Jayantpur, Sambalpur -768112
9	Falta Special Economic Zone J.L. No 1, Dag No: 49,50,51, Sector- II, Vill- Simulberia, P.O.- Falta, Dist- 24 Pgs (South) West Bengal -743504
10	China Unit, Longkou, Shandong, China. (Step-down Subsidiary)

Annexure X
of the Board's Report (Contd.)

Address for correspondence

All communication may be sent to Mr. Bajrang Lal Sharma, Company Secretary and Compliance Officer at the following address:

Himadri Speciality Chemical Ltd

23A, Netaji Subhas Road, 8th Floor, Suite no 15

Kolkata - 700 001

Phone number: (033) 2230 9953/ 2230 4363

Fax No 91-33-2230-9051,

e-mail: investors@himadri.com

All shares related queries may be sent to the Company's Registrar and Share Transfer Agent, **M/s S. K. Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006. Ph. No: 91-033- 22196797/ 4815**.

16. SUBSIDIARY COMPANIES

The Company has an unlisted non-material wholly owned Indian Subsidiary Company, Equal Commodeal Private Limited ('ECPL'). The Company also has further two subsidiary companies 1) AAT Global Limited, Hongkong in which the Company holds 100% equity through its wholly owned Indian Subsidiary, 2) Shandong Dawn Himadri Chemical Industry Limited ("SDHCIL") in China, in which the Company holds 94% equity through its wholly owned subsidiary Company, AAT Global Limited.

The Board of Directors of the Company regularly reviews the minutes of the Board Meetings, financial statements, in particular investments made and significant transactions and arrangements (if any) entered into by the unlisted subsidiary companies. The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted Subsidiary Company. The Company has duly formulated a policy for determining 'material' subsidiaries. The main objective of the policy is to ensure governance of material subsidiary companies.

The web link for Policy for determining Material Subsidiaries is placed on the website of the Company is www.himadri.com/pdf/corporate-governance/Code-Policies/Policy_for_determining_Material_Subsidiary.pdf

17. OTHER DISCLOSURES

i. Materially significant related party transactions (i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc.) that may have potential conflict with the interests of the Company at large;

The Company has not entered into any materially significant related party transaction during the year with any of the related parties which may have potential conflict with the interest of the Company. The related party transactions constitute contracts or arrangements, made by the Company from time to time, with Companies in which Directors are interested. The Audit Committee reviews periodically the significant related party transactions and the Committee provided omnibus approval for related party transactions which are in ordinary course of business (repetitive in nature) and are on Arm's Length basis. All transactions covered under the related party transactions are regularly ratified and / or approved by the Board. There were no material transactions during the financial year 2018-19 that were prejudicial to the Company's interest.

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management and their subsidiaries or relatives that may have potential conflict with Company's interest at a large.

Related party transactions as per requirements of Indian Accounting Standard (Ind- AS 24) "Related Party Disclosures" are disclosed in the Notes to the Financial

Annexure X
of the Board's Report (Contd.)

Statements of the Company for the year ended 31 March 2019.

ii. Reconciliation of Share Capital Audit Report;

A qualified Practising Company Secretary has carried out exercise of Reconciliation of Share Capital to the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital as on the close of the financial year 2018-19. The Reconciliation of Share Capital confirms that the total issued / paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

iii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority, on any matter related to the capital markets, during the last three years;

The Company has complied with the requirements of the stock exchange(s)/ SEBI and statutory authorities on all matters related to capital markets. There were no instances of non-compliance on any matter relating to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the stock exchange(s), SEBI or any statutory authority in any matter related to capital markets.

iv. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no person has been denied access to the Audit Committee;

The Company has adopted a Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company. Mr. Bajrang Lal Sharma, Company Secretary is appointed as Vigilance Officer by the Board for this purpose. The whistle blowers may also lodge their complaints/concern with the Chairman of the Audit Committee, whose contact details are provided in the Whistle Blower Policy of the Company. The Policy also offers appropriate protection to the whistle blowers from victimization, harassment or disciplinary proceedings.

v. Mandatory and Non-mandatory requirements;

The Company has complied with the mandatory requirements and has adopted a few non-mandatory requirements as specified under Regulations of SEBI Listing Regulations, which are reviewed by the management from time to time.

vi. Details of compliance with Non-mandatory (discretionary) requirements;

The Company has complied with the following non mandatory (discretionary) requirements as specified in Part E of Schedule II of SEBI Listing Regulations:

a. Shareholders' Rights

The Company's financial results are published in the newspapers and also posted on its own website (www.himadri.com). Hence, the Financial Results deemed to be sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders. The Company had sent Annual Reports for 2018 together with Notice of the Annual General Meeting in electronic mode to those shareholders who had given their consent in this regard and registered their e-mail addresses with the Company's RTA or the Depositories for this purpose. For other shareholders, who had not registered their email ids, the complete Annual Report for 2018 in physical form was sent at their registered address.

Annexure X
of the Board's Report (Contd.)

b. **Unmodified Audit Opinion**

During the year under review, there is no audit qualification in your Company's standalone financial statements. Your Company continues to adopt best practices to ensure regime of financial statements with unmodified audit qualifications.

c. **Reporting of Internal Auditor**

The Company's Internal Auditor reports directly to the Audit Committee.

vii. Proceeds from Public Issues, rights issue, preferential issues, qualified institutional placement etc.;

The Company has not raised any money through issue of Securities by means of Public issue, Rights Issue, Preferential Issue, qualified institutions placement etc. during the financial year ended 31 March 2019.

viii. Web link where policy on determining 'material' subsidiaries is disclosed;

The Company has formulated a policy pursuant to provisions of Chapter IV of SEBI Listing Regulations to determine material subsidiaries. The policy is posted on the website of the Company and the web link for the same is: www.himadri.com/pdf/corporate-governance/Code-Policies/Policy_for_determining_Material_Subsidiary.pdf

ix. Web link where policy on dealing with related party transactions;

The Company has duly formulated a Policy on dealing with Related Party transactions. The Company recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof and therefore has adopted this Policy to ensure that all Related Party Transactions with Related Parties shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions. The link for the same as placed on the website of the Company is www.himadri.com/pdf/corporate-governance/Code-Policies/Policy_on_Related_Party_Transactions.pdf

x. Disclosure of commodity price risks and commodity hedging activities.

Disclosure of commodity price risks and commodity hedging activities has been adequately covered under the Management Discussion and Analysis Report.

xi. Declaration of Non-Disqualification or debarment for appointment / continuing as the Director in companies, for the Financial Year 2018-2019

There is no such director on the Board of the Company who has been disqualified by virtue of any provisions of the Companies Act., 2013 and any other laws or debarred by any regulatory authority to be appointed or continue to act as director.

xii. Recommendation from the Committees to the Board

There were no such instances where the Board has not accepted the recommendations of / submissions by the Committee which were required for the approval of the Board of Directors during the Financial Year under review.

Annexure X
of the Board's Report (Contd.)

xiii. Details of fees paid to statutory auditor

Total fees paid by the Company and its subsidiaries on a consolidated basis, to the statutory auditors for all the services provided by them are as follows:

Amount in ₹ Lakhs

Payment towards-	FY 2018-19	FY 2017-18
Statutory Audit Fee	45.50	40.50
Limited Review Reports	4.50	4.50
Non-Audit Services	15.56	18.86
RE-imbursement of Expenses	5.85	5.43
Total	**71.41**	**69.29**

xiv. Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has constituted Internal Complaint Committee pursuant to Section 4 of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. During the financial year 2018-19, the Committee submitted its Annual Report as prescribed in the said Act and there was no complaint as regards sexual harassment received by the Committee during the financial year.

Details of Complaints received and redressed during the Financial Year 2018-19 are as follows:

a) Number of complaints outstanding at the beginning of financial year - Nil

b) Number of complaints filed during the financial year - Nil

c) Number of complaints disposed of during the financial year - Nil

d) Number of complaints pending as on end of the financial year - Nil

xv. Disclosures with respect to demat suspense account/ unclaimed suspense account-

There is no shares in demat suspense account.

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year; NIL

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year; NIL

(c) number of shareholders to whom shares were transferred from suspense account during the year; NIL

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year; NIL

(e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: NIL

xvi. Disclosure of discretionary requirements as specified in Part E of Schedule II have been adopted.

The Internal auditor usually place internal audit report to the Audit Committee.

xvii. Disclosure of Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of para C of Schedule –V of SEBI Listing Regulations, with reasons thereof shall be disclosed

There is no instance of non-compliance of of any requirement of corporate governance report of sub-paras (2) to (10) of para C of Schedule –V of SEBI Listing Regulations.

Annexure X
of the Board's Report (Contd.)

xviii. Disclosure of the Compliance of the Corporate Governance.

The Company is in compliance with the Corporate Governance requirements as specified in Regulation 17 to 27 except Regulation 21 as the same is not applicable to the Company and the Company is also in compliance with the requirements of dissemination of the information of as required in terms of Regulation 46 (2) of the SEBI Listing Regulations.

Details of corporate policies

Sl. No.	Policy	Link
1	Corporate Social Responsibility Policy	http://www.himadri.com/Himadri_CSR_Policy.pdf
2	Composition and Profile of the Board of Directors	http://www.himadri.com/boardofdirectors.php
3	Terms and Conditions of appointment of Independent Directors	http://www.himadri.com/corporategovernance.php
4	Familiarization Programme for Independent Directors	http://www.himadri.com/Familiarisation%20 Programme%20for%20IDS%2029012018.pdf
5	Remuneration policy of Directors, KMPs & other Employees	http://www.himadri.com/Ploicy%20in%20 Nomination%20Committee.pdf
6	Code of Conduct	http://www.himadri.com/CodeofConductHCIL.pdf
7	Criteria for making payments to Non-Executive Directors executive directors	http://www.himadri.com/Criteria%20of%20Payment%20 to%20NEDs.pdf
8	Code of Conduct for Non-Executive Directors	http://www.himadri.com/Himadri_Code_of_Conduct_ for_Independent_Directors.pdf
9	Policy on Related Party Transactions	http://www.himadri.com/Policy%20on%20RTP.pdf
10	Policy on determining Material Subsidiaries	http://www.himadri.com/Policy%20on%20 Determination%20of%20Material%20Subsidiary.pdf
11	Whistle Blower Policy	http://www.himadri.com/Policy%20on%20Vigil%20 Mechanism.pdf
12	Policy on determination of Materiality for Disclosure(s)	http://www.himadri.com/HCIL_Polocy%20on%20 Determination%20of%20Materiality%20Of%20Events. pdf

For and on behalf of the Board

Sd/-
B. L. Choudhary
Managing Director
(DIN: 00173792)

Sd/-
S.S. Choudhary
Executive Director
(DIN: 00173732)

Place: Kolkata
Date: 28 May 2019

Annexure X
of the Board's Report (Contd.)

DECLARATION BY THE CHIEF EXECUTIVE OFFICER

[*Pursuant to Regulation 34 (3) {Schedule V Paragraph D] of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*]

To,
The Members of
Himadri Speciality Chemical Ltd

I, Anurag Choudhary, Chief Executive Officer of the Company declare that to the best of my knowledge and belief, all the Members of the Board and the designated personnel in the Senior Management personnel of the Company have affirmed their respective compliance with the applicable Code of Conduct for the financial year ended 31 March 2019.

For Himadri Speciality Chemical Ltd

Sd/-
Anurag Choudhary
Chief Executive Officer
Date: 28 May 2019

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(*pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*)

To
The Members of
Himadri Speciality Chemical Ltd
23A, Netaji Subhas Road, 8th Floor, Suite No 15,
Kolkata - 700 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Himadri Speciality Chemical Ltd having CIN L27106WB1987PLC042756 and having registered office at 23A, Netaji Subhas Road, Kolkata-700001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub-clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.raca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31'4 March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Annexure X
of the Board's Report (Contd.)

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1	Hanuman Mal Choraria	00018375	11/08/2014
2	Hardip Singh Mann	00104948	14/11/2011
3	Shyam Choudhary Sundar	00173732	28/07/1987
4	Bankey Lal Choudhary	00173792	28/07/1987
5	Vijay Kumar Choudhary	00173858	28/07/1987
6	Santosh Kumar Agrawala	00364962	14/11/2016
7	Sakti Kumar Banerjee	00631772	11/07/2006
8	Suryakant Balkrishna Mainak	02531129	03/08/2017
9	Rita Bhattacharya	03157199	22/04/2014
10	Santimoy Dey	06875452	27/05/2014

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SJAB Associates
Practising Company Secretary

Aditi Jhunjhunwala
Partner
Membership no.: A26988
CP no.: 20346

Place: Kolkata
Date: 28 May 2019

CERTIFICATE ON CORPORATE GOVERNANCE

as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Himadri Speciality Chemical Ltd
Kolkata

We have examined the compliance of Corporate Governance by Himadri Speciality Chemical Ltd ("the Company") for the period between April 1, 2018 and March 31, 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations, 2015") of the said Company with stock exchange(s) (as applicable) ("Listing Agreement").

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors, the management and the Company's officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations/Listing Agreements (as applicable).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

For Vinod Kothari &Company
Practising Company Secretaries

Arun Kumar Maitra
Partner
ACS No. A3010
Membership No. 14490

Place: Kolkata
Date 28 May 2019

Annexure X
of the Board's Report (Contd.)

CEO & CFO CERTIFICATION

Sub: CEO & CFO certification in terms of Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

We,

1) Anurag Choudhary, Chief Executive Officer and

2) Kamlesh Kumar Agarwal, Chief Financial Officer

Certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2019 and that to the best of our knowledge and belief:

   1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Himadri Speciality Chemical Ltd

	Sd/-	Sd/-
Place: Kolkata	**Anurag Choudhary**	**Kamlesh Kumar Agarwal**
Date: 28 May 2019	*Chief Executive Officer*	*Chief Financial Officer*

Annexure XI
of the Board's Report

BUSINESS RESPONSIBILITY REPORT

Section A: General information about the Company

1.	**Corporate Identity Number (CIN)**	:	L27106WB1987PLC042756
2.	**Name of the Company:**	:	Himadri Speciality Chemical Ltd (Formerly known as Himadri Chemicals & Industries Limited)
3.	**Registered address**		23A, Netaji Subhas Road, 8th Floor, Suite No. 15, Kolkata – 700 001
4.	**Website**	:	www.himadri.com
5.	**E-mail id**	:	investors@himadri.com
6.	**Financial year reported:**	:	2018-19

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

Particulars	National Industrial Code
Carbon Materials & Chemicals	23999
Power	38210

8. **The key products/services manufactured (as in balance sheet):**

   i. **Carbon Materials and Chemicals**

   ii. **Power**

9. **Total number of locations where business activity is undertaken:**

   i. **Number of international locations**

   Himadri Speciality Chemical Ltd carries out its international operations in Longkou, Shandong, China through its step-down subsidiary in China – Shandong Dawn Himadri Chemical Industry Limited.

   ii. **Number of national locations:**

   The Company carries out its operation through its head office in Kolkata and several marketing offices across India. The Company has one manufacturing unit at Mahistikry, Hooghly, West Bengal, two manufacturing units at Liluah, Howrah, West Bengal, one unit at Falta SEZ, West Bengal, one unit each at Korba, Chhattisgarh, Vapi, Gujarat, Vishakhapatnam, Andhra Pradesh and Sambalpur, Odisha.

10. **Markets served by the Company: Local/State/ National/International**

    Himadri products are sold across India.

    In international markets, the geography Himadri primarily caters to include Asia, Middle East, Europe, Africa and Americas.

Annexure XI
of the Board's Report (Contd.)

Section B: Financial details of the Company as on 31 March 2019

1. **Paid up capital (₹):** 4,185.78 lakhs
2. **Total turnover (₹):** 237,661.90 lakhs
3. **Total profit after taxes (₹):** 30,729.83 lakhs
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of PAT (%):** ₹ 117.67 lakhs which is 0.38% of the PAT
5. **List of activities in which expenditure in 4 above has been incurred:**

   Please refer **Annexure IX** of Board's Report

Section C: Other Details

1. **Does the Company have any subsidiary Company/ Companies?**

   Yes. HSCL has an unlisted non-material wholly owned Indian Subsidiary Company, Equal Commodeal Private Limited ('ECPL') and also has two step down subsidiaries Companies 1) AAT Global Limited incorporated in Hong Kong in which the Company holds 100% equity through its wholly owned Indian Subsidiary, 2) Shandong Dawn Himadri Chemical Industry Limited ("SDHCIL") in China, in which the Company holds 94% equity through AAT Global Limited as on 31 March 2019.

2. **Do the subsidiary Company/Companies participate in the BR initiatives of the parent Company? if yes, then indicate the number of such subsidiary Company(s).**

   No

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? if yes, then indicate the percentage of such entity/ entities? [>30%, 30-60%, < 60%]**

   The Company's BR Policy is applicable to the management and all employees of the Company. The Company encourages and expects its business partners to adopt the BR practices. However, no formal study has been undertaken as of date to ascertain the percentage of such entities who participate in BR activities.

Section D: BR information

1. a. **Details of Director/Directors responsible for BR implementation of the BR policy/policies**
      - i. **Name:** Mr. Bankey Lal Choudhary
      - ii. **DIN :** 00173792
      - iii. **Designation:** Managing Director
      - iv. **Telephone number:** 033-22309953
      - v. **E-mail id:** investors@himadri.com

   b. **Details of BR head**
      - i. **Name:** Mr. Anurag Choudhary
      - ii. **Designation:** Chief Executive Officer
      - iii. **Telephone number:** 033-22309953
      - iv. **E-mail id:** investors@himadri.com

Annexure XI
of the Board's Report (Contd.)

2. Principle-wise BR Policies as per National Voluntary Guidelines

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

p1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
p2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
p3	Businesses should promote the well-being of all employees
p4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
p5	Businesses should respect and promote human rights
p6	Business should respect, protect and make efforts to restore the environment
p7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
p8	Businesses should support inclusive growth and equitable development
p9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of Compliance (Reply in Y / N)

Questions	p1	p2	p3	p4	p5	p6	p7	p8	p9
1 Do you have a policy/ policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2 Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Does the policy conform to any national / international standards? if yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of Business released by Ministry of Corporate Affairs in July 2011.								
4 Has the policy being approved by the Board? if yes, It has been signed by MD	Y	Y	Y	Y	Y	Y	Y	Y	Y
5 Does the Company have a specified committee of the Board / Director / official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	The Director responsible for BR and BR head is responsible for implementation of the policy								
6 Indicate the link for the policy to be viewed online?	https://www.himadri.com/pdf/corporate_governance/HSCL_BRR_POLICY.pdf								
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	It has been posted on the Company's Website.								

Annexure XI
of the Board's Report (Contd.)

Questions		p1	p2	p3	p4	p5	p6	p7	p8	p9
8	**Does the Company have in-house structure to implement the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	**Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?**	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	**Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?**	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	p1	p2	p3	p4	p5	p6	p7	p8	p9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

The BR Head periodically assess the BR performance of the Company and the Board reviews the same annually.

ii. Does the Company publish a BR or a Sustainability report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has adopted its BR report for FY 2018-19 which forms the part of the Annual Report. The same can be viewed on the website of the Company at www.himadri.com

Annexure XI
of the Board's Report (Contd.)

Section E: Principle-wise performance

PRINCIPLE 1 - BUSINESS SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? (yes/no). Does it extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?**

   The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the individuals working in the Company. The Company encourages its business partners to follow the code. The policy also intends for fair dealings with customers, suppliers, contractors and other stakeholders.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.**

   No stakeholder complaints were received pertaining to ethics, transparency and accountability violation in financial year 2018-19.

PRINCIPLE 2 - BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   - Coal Tar Pitch
   - Carbon Black
   - Naphthalene

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Power: The Company produces and uses green power. The Company makes use of the exhaust gases generated during production of carbon black to produce captive power.

   Fuel: Coal tar, which is a key raw material, is a by-product of steel plants. The fuel derived from distillation of coal tar is used as energy source for production process.

   Water: We utilise all our effluent by treating chemically followed by reverse osmosis process. We have a zero discharge facility.

   Raw Material: For each of the products, the key raw materials are coal tar and carbon black feedstock which are procured from domestic and international markets.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

   The Company considers aspects such as safety and environment in addition to commercial considerations while selecting its suppliers. Most of the raw materials are sourced from these suppliers.

Annexure XI
of the Board's Report (Contd.)

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The major raw material used by the Company in manufacturing its products are of such nature, which are generally not produced by small producers. However, for all other products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations. Efforts are continuously made to use local service providers for availing various support services at our various plants and services.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

   The Company has a robust efficient effluent treatment process thereby enabling it continuously maintain Zero-discharge status across all the facilities.

   The Company has a closed loop process and does not generate any waste. All the by-products are converted to finished goods. The water content in raw material is separated during the manufacturing process. This is treated in ETP plant and recycled as input in the manufacturing process. Of the total input, waste generated and recycled is less than 5%.

PRINCIPLE 3 - BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. **Total number of employees: 941**
2. **Total number of employees hired on temporary/ contractual/casual basis: 358 (hired in Financial Year 2018-19)**
3. **Number of permanent women employees: 40**
4. **Number of permanent employees with disabilities: 0**
5. **Do you have an employee association that is recognised by management?** There is no employee association
6. **What percentage of your permanent employees is members of this recognised employee association?**

   Not Applicable

7. **Please indicate the number of complaints relating to Child labour, forced labour, involuntary labour, sexual harassment, Discriminatory employment in the last financial year and pending, as on the end of the financial year**

No.	Category	No of complaints filed during the year	No of complaints pending as on the end of financial year
1	Child labour, forced labour, involuntary labour	Nil	Nil
2	Sexual Harassment	Nil	Nil
3	Discriminatory employment.	Nil	Nil

Annexure XI
of the Board's Report (Contd.)

8. **What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?**

   40 per cent of employees were trained on skill up gradation training (Technical & managerial together) and 42 per cent trained on safety.

PRINCIPLE 4 - BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. **Has the Company mapped its internal and external Stakeholders?**

   Yes – the Company has done so consummately.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalised Stakeholders?**

   Yes, we always actively work to identify underprivileged communities in and around our Manufacturing Sites to prioritise our intervention and work on to serve their needs through our well-crafted CSR Programs. The needs are identified through various listening and learning methods and are prioritised by suitably addressing the needs of the Community and the long term strategic growth of the Company as well.

3. **Are there any special initiatives taken by Company to engage with the disadvantaged, vulnerable and marginalised Stakeholders? If so, provide details thereof, in about 50 words or so.**

   Yes, Himadri Speciality Chemical Ltd believes that it has an important role to play in the inclusive growth of the Society and the Community in which it operates

   - The Company has taken up Project for provision of Safe Drinking Water to each household in the Village.
   - The Company promotes Education and Literacy in adjoining villages. Free Distribution of Books is the initiative taken at the commencement of each Academic Year for the needy School Children so that they can seamlessly pursue their studies.
   - The Company provides Healthcare Facilities to the underprivileged in and around its Factory premises. A Medical Centre is run in the Village where the Manufacturing Activities of the Company is situated. It provides Free Medical Consultation and Free Medicine to the needy Villagers of all adjoining Villages around the year.

   Details of all the Activities listed above can be found in **Annexure IX** to the Board's Report.

PRINCIPLE 5 - BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint ventures/suppliers/contractors/NGOs/others?**

   The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The Company is holding ISO 9001:2008 and ISO 14001:2015 certification for Health and Safety Standards and Environment Management Standards. The Company expects its suppliers, contractors etc. to adhere to the principles of human rights.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**

   No stakeholder complaints were received pertaining to human rights violation in financial year 2018-19.

Annexure XI
of the Board's Report (Contd.)

PRINCIPLE 6 - BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to principle 6 cover only the Company or extends to the Group/Joint ventures/suppliers/contractors/NGOs/others.**

   The Company is committed to safeguard the interest of environment with a view of sustainable development. For the same, Company has taken many environmental friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   The Company understands and recognizes that climate change and global warming are real threat to the global community and each and every person has a role & responsibility to address such alarming issue. The Company has taken the following initiatives to address these global environmental issues as:

   i. **Anode material for Lithium-ion batteries:** The Company has developed anode material for lithium-ion batteries and is expanding its commercial capacity to market the same. Lithium-ion batteries are critical for industries like electric vehicles and renewable energy storage solutions thereby reducing the reliance on fossil fuel globally.

   ii. **Operation of Boiler through waste flue gas generated from Carbon Black reactor during the production of Carbon Black:** The waste flue gas generated from the carbon black reactor is routed to the drier where it is being utilized for drying the Carbon Black. Thus additional fuel is not required for the operation of drier thereby reducing the emission of Carbon-dioxide a green-house gas. The power generated by the Company is clean power eligible for carbon credits.

   iii. **Use of heat exchanger:** The heat exchanger transfers some of the waste heat in the exhaust to the furnace air, thus preheating it before entering the fuel burner stage. Since the gases have been pre-heated, less fuel is required to heat the gases up to the furnace inlet temperature. By recovering some of the energy usually lost as waste heat, the heat exchanger can make reheating furnace more efficient. Less use of fuel ultimately leads to less generation of carbon-dioxide thereby contributing to global cause.

   More information is available on following web link: https://www.himadri.com/sustainability

3. **Does the Company identify and assess potential environmental risks?**

   Yes.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?**

   No, the Company presently does not have any project related to clean development mechanism.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc? Y/N. If yes, please give hyperlink for web page etc.**

   The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. **Annexure VII** to the Board's Report contains details of the steps taken to conserve energy during the year.

   Sustainable growth is an integral part of Company's philosophy and multiple projects and initiavs are undertaken to address clean technology, energy efficiency, renewable energy etc. The Company is Carbon Positive in its operations and has zero discharge facilities. Some of the initiatives are listed below:

Annexure XI
of the Board's Report (Contd.)

Clean and green power: The Company generates power from fuel gas generated during production of carbon black. This power is clean and green power. The power is used for captive consumption as well as sold to grid to reduce overall carbon footprint.

Alternative Source of energy: The Company has started commissioning alternate source of energy through use of solar panels for the lighting equipment as well as very long solar panels for the warehouse and packaging activity also contemplating to progressively use this source in critical manufacturing equipment.

Waste management: Well integrated system to handle wastes. E.g., all the water waste generated during process is utilised as input material for another process.

- Kitchen waste – we generate the bio-gas which in turn used for our canteen cooking

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   All the plants of the Company comply with the prescribed emission norms of various Central/State pollution control boards. All the emission and waste generated by the Company is well within the permissible limits given by SPCB/CPCB for the financial year reported.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   No show cause or legal notices from the pollution control authorities are pending as at the end of the financial year.

PRINCIPLE 7 - BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with.**

   (a) Bharat Chamber of Commerce (b) Indian Chamber of Commerce and Industry (c) Indo-German Chamber of Commerce (d) Federation of Indian Chambers of Commerce and Industry (e) CII (f) Hooghly Chamber of Commerce & Industry (g) ACAE Chartered Accountants' Study Circle – EIRC and (h) ASSOCHAM

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

   We do from time to time take up issues through these associations on matters of public and industry interest.

PRINCIPLE 8 - BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:

   - Promoting healthcare including preventing healthcare.
   - Promoting education and special education.
   - Eradicating hunger and making available safe drinking water

   The details of specific CSR projects are given in **Annexure IX** to the Board's Report.

2. **Are the programmes/projects undertaken through in house team/own foundation/external NGO/ government structures/any other organisation?**

   The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

Annexure XI
of the Board's Report (Contd.)

3. **Have you done any impact assessment of your initiative?**

   Efforts are made to make a general assessment of impact of some of the initiatives. The CSR Committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programs and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

   During the year, the Company has spent ₹ 117.67 lakhs towards various CSR initiatives and projects. The details of the same are given in **Annexure IX** to the Board's Report.

5. **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

   All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

PRINCIPLE 9 - BUSINESSES SHOULD ENGAGE WITH AND VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   No customer complaints are pending as on the end of the financial year.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Not Applicable

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   There is no case against Himadri Speciality Chemical Ltd during last five years, relating to unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Himadri believes in providing best services to its customers. Time to time meeting(s) with customers are organized to understand their expectation and essentially to gauge our competitiveness in the business. Himadri leverages its presence across the country to remain consistently in touch with the customers through its business unit and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service. Our ongoing efforts have made us market leaders or significant players across all products we operate in.

For and on behalf of the Board

	Sd/-	Sd/-
	Bankey Lal Choudhary	**Shyam Sundar Choudhary**
Place: Kolkata	*Managing Director*	*Executive Director*
Date: 28 May 2019	(DIN: 00173792)	(DIN: 00173732)

Independent Auditors' Report

To the Members of Himadri Speciality Chemical Limited

(formerly known as Himadri Chemicals & Industries Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Standalone Financial Statements* 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 standalone 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

Assessment of impairment of investments and loans given to subsidiary

See note 7 and 11 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has made investments and given loan to its wholly owned subsidiary ("WoS"), who in turn has invested and given loan to its step-down subsidiary ('the subsidiary'). As at 31 March 2019, the investments and loans amount were ₹ 8,001.00 lakhs and ₹ 3,257.12 lakhs respectively. The investments were recognised at cost. The subsidiary has incurred losses during the previous years as well as current year ended 31 March 2019 and its net worth as at 31 Mach 2019 stands substantially eroded which indicates potential impairment of investments in the subsidiary along with loans given. We consider this as a key audit matter given the significance of the value of investments and loans appearing in the standalone financial statements and extent of management's judgments and estimates, due to inherent uncertainty involved around impairment assessment of related factors e.g. future cash flows, discount rate, terminal value, economic growth rates etc.	Our audit procedures included, among other things: - Understood and tested the design and operating effectiveness of controls as established by management in determination of appropriateness of the carrying value of investments and loans. - Evaluated the Company's process regarding impairment assessment by involving our valuation experts to assist in assessing the appropriateness of the investment's impairment model, including the independent assessment of the underlying assumptions relating to discount rate, economic growth rate, terminal values etc. - Evaluated the cash flow forecasts of the subsidiary (with underlying economic growth rate) by comparing them to the budgets provided by the management, actual financial performance and our understanding of the industry's external factors. - Assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment. We checked the mathematical accuracy of the impairment model. - Considered the adequacy of disclosures in respect of the above investments and loans in the standalone financial statements. Based on the above procedures performed, we concluded that the management's impairment assessment is reasonable and no impairment needs to recognised for the year ended 31 March 2019.

Litigation and regulatory proceedings

See note 8 and 16 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has ₹ 792.65 lakhs as amount receivable from a customer and ₹ 1,086.76 lakhs as advances given to a costomer at 31 March 2019, towards amount receivables from a customer and advances given to suppliers respectively, which are currently under arbitration proceedings from earlier years. Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the magnitude of the legal matters involved along with the fact that legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially over time as new facts emerge and each legal case progresses. The Company has carried out independent assessment of the above matters and also has obtained independent legal opinion to support their assessment around the outcome of these litigations that has led to their conclusion that no provision is required to be recognised in the books of account against the same. We considered this to be a matter of significance to our audit given the inherent complexity, magnitude of potential exposures and the final outcome of these litigations, is likely to have significant impact on the standalone financial statements for the year ended 31 March 2019.	We performed the following audit procedures in this regard: - Understood and evaluated the design and tested the operating effectiveness of controls around the assessment of this matter. - Evaluated the independence and competency of legal expert engaged by the Company. - Read the independent legal opinion obtained by the Company, from external legal counsel. - Obtained and tested evidence to support the management assessment with regard to non-provisioning against amount receivables from a customer and advances given to suppliers. - Assessed the appropriateness of disclosures in the standalone financial statements of the Company. Based on the above procedures performed, we concluded that the management's assessment with regard to the non-provisioning of amount receivables from a customer and advances given to suppliers is reasonable.

Independent Auditors' Report (Contd.)

Information other than the Standalone Financial Statements and auditors' report thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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 financial statements, 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.

Independent Auditors' Report (Contd.)

- 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 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 made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements 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 auditors' 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 financial statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(A) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;

Independent Auditors' Report (Contd.)

(e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 8(c),16(b), 24 and 35(a) to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 21 to the standalone financial statements;

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

(iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 28 May 2019

Annexure A

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain items of fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than leasehold land) as disclosed in note 4 to the standalone financial statements, are held in the name of the Company and in respect of leasehold lands, we have verified the lease agreements duly registered with the appropriate authorities as disclosed in Note 4 to the standalone financial statements.

(ii) The inventory, except stock lying with third parties and goods-in-transit, have been physically verified by the management of the Company at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties as at the year end, written confirmations have been obtained and in respect of goods-in-transit, subsequent receipts of goods have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) According to the information and explanations given to us and based on our examination of the records, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the provisions of Section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Act with respect to investments made and loans given. The Company has not provided any guarantees or security under the provisions of Section 186 of the Act.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act, in respect of the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

Annexure A

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019 (Contd.)

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including, Goods and services tax, Duty of customs, Cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, though there have been slight delays in few cases in respect of Provident Fund, Employees' State Insurance and Income-tax. As explained to us by the management, the Company did not have any dues on account of Sales-tax, Service Tax, Duty of excise and Value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and services tax, Duty of customs, Cess and any other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales tax, Value added tax, Service tax, Goods and services tax, Duty of customs and Duty of excise which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the statute	Nature of the dues	Total amount under dispute (₹ in lakhs)	Total amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	1,025.01	182.01	2005-2006 to 2012-2013 and 2014-2015	Appellate and Revision Board
		30.45	7.61	2005-2006	Sales Tax Appellate Tribunal
		953.61	122.55	2013-2014 and 2015-2016	Additional Commissioner
		64.20	-	2011-2012 and 2014-2015	Assistant Commissioner
		0.89	0.42	2010-2011	Deputy Commissioner
West Bengal Value Added Tax Act, 2003	Value added tax	905.86	-	2008-2009	West Bengal Taxation Tribunal
		2,203.58	-	2005-2006 to 2007-2008, 2009-2010 to 2010-2011	Appellate and Revision Board
		257.91	-	2005-2006	Senior Joint Commissioner -Special Cell
		41.28	19.36	2013-2014	Additional Commissioner

Annexure A

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019 (Contd.)

Name of the statute	Nature of the dues	Total amount under dispute (₹ in lakhs)	Total amount paid under protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Chhattisgarh Value Added Sales Tax Act, 2003	Value Added Tax	2.30	1.48	2010-2011	Deputy Commissioner
The Central Excise Act, 1944	Duty of Excise	2,061.27	-	2011 to 2016	Hon'ble High Court of Calcutta
		836.55	30.34	2006 to 2008, 2012 to 2016	Custom Excise and Service Tax Appellate Tribunal
		65.46	1.65	2004 to 2006, 2012 to 2017	Commissioner (Appeals) of Central Excise
The Custom Act, 1962	Duty on Custom	491.76	37.72	2000-2001, 2011-2016	Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	44.35	0.13	2010-2015	Custom Excise and Service Tax Appellate Tribunal
		0.43	4.73	2010-2016	Commissioner of Central Excise
Chhattisgarh Entry Tax Act, 1976	Entry tax	313.57	226.89	2012-2014 and 2015-2017	Hon'ble High Court of Judicature Chhatisgarh at Bilaspur
		165.32	21.49	2014-2015	Assistant Commissioner
The West Bengal Tax on entry of Goods into Local Areas, Act, 2012	Entry tax	1,577.88	-	2012-2013 and 2016-2017	Hon'ble High Court of Calcutta
		3,103.18	-	2013-2014 to 2015-2016	West Bengal Taxation Tribunal
Income Tax Act, 1961	Income tax	938.87	-	2011-2012	Commissioner of Income-tax (Appeals)

Annexure A

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019 (Contd.)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, banks or dues to debenture holders during the year. The Company did not have any loans or borrowings taken from government during the year.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans. Accordingly, the provisions of paragraph 3(ix) of the Order are not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them in respect of which provisions of Section 192 of the Act are applicable. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 28 May 2019

Annexure B

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

We have audited the internal financial controls with reference to financial statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Annexure B

to the Independent Auditors' Report of even date on the Standalone Financial Statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemical & Industries Limited) for the year ended 31 March 2019 (Contd.)

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 28 May 2019

Standalone Balance Sheet
as at 31 March 2019

Amount in ₹ Lakhs

	Note	31 March 2019	31 March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	**108,980.90**	109,680.58
(b) Capital work-in-progress	5	**12,643.27**	1,768.01
(c) Other intangible assets	6	**233.93**	236.14
(d) Financial assets			
(i) Investments	7	**25,921.85**	35,324.03
(ii) Trade receivables	8	**792.65**	798.79
(iii) Loans	11	**5,233.69**	4,718.29
(iv) Other financial assets	12	**4.72**	3.04
(e) Non-current tax assets (net)	13	**160.01**	486.68
(f) Other non-current assets	14	**12,449.54**	5,317.03
Total non-current assets		**166,420.56**	158,332.59
(2) Current assets			
(a) Inventories	15	**53,890.73**	41,519.79
(b) Financial assets			
(i) Trade receivables	8	**36,604.27**	26,988.68
(ii) Cash and cash equivalents	9	**952.90**	1,718.04
(iii) Bank balances other than (ii) above	10	**3,704.61**	1,431.07
(iv) Loans	11	**190.61**	268.23
(v) Other financial assets	12	**1,362.71**	812.40
(c) Other current assets	16	**15,470.65**	10,226.76
Total current assets		**112,176.48**	82,964.97
TOTAL ASSETS		**278,597.04**	241,297.56
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**4,185.79**	4,184.08
(b) Other equity	18	**163,537.13**	141,448.47
Total equity		**167,722.92**	145,632.55
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**18,827.83**	23,119.18
(ii) Derivatives	21	**376.86**	583.65
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**295.25**	255.22
(c) Deferred tax liabilities (net)	33	**12,788.16**	9,710.84
Total non-current liabilities		**32,313.87**	33,694.66
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**24,166.72**	36,422.53
(ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**141.74**	200.58
- total outstanding dues of creditors other than micro enterprises and small enterprises		**40,973.62**	11,625.64
(iii) Derivatives	21	**228.05**	185.91
(iv) Other financial liabilities	22	**6,750.34**	7,659.55
(b) Other current liabilities	23	**6,007.08**	5,757.31
(c) Provisions	24	**54.92**	40.24
(d) Current tax liabilities (net)	25	**237.78**	78.59
Total current liabilities		**78,560.25**	61,970.35
TOTAL EQUITY AND LIABILITIES		**278,597.04**	241,297.56
Significant accounting policies	3		
The accompanying notes form an integral part of the Standalone financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 28 May 2019

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Himadri

Standalone Statement of Profit & Loss
for the year ended 31 March 2019

Amount in ₹ Lakhs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from operations	26	**237,661.90**	202,152.30
II. Other income	27	**1,069.44**	776.73
III. Total income (I + II)		**238,731.34**	202,929.03
IV. Expenses			
Cost of materials consumed	28	**160,371.13**	133,249.40
Changes in inventories of finished goods and work-in-progress	29	**(1,590.28)**	(771.63)
Excise duty		**-**	5,034.56
Employee benefits expense	30	**5,812.42**	4,663.10
Finance costs	31	**7,056.94**	7,042.98
Depreciation and amortisation expense	4 and 6	**3,253.26**	3,141.42
Other expenses	32	**19,325.59**	14,976.70
Total expenses		**194,229.06**	167,336.53
V. Profit Before tax (III-IV)		**44,502.28**	35,592.50
VI. Tax expenses			
Current tax	33	**9,587.01**	7,609.88
Deferred tax charge	33	**4,185.44**	3,725.16
Total tax expenses		**13,772.45**	11,335.04
VII. Profit for the year (V-VI)		**30,729.83**	24,257.46
VIII. Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the net defined benefit plan		**(43.85)**	(20.77)
(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		**(9,402.15)**	18,665.64
(c) Income tax relating to items that will not be reclassified to profit or loss		**1,108.12**	(4,864.43)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(8,337.88)**	13,780.44
B. Items that will be reclassified subsequently to profit or loss			
(a) Effective portion of gains on hedging instruments in cash flow hedges		**-**	3,882.61
(b) Effective portion of gains on hedging instruments in cash flow hedges reclassified to profit and loss		**-**	(3,774.56)
(c) Income tax relating to items that will be reclassified to profit or loss		**-**	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**-**	108.05
Other comprehensive income for the year (net of income tax)		**(8,337.88)**	13,888.49
IX. Total comprehensive income for the year (VII+VIII)		**22,391.95**	38,145.95
X. Earnings per equity share	34		
[Face value of equity share ₹ 1 each (previous year ₹ 1 each)]			
- Basic		**7.34**	5.80
- Diluted		**7.34**	5.80
Significant accounting policies	3		
The accompanying notes form an integral part of the Standalone financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Standalone Statement of Changes in Equity
for the year ended 31 March 2019

A. Equity share capital

Amount in ₹ Lakhs

Particulars	Note	Number	Amount
Balance as at 1 April 2017		418,407,867	4,184.08
Changes in equity share capital during the year	17	-	-
Balance as at 31 March 2018		418,407,867	4,184.08
Changes in equity share capital during the year	17	**170,878**	1.71
Balance as at 31 March 2019		**418,578,745**	**4,185.79**

B. Other equity

Amount in ₹ Lakhs

		Reserves and surplus						Items of Other comprehensive income			
Particulars	Note	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Remeasurement of net defined benefit plan	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	Total
Balance at 1 April 2017		1,280.50	45,365.53	4,214.27	13,669.94	25.40	33,521.49	(15.43)	(184.69)	5,748.67	103,625.68
Total comprehensive income for the year ended 31 March 2018											
Profit for the year 2017-18		-	-	-	-	-	24,257.46	-	-	-	24,257.46
Other comprehensive income for the year 2017-18		-	-	-	-	-	-	(13.58)	108.05	13,794.02	13,888.49
Total comprehensive income for the year		-	-	-	-	-	24,257.46	(13.58)	108.05	13,794.02	38,145.95
Dividends (including corporate dividend tax)	48	-	-	-	-	-	(503.59)	-	-	-	(503.59)
Fair value changes on derivatives designated as cash flow hedge	43 (d)	-	-	-	-	-	-	-	76.64	-	76.64
Share based payments- Equity settled	39	-	-	-	-	103.79	-	-	-	-	103.79
Transfer from debenture redemption reserve	18	-	-	(1,750.00)	1,750.00	-	-	-	-	-	-
Transfer to debenture redemption reserve	18	-	-	428.56	-	-	(428.56)	-	-	-	-
Balance at 31 March 2018		1,280.50	45,365.53	2,892.83	15,419.94	129.19	56,846.80	(29.01)	-	19,542.69	141,448.47

Standalone Statement of Changes in Equity
for the year ended 31 March 2019 (Contd.)

B. Other equity (Continued)

Amount in ₹ Lakhs

		Reserves and surplus						Items of Other comprehensive income			
Particulars	Note	Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Remeasurement of net defined benefit plan	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	Total
Balance at 1 April 2018		1,280.50	45,365.53	2,892.83	15,419.94	129.19	56,846.80	(29.01)	-	19,542.69	141,448.47
Total comprehensive income for the year ended 31 March 2019											
Profit for the year 2018-19		-	-	-	-	-	30,729.83	-	-	-	30,729.83
Other comprehensive income for the year 2018-19		-	-	-	-	-	-	(28.58)	-	(8,309.30)	(8,337.88)
Total comprehensive income for the year		-	-	-	-	-	30,729.83	(28.58)	-	(8,309.30)	22,391.95
Dividends (including corporate dividend tax)	48	-	-	-	-	-	(504.41)	-	-	-	(504.41)
Issue of equity shares on exercise of employee stock option	17 and 39	-	39.28	-	-	(39.28)	-	-	-	-	-
Share based payments- Equity settled	39	-	30.76	-	-	170.36	-	-	-	-	201.12
Transfer to debenture redemption reserve	18	-	-	428.56	-	-	(428.56)	-	-	-	-
Balance at 31 March 2019		1,280.50	45,435.57	3,321.39	15,419.94	260.27	86,643.66	(57.59)	-	11,233.39	163,537.13

a) Nature and purpose of reserves:

(i) Capital reserve: Capital reserve represents profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

(ii) Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(iii) Debenture redemption reserve (DRR): The Company had issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (amended), requires the Company to create DRR out of profits of the Company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

Standalone Statement of Changes in Equity
for the year ended 31 March 2019 (Contd.)

(iv) **General reserve:** It represents a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. On redemption of 9.60% redeemable non-convertible debentures ₹ Nil (31 March 2018: ₹ 1,750 lakhs) lying in Debenture redemption reserve was transferred to General reserve.

(v) **Share option outstanding reserve:** The Company has a stock option scheme under which options to subscribe for the Company's share have been granted to certain executives and senior employees. The share option outstanding reserve is used to recognise the value of equity-settled share based payments provided to employees, including certain key management personnel, as part of their remuneration. Refer note 39 for further details of these plans.

(vi) **Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(vii) **Remeasurement of defined benefit plan:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Standalone Statement of Profit and Loss.

(viii) **Effective portion of cash flow hedge:** This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedging transactions that have not matured.

(ix) **Equity instruments through other comprehensive income:** The Company has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income (OCI). These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Company transfers amounts therefrom to retained earnings when the relevant equity instruments are derecognised.

b) Refer note 49 for subsequent issue of equity share capital as on 7 May 2019.

Significant accounting policies **3**

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Standalone Statement of Cash Flows
for the year ended 31 March 2019

Amount in ₹ Lakhs

		Year ended 31 March 2019		Year ended 31 March 2018	
A.	**Cash flows from operating activities**				
	Net profit before tax		**44,502.28**		35,592.50
	Adjustments for:				
	Depreciation and amortisation expense	**3,253.26**		3,141.42	
	Share based payments to employees - Equity settled	**170.36**		103.79	
	Finance costs	**7,056.94**		7,042.98	
	Interest income on bank deposits	**(139.21)**		(101.82)	
	Interest on loan given	**(299.68)**		(196.89)	
	Interest income on income tax refunds	**(116.07)**		-	
	Unwinding of discount on security deposits and others	**(144.08)**		(227.27)	
	Gain of fair valuation of investments through profit or loss	**-**		(0.63)	
	Dividend income on equity instruments	**-**		(0.08)	
	Guarantee fee	**-**		(7.28)	
	Gain on sale proceeds of current investments measured at fair value through profit or loss	**(4.05)**		(11.35)	
	Foreign exchange fluctuation (net)	**(870.96)**		781.12	
	Net gain on sale of property, plant and equipment	**(1.67)**		-	
	Cash generated from operations before working capital changes		**8,904.84**		10,523.99
	Operating cash flows before working capital changes		**53,407.12**		46,116.49
	Working capital adjustments:				
	(Increase) in inventories	**(12,370.94)**		(2,312.74)	
	(Increase) in trade receivables	**(9,657.29)**		(5,405.93)	
	(Increase) in financial and other assets	**(5,054.07)**		(979.81)	
	Increase/ (decrease) in trade payables	**29,894.30**		(3,111.35)	
	Increase/ (decrease) in financial, other liabilities and provisions	**485.36**		(1,721.75)	
	Net changes in working capital		**3,297.36**		(13,531.58)
	Cash generated from operating activities		**56,704.48**		32,584.91
	Tax paid (net of refunds)		**(9,543.89)**		(7,922.68)
	Net cash generated from operating activities (A)		**47,160.59**		24,662.23
B.	**Cash flows from investing activities**				
	Purchase of property, plant and equipments	**(20,010.59)**		(4,968.90)	
	Sales proceeds of property, plant and equipments	**5.99**		-	
	Purchase of intangible assets	**(47.75)**		(236.27)	
	Interest income received	**304.41**		372.50	
	Dividends received	**-**		0.08	
	Guarantee fee received	**-**		125.29	
	Loan given to a subsidiary	**(209.87)**		(2,421.41)	
	Sale proceeds of current investments	**4,604.08**		6,237.05	
	Purchase of current investments	**(4,600.00)**		(6,200.00)	
	(Investment in)/ redemption of bank deposits (having maturity of more than 3 months)	**(2,276.59)**		1,038.63	
	Net cash provided by/ (used in) investing activities (B)		**(22,230.32)**		(6,053.03)
C.	**Cash flows from financing activities**				
	Proceeds from allotment of equity share under employee stock options	**32.47**		-	
	Repayment of non-convertible debentures	**-**		(10,000.00)	
	Proceeds from non-current borrowings	**411.89**		13,122.63	
	Repayment of non-current borrowings	**(6,569.60)**		(15,223.53)	
	Increase/ (decrease) in current borrowings	**(12,470.15)**		1,959.35	
	Interest paid	**(6,548.24)**		(6,460.46)	

Standalone Statement of Cash Flows
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	Year ended 31 March 2019		Year ended 31 March 2018	
Net outflow on settlement of derivative contracts	**(47.35)**		(917.54)	
Dividend paid (including dividend distribution tax)	**(504.41)**		(503.59)	
Net cash provided by/ (used in) financing activities (C)		**(25,695.39)**		(18,023.14)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**(765.12)**		586.06
Cash and cash equivalents at the beginning of the year		**1,718.04**		1,132.72
(refer note 9 to the Standalone financial statements)				
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		**(0.02)**		(0.74)
Cash and cash equivalents at the end of the year		**952.90**		1,718.04
(refer note 9 to the Standalone financial statements)				

Notes:

1. Standalone Statement of Cash Flows has been prepared under the indirect method as set out in *Ind AS 7 "Statement of cash flows"* specified under Section 133 of the Companies Act, 2013.
2. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
3. Change in Liability arising from financing activities

Amount in ₹ Lakhs

	1 April 2018	Cash flow (net)	Foreign exchange movement	Fair Value Changes	31 March 2019
Borrowing (including current maturities of non-current borrowings) - Non Current	**29,592.90**	**(6,157.71)**	**31.86**	**13.23**	**23,480.28**
Borrowing - Current	**36,422.53**	**(12,470.15)**	**214.34**	**-**	**24,166.72**

Amount in ₹ Lakhs

	1 April 2017	Cash flow (net)	Foreign exchange movement	Fair Value Changes	31 March 2018
Borrowing (including current maturities of non-current borrowings) - Non Current	41,543.32	(12,100.90)	88.46	62.02	29,592.90
Borrowing - Current	33,868.94	1,959.35	594.24	-	36,422.53

The accompanying notes form an integral part of the Standalone financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 28 May 2019

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Notes to the Standalone financial statements

for the year ended 31 March 2019

1. Reporting entity

Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited ("the Company") is a public company domiciled and headquartered in India, having its registered office situated at 23A, N. S. Road, Kolkata - 700 001 and corporate office situated at 8, India Exchange Place, 2nd floor, Kolkata -700 001. The Company was incorporated on 28 July 1987 and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacturing of carbon materials and chemicals. The Company has operations in India and caters to both domestic and international markets. The Company also has a wholly-owned subsidiary in India in the name of Equal Commodeal Private Limited, a step down wholly-owned subsidiary in the name of AAT Global Limited, incorporated in Hong Kong and another step down subsidiary with 94% shareholding in the name of Shandong Dawn Himadri Chemical Industry Limited, incorporated in China.

2. Basis of preparation and measurement of Standalone financial statements

(a) Statement of compliance

These Standalone financial statements are prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 Companies Act, 2013 ("the Act"), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ("SEBI"), as applicable.

The Standalone financial statements were authorised for issue by the Board of Directors of the Company at their meeting held on 28 May 2019.

The details of the Company's accounting policies are included in note 3 to the Standalone financial statements.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Standalone financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Derivative financial instruments measured at fair value;

(ii) Certain financial assets and financial liabilities measured at fair value;

(iii) Employee's defined benefit plan as per actuarial valuation, and

(iv) Employee share-based payments measured at fair value.

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Key accounting estimates and judgements

The preparation of the Company's Standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes and disclosures, and the disclosure of contingent liabilities. Estimates and

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Standalone financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. The changes in the estimates are reflected in the Standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. See note 3 (d) and 4 for details.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk and credit risk. See note 3 (v) and 42 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuation using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 38 for details.

(iv) Employee share-based payments

The Company measures the cost of equity-settled transactions with employees using Black Scholes Merton model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 3(g)(ii) and 39.

(v) Recognition of current tax and deferred tax

Current taxes are recognised at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. See note 3(n) and 33 for details.

(vi) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 24, 35(a) and 43 for details.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 42.

3. Significant accounting policies

(a) Current Vs. non-current classification

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

(i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is expected to be realised within 12 months after the reporting date; or

(iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

(i) it is expected to be settled in the Company's normal operating cycle;

(ii) it is held primarily for the purpose of being traded;

(iii) it is due to be settled within 12 months after the reporting date; or

(iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

For the purpose of current and non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Standalone Statement of Profit and Loss in the period in which they arise, except:

- exchange differences on qualifying cash flow hedges to the extent that the hedges are effective;
- exchange differences on long term foreign currency monetary items accounted for in accordance with

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

exemption availed by the Company under Ind AS 101.

(c) Financial instruments

(i) Recognition and initial measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of the financial asset/ financial liabilities.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through Other Comprehensive Income (FVOCI)– Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Standalone Statement of Profit and Loss. This category generally applies to long-term deposits, loans and long-term trade receivables.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Financial assets at fair value through Profit or Loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the EIR. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Investments in subsidiary is carried at cost in standalone financial statements.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Standalone Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. See note 3(c)(v) for financial liabilities designated as hedging instruments.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on such instruments are recognised in the Standalone Statement of Profit and Loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense and foreign exchange gains and losses are recognised in Standalone Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables (including other financial liabilities) maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swap and option contracts to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Company uses forward contracts, cross currency swaps and interest rates swaps to hedge its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the Ind AS 109 "*Financial Instruments: Recognition and Measurement*". The use of hedge instruments is governed by the Company's policies approved by the Board of Directors. The Company does not use these contracts for trading or speculative purposes.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under "effective portion of cash flow hedges". The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in Statement of Profit and Loss.

All other hedged forecast transactions, the amount accumulated in other equity is reclassified to Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Standalone Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect Standalone Statement of Profit and Loss.

If the hedged future cash flows/ forecasted transactions are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to Statement of Profit and Loss.

Derivatives that are not designated as hedge

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through Standalone Statement of Profit and Loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Standalone Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance

Notes to the Standalone financial statements

for the year ended 31 March 2019 (Contd.)

Sheet are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under "Other current assets".

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-current Assets".

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3 (b) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation and amortization

Depreciation and amortisation for the year is recognised in the Standalone Statement of Profit and Loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method for Property, plant and equipment situated at Liluah Unit - I (Howrah), Vapi and Vizag, and on property, plant and equipment situated at other locations are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except land acquired on perpetual lease. Useful lives and residual values are reviewed at each financial year end and adjusted, as appropriate.

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings	10-60	30
Plant and equipment	5-60	8-40
Office equipment	5-25	5
Vehicles	8-10	6-10
Furniture and fixtures	10	8-10

Based on technical assessment done by experts and management's estimate:

- Useful life of property, plant and equipment are different than those indicated in Schedule II to the Act, as stated above.
- Residual value on property, plant and equipment has been estimated at 5% of the cost, specified in Schedule II of the Act.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(e) Other intangible Assets

(i) Recognition and measurement

Other intangible assets includes computer software which are acquired by the Company and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment loss.

Revenue expenditure on research and development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Company.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Amortisation

Amortisation in respect to all the intangible assets is provided on straight line method over the useful lives of assets based on evaluation. The useful life of such intangible assets for Computer software is 5 years. The amortisation period for other intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is "credit- impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at twelve months ECL unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 *Financial Instruments for recognition of impairment loss allowance*. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis,

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

based on the Company's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Employee share- based payment transactions

The Company recognises compensation expense relating to share-based payments in Statement of Profit and Loss using fair value in accordance with Ind AS 102, Share Based Payment.

The grant date fair value of equity

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions for (a) employee provident fund to Government administered provident fund scheme, and (b) superannuation scheme for eligible employees to Life Insurance Corporation of India (LICI), which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Standalone Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ("the asset ceiling"). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ("past service cost" or "past service gain") or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested.

(v) Compensated absences

As per policy of the Company, employees can carry forward unutilised accrued compensated absences and utilise it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Company records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement. The obligation is measured at actuals at the year end as per the policy of the Company. The expected cost of accumulating compensated absences is determined by the management at each balance sheet date measured based on the amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

(h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Raw materials held for use in the production

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(j) Revenue - Sales of products

The Company revenue primarily from sale of Carbon materials and chemicals and Power (Generation and Distribution).

Effective 1 April 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018) in retained earnings, if any. The comparative information in the Standalone Statement of Profit and Loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 2 (j) of the Standalone financial statements - Significant accounting policies – "Revenue-Sale of products" in the Annual report of the Company for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the Standalone financial statements of the Company is insignificant.

At contract inception, Company assess the goods promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Company expects to receive in exchange for those products.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts and incentives, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods.

Significant financing component - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Company recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Revenue from sale of power is accounted as per agreed tariff rates with the respective electricity board and are recognised net of discounts for prompt payment of bills.

(k) Government Grants

Government grants are recognised in the Standalone Statement of Profit and Loss as other operating revenue on a systematic basis over the periods in which the Company recognises the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Standalone Statement of Profit and Loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

(l) Recognition of dividend income, interest income or expense

Dividend income is recognised in Standalone Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate (EIR) method. The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

(m) Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in Standalone Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Income tax

Income tax expense comprises of current tax and deferred tax charge or credit. Current tax and deferred tax is recognised in the Standalone Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For items recognised in other

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

comprehensive income or equity, deferred / current tax is also recognised in other comprehensive income or equity.

In case of tax payable as Minimum Alternative Tax ("MAT") under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT Credits are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(o) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(q) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Company.

(r) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders

Notes to the Standalone financial statements

for the year ended 31 March 2019 (Contd.)

and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(u) Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The Company has currently two reportable segments viz. Carbon materials and chemicals and Power.

(v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

(w) Determination of fair values

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Separable embedded derivative

The fair value of the separable embedded derivative is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate (based on government bond), expected volatility.

(ii) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI.

Investments in equity instruments are measured at FVOCI and adjusted net assets method has been used for fair valuations of investment in unquoted securities.

(iii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Derivative financial liabilities

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swap to hedge its foreign currency risks, interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

(v) Other non-derivative financial liabilities

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. For finance leases the market rate of interest is determined with reference to similar lease agreements.

(vi) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility, expected life of the instrument (based on historical experience), expected dividends, and the risk free interest rate (based on government bonds).

(x) Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new Ind AS and amendments to existing issued Ind AS which the Company has not applied as they are effective from 1 April 2019:

(i) Ind AS 116 Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company has completed an initial assessment of the potential impact on its Standalone financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Standalone financial statements in the period of initial application is not reasonably estimable as at present.

The Company will recognise new assets and liabilities for its operating leases of offices and factory facilities. The nature of expenses related to those leases will now change because the Company will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Company recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Company will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Company will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment

Transition to Ind AS 116

The Company plans to adopt Ind AS 116 with modified retrospectively approach with cumulative effect of applying the standard, recognised on the date of initial applicable (1 April 2019). The Company will elect to apply

Notes to the Standalone financial statements

for the year ended 31 March 2019 (Contd.)

the standard to contracts that were previously identified as leases applying Ind AS 17. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Company will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Company intends to adopt this standard. However, adoption of this standard is not likely to have a significant impact in the Standalone financial statements.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its Standalone financial statements.

(iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its Standalone financial statements.

(iv) Ind AS 23 – Borrowing Costs

Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. The Company does not expect this amendment to have any significant impact on its Standalone financial statements.

Notes to the Standalone financial statements

for the year ended 31 March 2019 (Contd.)

4. Property, plant and equipment

See accounting policies in note 3(d) and 3(f) (ii)

Reconciliation of carrying amount

Amount in ₹ Lakhs

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount								
Balance at 1 April 2017	3,667.15	334.16	7,371.72	137,953.77	736.88	893.65	1,660.44	152,617.77
Additions during the year	40.00	-	202.56	1,986.56	25.88	80.29	100.74	2,436.03
Effect of movement in foreign exchange rates	-	-	-	88.46	-	-	-	88.46
Balance at 31 March 2018	3,707.15	334.16	7,574.28	140,028.79	762.76	973.94	1,761.18	155,142.26
Balance at 1 April 2018	3,707.15	334.16	7,574.28	140,028.79	762.76	973.94	1,761.18	155,142.26
Additions during the year	-	-	8.61	1,284.07	397.54	443.95	341.90	2,476.07
Discard/ disposals during the year	-	-	-	(4.03)	-	(10.42)	-	(14.45)
Effect of movement in foreign exchange rates	-	-	-	31.86	-	-	-	31.86
Balance at 31 March 2019	**3,707.15**	**334.16**	**7,582.89**	**141,340.69**	**1,160.30**	**1,407.47**	**2,103.08**	**157,635.74**
Accumulated depreciation and amortisation								
Balance at 1 April 2017	-	13.75	2,039.40	37,688.32	486.31	619.69	1,472.92	42,320.39
Depreciation/ amortisation for the year	-	13.75	198.63	2,749.33	68.50	72.26	38.82	3,141.29
Balance at 31 March 2018	-	27.50	2,238.03	40,437.65	554.81	691.95	1,511.74	45,461.68
Balance at 1 April 2018	**-**	**27.50**	**2,238.03**	**40,437.65**	**554.81**	**691.95**	**1,511.74**	**45,461.68**
Depreciation/ amortisation for the year	**-**	**13.02**	**200.50**	**2,754.48**	**58.05**	**85.53**	**91.72**	**3,203.30**
Discard/ disposals during the year	**-**	**-**	**-**	**(0.24)**	**-**	**(9.90)**	**-**	**(10.14)**
Balance at 31 March 2019	**-**	**40.52**	**2,438.53**	**43,191.89**	**612.86**	**767.58**	**1,603.46**	**48,654.84**
Net carrying amount								
At 31 March 2018	3,707.15	306.66	5,336.25	99,591.14	207.95	281.99	249.44	1,09,680.58
At 31 March 2019	**3,707.15**	**293.64**	**5,144.36**	**98,148.80**	**547.44**	**639.89**	**499.62**	**108,980.90**

Notes:

(a) As at 31 March 2019, Property, plant and equipment with net carrying amount of ₹ **105,101.06 lakhs** (31 March 2018: ₹ 106,036.35 lakhs) are subject to first charge to secure borrowings (refer note 19).

(b) Gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fixtures and Office equipment) of ₹ **1,569.88 lakhs** (31 March 2018: ₹ 1,446.01 lakhs) and net carrying amount of ₹ **944.64 lakhs** (31 March 2018: ₹ 916.29 lakhs). Additions for the Research and development assets during the year 2018-19 is ₹ **123.87 lakhs** (2017-18: ₹ 191.89 lakhs).

(c) For contractual commitment with respect to property, plant & equipment, refer note 35(b)(II)(i).

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

5. Capital work-in-progress

See accounting policy in note 3(d)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
At the beginning of the year	**1,768.01**	936.45
Additions during the year	**12,272.88**	3,275.96
Capitalised during the year	**(1,397.62)**	(2,444.40)
At the end of the year	**12,643.27**	1,768.01

Capital work-in-progress includes:

Expenditure incurred on addition to manufacturing facility of the Company, given below:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
At the beginning of the year	**224.35**	17.46
Additions during the year:		
Employee benefits expense	**347.01**	48.50
Rates and taxes	**-**	50.00
Finance cost	**231.78**	-
Miscellaneous expenses (includes professional fees, inspection charges, testing charges, etc.)	**897.69**	108.39
	1,476.48	206.89
Less: Capitalised during the year	**5.45**	-
At the end of the year	**1,695.38**	224.35

6. Other intangible assets

See accounting policies in note 3(e) and 3(f) (ii)

Reconciliation of carrying amount of Computer software

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Gross carrying amount		
At the beginning of the year	**236.27**	-
Additions during the year	**47.75**	236.27
At the end of the year	**284.02**	236.27
Accumulated amortisation		
At the beginning of the year	**0.13**	-
Amortisation during the year	**49.96**	0.13
At the end of the year	**50.09**	0.13
Net carrying amount	**233.93**	236.14

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

7. Investments

See accounting policies in note 3(c)(i) - (ii) and 3(f)(i)

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Investments in subsidiary carried at cost		
Equity instruments (unquoted)		
10,000 (31 March 2018: 10,000) equity shares of Equal Commodeal Private Limited, a wholly-owned subsidiary (face value - ₹ 10 each)	**1.00**	1.00
Debentures (unquoted)		
800 (31 March 2018: 800) 1.50% Fully Convertible Debentures in Equal Commodeal Private Limited, a wholly-owned subsidiary (face value - ₹ 1,000,000 each)^	**8,000.00**	8,000.00
	8,001.00	8,001.00
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
334,900 (31 March 2018: 334,900) equity shares of Himadri Credit & Finance Limited (face value - ₹ 10 each)	**1,270.61**	5,790.09
8,000 (31 March 2018: 8,000) equity shares of Transchem Limited (face value - ₹ 10 each)	**1.90**	2.60
	1,272.51	5,792.69
Unquoted		
Nil (31 March 2018: 720,000) equity shares of Himadri Dyes & Intermediates Limited (face value - ₹ 10 each)*	**-**	12,109.68
17,000 (31 March 2018: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹ 10 each)	**1.51**	1.52
Nil (31 March 2018: 493,300) equity shares of Himadri Industries Limited (face value - ₹ 10 each)*	**-**	9,419.07
2 (31 March 2018: Nil) equity shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)*	**5.31**	-
1 (31 March 2018: Nil) equity shares of Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) (face value - ₹ 10 each)*	**0.06**	-
	6.88	21,530.27
Preference shares (Unquoted)		
1,248,774 (31 March 2018: Nil) 1% Non-cumulative Optionally Convertible Preference Shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)*	**16,595.02**	-
	16,595.02	-
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (Unquoted)		
463,702 (31 March 2018: Nil) 1% Non-cumulative redeemable preference shares of Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) (face value - ₹ 10 each)*	**46.37**	-
	46.37	-

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (Deposited with sales tax authorities)	**0.07**	0.07
	25,921.85	35,324.03
Aggregate book value of quoted investments	**1,272.51**	5,792.69
Aggregate market value of quoted investments	**1,272.51**	5,792.69
Aggregate value of unquoted investments	**24,649.34**	29,531.34
Aggregate amount of impairment in value of investments	**-**	-
Investment carried at amortised cost	**8,001.07**	8,001.07
Investment carried at fair value through profit or loss (FVTPL)	**46.37**	-
Investment carried at fair value through other comprehensive income (FVOCI)	**17,874.41**	27,322.96

^The Company, on 31 March 2014, invested in 800, 1.50% Optionally Convertible Debentures ('OCDs') of face value of ₹ 1,000,000 each of Equal Commodeal Private Limited ('Issuer'), aggregating to ₹ 8,000 lakhs by way of private placement. The said debentures were, at the option of the debenture holder redeemable at par, in part or in full, anytime on or after 12 months from the date of allotment or convertible into equity shares at the end of 10 years from the date of allotment at a price equal to net asset value as per the last audited balance sheet of Issuer.

During the year ended 31 March 2017, the terms of the existing OCDs were amended and accordingly, by way of approval of the board of directors, passed at the meeting held on 31 March 2017, the above OCDs stands as Fully Convertible Debentures ('FCD') into equity shares, at par, of full value of ₹ 8,000 lakhs, at the end of the maturity, with option with the FCD holder to opt for an early conversion at any time during the tenure of the FCD. The coupon payments of 1.5% p.a. compounded quarterly were also revised to be paid discretionarily at the discretion of the Issuer company. There is no coupon payment during the year by the Issuer.

*Pursuant to the National Company Law Tribunal ('NCLT') order dated 1 March 2019 passed between Himadri Dyes & Intermediates Ltd ('HDIL'), Himadri Industries Limited ('HIL'), Himadri Coke & Petro Limited ('HCPL'), Modern Hi- Rise Private Limited ('MHPL') and Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) (HIPL), the following new instruments were allotted in lieu of the investments held by the Company:

Investments already held	720,000 equity shares of HDIL of face value of ₹ 10 each
Fair value as at 31 March 2018	₹ 12,109.68 lakhs
Investments as per NCLT order	- 1 equity share of MHPL ('Issuer') of face value of ₹ 10 each; and - 864,000 1% Non-cumulative optionally convertible preference shares of face value of ₹ 10 each of MHPL
Fair value as at 31 March 2019	₹ 11,484.35 lakhs
Terms of OCPS	-OCPS are convertible/ redeemable at any time before the expiry of 20 years from the date of allotment at the option of the Issuer. -Each OCPS, if not opted for conversion shall be redeemable at value equal to fair market value (post considering the market value of underlying assets) of the proportionate equity shares of the Issuer (if it were converted) as on 1 June 2018 (i.e. amalgamation appointed dated). -The outstanding OCPS, if not redeemed, would be converted into equity shares at any time at the option of the Issuer, but not later than 20 years from the date of allotment at the option of the Issuer in a manner that the Company would obtain same proportion of equity shareholding (ownership) of the Issuer as on 1 June 2018 i.e. 7.7% of the total outstanding as on 1 June 2018 and would be subject any dilution thereof pursuant to fresh allotment by MHPL. In that case conversion is made by the Issuer, the OCPS will be converted into 6,253 equity shares (i.e. fixed number of equity shares) whenever converted.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Investments already held	493,000 equity shares of HIL of face value of ₹ 10 each
Fair value as at 31 March 2018	₹ 9,419.07 lakhs
Investments as per NCLT order	- 1 equity share of MHPL of face value of ₹ 10 each. - 1 equity share of HIPL of face value of ₹ 10 each. - 384,774 1% Non-cumulative optionally convertible preference shares of face value of ₹ 10 each of MHPL. - 463,702 1% Non-cumulative, non-convertible redeemable preference shares (RPS) of face value of Rs 10 each of HIPL.
Fair value as at 31 March 2019	₹ 5,162.41 lakhs
Terms of RPS	- RPS are non-convertible, non-cumulative and redeemable in nature. - Dividend shall be payable annually and shall be non-cumulative. - Each RPS redeemable at par at any time before the expiry of the 20 years from the date of allotment.

Information about the Company's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

B. Investments designated at fair value

Amount in ₹ Lakhs

	Fair value as at 31 March 2019	Dividend income recognised during 2018-19	Fair value as at 31 March 2018	Dividend income recognised during 2017-18	Fair value as at 1 April 2017
Fair value through other comprehensive income					
Equity Shares					
Investment in ACC Limited	-	-	-	0.08	-
Investment in Himadri Credit & Finance Limited	**1,270.61**	-	5,790.09	-	1,796.07
Investment in Transchem Limited	**1.90**	-	2.60	-	1.80
Investment in Modern Hi-Rise Private Limited	**5.31**	-	-	-	-
Investment in Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)	**0.06**	-	-	-	-
Investment in Himadri Dyes & Intermediates Limited	-	-	12,109.68	-	3,755.52
Investment in Himadri e-Carbon Limited	**1.51**	-	1.52	-	1.56
Investment in Himadri Industries Limited	-	-	9,419.07	-	3,102.36
Preference shares					
Investment in Modern Hi-Rise Private Limited	**16,595.02**	-	-	-	-
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)	**46.37**	-	-	-	-
	17,920.78	-	27,322.96	0.08	8,657.31

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

8. Trade receivables

See accounting policy in note 3(c) (i)-(ii) and (f) (i)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Trade receivable considered good - secured	**1,371.86**	885.25
Trade receivable considered good - unsecured	**36,442.07**	27,319.23
	37,813.93	28,204.48
Less: Loss for allowances	**417.01**	417.01
	37,396.92	27,787.47
Non-current	**792.65**	798.79
Current	**36,604.27**	26,988.68
	37,396.92	27,787.47
(a) Movement in loss for allowances		
Balance as at beginning of the year	**417.01**	417.01
Change in loss for allowance during the year	**-**	-
Trade receivables written off during the year	**-**	-
Balance as at the end of the year	**417.01**	417.01

(b) For trade receivables secured against borrowings, refer note 19.

(c) Non-current trade receivables represents an amount of ₹ **792.65 lakhs** (31 March 2018: ₹ 798.79 lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Company, the management continues to believe that the outcome of the said proceedings would be in favour of the Company.

(d) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(e) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 43.

9. Cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Cash on hand	**23.18**	15.49
Balances with banks		
- On current accounts	**876.29**	1,184.52
- On EEFC accounts	**45.71**	78.02
- On deposit account (with original maturities less than 3 months)	**7.72**	440.01
	952.90	1,718.04

Bank deposits ₹ **7.72 lakhs** (31 March 2018: ₹ 440.01 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

10. Bank balances other than cash and cash equivalents

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**590.15**	1,401.03
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**28.19**	29.77
- Others [refer note (b) below]	**3,086.27**	0.27
	3,704.61	1,431.07

(a) Bank deposits ₹ **590.15 lakhs** (31 March 2018: ₹ 1,401.03 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

(b) Earmarked balances with banks of ₹ **3,086.27 lakhs** (31 March 2018: ₹ 0.27 lakhs) is held as security against various credit facilities availed by the Company.

11. Loans

See accounting policy in note 3(c) (i) - (ii) and 3(f) (i)

(Unsecured, considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Security and other deposits	**1,890.88**	1,641.04
Loan to employees	**85.69**	30.00
To related party - wholly owned subsidiary		
Loan given to Equal Commodeal Private Limited (refer note 40 and 41)	**3,257.12**	3,047.25
	5,233.69	4,718.29
Current		
Security and other deposits	**72.36**	153.35
Loan to employees	**118.25**	114.88
	190.61	268.23
	5,424.30	4,986.52
Loan receivables considered good - secured	**-**	-
Loan receivables considered good - unsecured	**5,424.30**	4,986.52
Loan receivables which have significant increase in credit risk	**-**	-
Loan receivables - credit impaired	**-**	-
	5,424.30	4,986.52

Information about the Company's exposure to credit and market risks are disclosed in note 43.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

12. Other financial assets

See accounting policy in note 3(c) (i) - (ii) and 3(f) (i)

(Unsecured, considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Bank deposits due to mature after 12 months of the reporting date	**4.46**	2.99
Interest accrued on bank deposits	**0.26**	0.05
	4.72	3.04
Current		
Receivable from parties other than related parties		
Interest accrued on bank deposits	**16.58**	35.96
Insurance claim receivable	**-**	126.13
Income tax refundable	**454.24**	11.50
Export incentive receivable	**4.86**	20.42
Government grants receivable	**557.06**	557.06
Other receivable	**-**	1.08
Receivable from related parties		
Interest receivable from a subsidiary - Equal Commodeal Private Limited (refer note 40 and 41)	**329.97**	60.25
	1,362.71	812.40
	1,367.43	815.44

Bank deposits ₹ **4.46 lakhs** (31 March 2018: ₹ 2.99 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

Information about the Company's exposure to credit and market risks are disclosed in note 43.

13. Non-current tax assets (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Advance income tax	**160.01**	486.68
[net of provision for income tax ₹ **14,312.29 lakhs** (31 March 2018: ₹ 7,370.43 lakhs)]		
	160.01	486.68

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Capital advances	**9,210.52**	1,947.13
Deposits with government authorities (custom, excise, etc)	**843.42**	768.24
Prepaid expenses	**2,395.60**	2,601.66
	12,449.54	5,317.03

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

15. Inventories

See accounting policy in note 3(i)

(Valued at the lower of cost and net realisable value)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Raw materials [including goods-in-transit ₹ **1,104.19 lakhs** (31 March 2018: ₹ 2,483.64 lakhs)]	**26,052.00**	16,327.70
Work-in-progress	**7,671.46**	8,811.51
Finished goods	**16,577.13**	13,846.80
Packing materials	**535.24**	236.45
Stores and spares	**3,054.90**	2,297.33
	53,890.73	41,519.79

Carrying amount of inventories pledged as securities for borrowings, refer note 19.

16. Other current assets

(Unsecured considered good unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good	**7,574.79**	7,077.08
Unsecured, considered doubtful	**46.76**	46.76
	7,621.55	7,123.84
Less: Allowances for unsecured advances [refer note (a) below]	**46.76**	46.76
	7,574.79	7,077.08
Balance with government authorities	**2,068.82**	1,941.18
Prepaid expenses	**488.72**	413.74
Other receivables	**18.04**	21.13
From related party		
Advances to suppliers		
-AAT Global Limited (refer note 40)	**5,320.28**	773.63
	15,470.65	10,226.76

(a) Movement in allowances for unsecured advances		
Balance as at beginning of the year	**46.76**	46.76
Change in allowance for unsecured advances during the year	**-**	-
Advances written off during the year	**-**	-
Balance as at the end of the year	**46.76**	46.76

(b) Advances to suppliers includes ₹ **1,086.76 lakhs** (31 March 2018: ₹ 1,086.76 lakhs) as advance given in earlier years against supply of raw materials which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Company, the management continues to believe that the outcome of the said proceedings would be in favour of the Company.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

17. Equity share capital

See accounting policy in note 3(p)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Authorised		
700,000,000 (31 March 2018: 700,000,000) equity shares of ₹ 1 each	**7,000.00**	7,000.00
Issued, subscribed and fully paid-up		
418,578,745 (31 March 2018: 418,407,867) equity shares of ₹ 1 each	**4,185.79**	4,184.08
	4,185.79	4,184.08

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	**418,407,867**	**4,184.08**	418,407,867	4,184.08
Add: Equity shares issued during the year (refer note 39)	**1,70,878**	**1.71**	-	-
At the end of the year	**418,578,745**	**4,185.79**	418,407,867	4,184.08

B. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Equity shares held by upstream associates (shareholders of the Company) having significant influence over the Company

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**182,599,607**	**1,826.00**	-	-
BC India Investments	**103,178,860**	**1,031.79**	103,178,860	1,031.79
Himadri Dyes & Intermediates Limited ^	**-**	**-**	98,284,310	982.84

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

D. Details of equity shareholders holding more than 5% shares of fully paid up equity shares of the aggregate equity shares of the Company

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
Modern Hi-Rise Private Limited	**182,599,607**	**43.62%**	-	-
BC India Investments	**103,178,860**	**24.65%**	103,178,860	24.66%
Himadri Dyes & Intermediates Limited ^	-	-	98,284,310	23.49%
Himadri Industries Limited *	-	-	46,140,000	11.03%
Himadri Coke & Petro Limited ^	-	-	38,175,297	9.12%

E. Shares reserved for issue under options

See accounting policies in note 3(g)(ii)

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016): **2,258,522** (31 March 2018: 1,281,100) equity shares of ₹ 1 each (refer note 39)	**2,258,522**	**22.59**	1,281,100	12.81

Information to stock options granted to employees are disclosed in note 39 regarding share based payments.

F. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended 31 March 2016, 32,675,297 equity shares of ₹ 1 each were allotted as fully paid up pursuant to conversion of Deep Discount Debentures (DDD) into 32,675,297 equity shares of ₹ 1 each at a price of ₹ 19 per equity share (including at a premium of ₹ 18 per equity share) on 25 March 2016 to Himadri Coke & Petro Limited*, a related party, on preferential basis for consideration other than cash.

^ Relationship existed for part of the year. Merged with Modern Hi-Rise Private Limited pursuant to National Company Law Tribunal order dated 1 March 2019 with appointed date from 1 June 2018.

* Relationship existed for part of the year. A part of business merged with Modern Hi-Rise Private Limited pursuant to National Company Law Tribunal order dated 1 March 2019 with appointed date from 1 June 2018 and balance part of business merged with Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) with appointed date from 1 April 2018.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

18. Other equity

Refer statement of changes in equity for detailed movement in other equity balance.

A. Movement in other equity balance

Amount in ₹ Lakhs

Components	1 April 2017	Movement during the year	31 March 2018	Movement during the year	31 March 2019
Capital reserve	1,280.50	-	1,280.50	**-**	**1,280.50**
Securities premium	45,365.53	-	45,365.53	**70.04**	**45,435.57**
Debenture redemption reserve	4,214.27	(1,321.44)	2,892.83	**428.56**	**3,321.39**
General reserve	13,669.94	1,750.00	15,419.94	**-**	**15,419.94**
Share option outstanding reserve	25.40	103.79	129.19	**131.08**	**260.27**
Retained earnings	33,521.49	23,325.31	56,846.80	**29,796.86**	**86,643.66**
Items of other comprehensive income:					
- Remeasurement of defined benefit plan	(15.43)	(13.58)	(29.01)	**(28.58)**	**(57.59)**
- Effective portion of cash flow hedge	(184.69)	184.69	-	**-**	**-**
- Equity instruments through Other Comprehensive income	5,748.67	13,794.02	19,542.69	**(8,309.30)**	**11,233.39**
	103,625.68	37,822.79	141,448.47	**22,088.66**	**163,537.13**

B. Other comprehensive income accumulated in other equity, (net of income tax)

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

Amount in ₹ Lakhs

	Remeasurement of defined benefit liability/ (asset)	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	Total other comprehensive income
As at 1 April 2017	(15.43)	(184.69)	5,748.67	5,548.55
Remeasurements of defined benefit plan	(20.77)	-	-	(20.77)
Equity instruments through other comprehensive income - net change in fair value	-	-	18,665.64	18,665.64
Effective portion of gains on hedging instruments in cash flow hedges	-	3,882.61	-	3,882.61
Effective portion of gains on hedging instruments in cash flow hedges reclassified to profit and loss	-	(3,774.56)	-	(3,774.56)
Fair value changes on derivatives designated as cash flow hedge	-	76.64	-	76.64
Tax on above items	7.19	-	(4,871.62)	(4,864.43)
As at 31 March 2018	(29.01)	-	19,542.69	19,513.68
Remeasurements of defined benefit plan	**(43.85)**	**-**	**-**	**(43.85)**
Equity instruments through other comprehensive income - net change in fair value	**-**	**-**	**(9,402.15)**	**(9,402.15)**
Tax on above items	**15.27**	**-**	**1,092.85**	**1,108.12**
As at 31 March 2019	**(57.59)**	**-**	**11,233.39**	**11,175.80**

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

19. Borrowings

See accounting policy in note 3(b) and (c)(i) - (iii)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2019	31 March 2018
Non-current borrowings				
500 (31 March 2018: 500) 12.50% Redeemable non-convertible debentures of ₹ 1,000,000 each (secured)	12.50%	2020-2021	**5,000.00**	5,000.00
2,500,000 (31 March 2018: 2,500,000) 10% Redeemable non-convertible debentures of ₹ 400 each (secured)	10.00%	2020-2021	**10,000.00**	10,000.00
			15,000.00	15,000.00
Term loans				
Rupee term loan (secured)	refer note (b) below			
From banks			**7,232.49**	13,106.76
Foreign currency loans (secured)	refer note (b) below			
From banks			**807.10**	1,324.37
			8,039.59	14,431.13
Loan against vehicles and equipments (secured)	8.3%-11%	2019-2023	**440.69**	161.77
			23,480.28	29,592.90
Less: Current maturities of non-current borrowings (refer note 22)			**4,652.45**	6,473.72
			18,827.83	23,119.18
Current borrowings				
Secured				
From banks (Repayable on demand)				
Rupee loans			**3,175.35**	3,554.62
Foreign currency loans			**1,428.38**	19,402.29
			4,603.73	22,956.91
From others				
Commercial Paper			**-**	1,500.00
Unsecured				
From banks (Repayable on demand)				
Rupee loans			**6,863.58**	9,587.02
Foreign currency loans			**2,699.41**	2,378.60
From others				
Commercial Paper			**10,000.00**	-
			24,166.72	36,422.53

Information about the Company's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 42 and 43.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

A. Terms of repayment/ conversion/ redemption

(a) Bonds and Debentures

(i) The Company, on 29 October 2013, had issued 500 12.50% Redeemable non-convertible debentures of face value of ₹ 1,000,000 each aggregating ₹ 5,000 lakhs to be redeemed at par at the end of 7 years from the date of allotment on private placement basis to Life Insurance Corporation of India.

(ii) The Company, on 24 August 2010, had issued 2,500,000 10% Redeemable non-convertible debentures of face value of ₹ 400 each aggregating ₹ 10,000 lakhs to be redeemed at par at the end of 10 years from the date of allotment on private placement basis to Life Insurance Corporation of India.

(b) Term loans

Amount in ₹ Lakhs

Name of the lender	Interest	Repayment schedule	31 March 2019	31 March 2018
(i) Rupee term loans				
Axis Bank Limited [₹ **Nil** (31 March 2018: ₹ 1,950.00 lakhs)]	6 Month MCLR + 1.70%	Repaid on 5 April 2018	**-**	1,950.00
Axis Bank Limited [₹ **5,002.00 lakhs** (31 March 2018: ₹ 8,334.00 lakhs)]	6 Month MCLR + 0.35%	Repayable at quarterly rest: 4 of ₹ 833.00 10 of ₹ 167.00	**4,985.32**	8,311.16
IDFC Bank [₹ **2,250.00 lakhs** (31 March 2018: ₹ 2,850.00 lakhs)]	12 Month MCLR + 0.15%	Repayable at quarterly rest: 15 of ₹ 150.00	**2,247.17**	2,845.60
(ii) Foreign currency loans				
ICICI Bank Limited [**JPY 1,291.67 lakhs** (31 March 2018: JPY 2,152.78 lakhs)]	6 Month JPY Libor + 2.00%	JPY 430.56 - repayable in 3 half yearly rest	**807.10**	1,324.37

(iii) Loans against vehicles and equipments are for a period of three to five years and repayable by way of equated monthly instalments.

B. Details of security

(i) 12.50% and 10% Redeemable non-convertible debentures issued to Life Insurance Corporation of India, aggregating to ₹ 15,000.00 lakhs are secured by way of Equitable Mortgage on land situated at Mouza Maharaj Pura Dist - Mahsana (Gujarat), First Pari Passu charge on immovable properties (Leasehold Land) situated at Mahistikry and hypothecation of all movable property, plant and equipment (including plant and equipment) of the Company in favour of Axis Trustee Services Limited, being the trustee of the debenture holders.

(ii) Rupee term loans from Axis Bank Limited is secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of all movable property, plant and equipment on pari passu basis with other lenders.

Rupee term loans from IDFC Bank Limited is secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of movable property, plant and equipment situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit on pari passu basis with other lenders.

Notes to the Standalone financial statements

for the year ended 31 March 2019 (Contd.)

(iii) Foreign currency borrowings from ICICI Bank Limited is secured by way of mortgage of immovable properties (Leasehold Land) and hypothecation of movable property, plant and equipment situated at Mahistikry on pari passu basis with other secured lenders.

(iv) Loans against vehicles and equipments are secured by way of hypothecation of the underlying asset financed.

(v) Rupees loan comprises of cash credits and working capital borrowings. Current borrowings from banks aggregating to ₹ **4,603.73 lakhs** (31 March 2018: ₹ 24,456.91 lakhs) are secured by hypothecation of currents assets of the Company both present and future on pari passu basis. Further, working capital loan from bank aggregating to ₹ **1,143.05 lakhs** (31 March 2018: ₹ 12,848.15 lakhs) is also secured by subservient charge on moveable property, plant and equipment of the Company. These loans include ₹ **Nil** (31 March 2018: ₹ 1.90 lakhs), being personally guaranteed by the promoter directors of the Company.

20. Trade payables

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Trade payable for goods and services		
- Total outstanding dues of micro enterprises and small enterprises (refer note 47)	**141.74**	200.58
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**4,853.09**	11,625.64
(b) Acceptances	**36,120.53**	-
	41,115.36	11,826.22
Non-current	**-**	-
Current	**41,115.36**	11,826.22
	41,115.36	11,826.22

Information about the Company's exposure to currency and liquidity risks related to trade payables are disclosed in note 43.

21. Derivatives

See accounting policy in note 3(c)(v)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Foreign exchange forward/ interest rate swap contracts	**604.91**	769.56
Non-current	**376.86**	583.65
Current	**228.05**	185.91
	604.91	769.56

Information about the Company's exposure to interest rate and currency risks related to derivatives are disclosed in note 43.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

22. Other financial liabilities

See accounting policy in note 3(c) (i) - (ii)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Security deposits	**25.77**	25.77
	25.77	25.77
Current		
Current maturities of non-current borrowings (refer note 19)	**4,652.45**	6,473.72
Interest accrued	**792.86**	699.06
Unclaimed dividend	**28.19**	29.77
Liability for capital goods	**855.55**	260.58
Others (including Employee benefits expense and Security deposits)	**421.29**	196.42
	6,750.34	7,659.55

(a) There is no amount due and outstanding to be credited to Investor Education and Protection under Section 125 of the Companies Act, 2013 as at 31 March 2019 (31 March 2018 - ₹ Nil).

(b) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities are disclosed in note 43.

23. Other current liabilities

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Statutory dues (including provident fund, tax deducted at source, goods and services tax and others)	**1,476.87**	1,921.58
Advance from customers	**4,530.21**	3,835.73
	6,007.08	5,757.31

24. Provisions

See accounting policies in note 3(g) and (h)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Net defined benefit liability - Gratuity (refer note 38)	**216.83**	176.80
Provision for litigation [refer note (a) below]	**78.42**	78.42
	295.25	255.22
Current		
Liability for compensated absences [refer note (a) below]	**54.92**	40.24
	54.92	40.24

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(a) Movement of provisions (Non-current and current)

Amount in ₹ Lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2017	18.19	78.42
Add: Provisions made during the year 2017-18	48.98	-
Less: Amount utilised/ reversed during the year 2017-18	(26.93)	-
Balance as at 31 March 2018	40.24	78.42
Add: Provisions made during the year 2018-19	**58.31**	**-**
Less: Amount utilised/ reversed during the year 2018-19	**(43.63)**	**-**
Balance as at 31 March 2019	**54.92**	**78.42**

Movement of provision for litigation during the year as required by Ind AS 37: "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013, the Company as a prudent measure had made provisions in the earlier year amounting to ₹ 78.42 lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities.

25. Current tax liabilities (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Income tax liabilities	**237.78**	78.59
[net of advance tax ₹ **9,348.50 lakhs** (31 March 2018: ₹ 7,531.30 lakhs)]		
	237.78	78.59

26. Revenue from operations

See accounting policies in note 3(j) and (k)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)	**237,657.33**	202,105.25
Other operating revenue		
- Export incentive	**4.57**	47.05
Total revenue from operations	**237,661.90**	202,152.30

(i) Sales are net of price adjustments settled during the year by the Company and discounts, trade incentives, VAT, Sales Tax, Goods and Service Tax (GST) etc.

(ii) Sale of goods includes excise duty collected from customers of ₹ **Nil** (2017-18: ₹ 5,034.56 lakhs).

(iii) Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 are not comparable with the previous years figure.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(iv) Revenue disaggregation is as follows:

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Disaggregation of goods		
- Carbon materials and chemicals	**235,771.30**	200,195.44
- Power	**1,886.03**	1,909.81
	237,657.33	202,105.25
(b) Disaggregation based on geography		
India	**210,326.26**	175,547.53
Outside India	**27,331.07**	26,557.72
	237,657.33	202,105.25
Geographical location is based on the location of customers excluding export incentives		
(c) Reconciliation of Revenue from sale of products with the contracted price		
Contracted price	**231,245.17**	203,331.49
Less: adjustment for variable consideration	**6,412.16**	(1,226.24)
	237,657.33	202,105.25
(d) Information about major customers: (refer note 43)		
(e) Contracted balances		
Trade receivables (refer note 8)	**37,396.92**	27,787.47
	37,396.92	27,787.47

27. Other income

See accounting policies in note 3(j) and (l)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under the effective interest method on:		
- Interest on bank deposits	**139.21**	101.82
- From a related party:		
- On loan given to a wholly owned subsidiary	**299.68**	196.89
- Unwinding of discount on security deposits and others	**144.08**	227.27
Interest income on income tax refunds	**116.07**	-
Income on corporate guarantee provided to a subsidiary (refer note 40)	**-**	7.28
Dividend income on equity securities measured at fair value through other comprehensive income	**-**	0.08
Gain on sale proceeds of current investments measured at fair value through profit or loss	**4.05**	11.35
Insurance claims	**177.16**	112.46
Net foreign exchange gain	**-**	27.79
Net gain on sale of property, plant and equipment	**1.67**	-
Gain on fair valuation of current investments measured at fair value through profit or loss	**-**	0.63
Others	**187.52**	91.16
	1,069.44	776.73

Notes to the Standalone financial statements
for the year ended 31 March 2019 **(Contd.)**

28. Cost of materials consumed

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of raw materials at the beginning of the year	**16,327.70**	15,321.01
Add: Purchases during the year	**170,095.43**	134,256.09
	186,423.13	149,577.10
Less: Inventory of raw materials at the end of the year	**26,052.00**	16,327.70
Cost of materials consumed	**160,371.13**	133,249.40

29. Change in inventories of finished goods and work-in-progress

See accounting policy in note 3(i)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventories		
Finished goods	**13,846.80**	13,672.78
Work-in-progress	**8,811.51**	8,213.90
	22,658.31	21,886.68
Closing inventories		
Finished goods	**16,577.13**	13,846.80
Work-in-progress	**7,671.46**	8,811.51
	24,248.59	22,658.31
Change in inventories of finished goods and work-in-progress	**(1,590.28)**	(771.63)

30. Employee benefits expense

See accounting policy in note 3(g)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	**4,946.40**	3,902.39
Contribution to provident and other funds	**195.78**	195.70
Defined benefit plan expenses - Gratuity (refer note 38)	**40.02**	85.59
Share based payments to employees - Equity settled (refer note 39)	**170.36**	103.79
Staff welfare expenses	**459.86**	375.63
	5,812.42	4,663.10

Salaries, wages and bonus includes ₹ **284.22 lakhs** (31 March 2018: ₹ 267.00 lakhs) relating to outsource manpower cost.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

31. Finance costs

See accounting policy in note 3(o)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	**6,378.00**	6,184.75
Exchange difference regarded as an adjustment to borrowing costs	**401.67**	420.20
Other borrowing costs (including interest on income tax)	**509.05**	438.03
	7,288.72	7,042.98
Less: Interest capitalised during the year (refer note 5)	**231.78**	-
	7,056.94	7,042.98

32. Other expenses

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	**348.91**	334.90
Power and fuel* [refer note (a) below]	**1,195.18**	1,192.92
Excise duty related to decrease in inventory of finished goods	**-**	(1,827.07)
Rent	**482.76**	423.33
Rates and taxes	**158.22**	106.17
Repairs to *:		
- Building	**46.06**	51.98
- Plant and equipment	**1,904.06**	1,546.26
- Others	**418.68**	468.19
Payment to auditor's [refer note (b) below]	**70.44**	69.29
Insurance	**196.92**	139.99
Packing expenses	**1,530.04**	1,496.35
Freight and forwarding expenses	**7,634.65**	6,215.94
Commission on sales	**1,077.26**	1,030.86
Net foreign exchange loss	**90.20**	-
Expenditure on corporate social responsibility [refer note (c) below]	**117.67**	33.03
Miscellaneous expenses	**4,054.54**	3,694.56
	19,325.59	14,976.70
* includes stores and spares consumed.	1,222.62	1,766.12

(a) Power and fuel includes expenses incurred on operation of the power plant

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	**191.24**	151.52
Repairs	**53.86**	179.68
Other operational expenses	**19.51**	15.13
	264.61	346.33

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(b) Payment to auditor's

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
As auditor's:		
- Statutory audit fees	**45.50**	40.50
- Limited review of quarterly results	**4.50**	4.50
In other capacity:		
- Other services	**15.56**	18.86
Reimbursement of out of pocket expenses	**4.88**	5.43
	70.44	69.29

(c) Details of expenditure on corporate social responsibility (CSR)

As per Section 135 of the Act, a Company meeting the applicability threshold, is required to spend at least 2% of its average net profit for the immediate preceeding three financial years on CSR activities. The area of CSR activity are eradicating hunger, poverty and malnutrition, promoting education, promoting healthcare including preventive healthcare. A CSR committee has been formed by the Company under the Act.

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Amount required to be spent by the Company during the year	**329.65**	57.34
(b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**117.67**	33.03
Total	**117.67**	33.03

The Company do not carry any provision for corporate social responsibility expenses for current year and previous year.

33. Income tax

See accounting policy in note 3(n)

A. Reconciliation of effective tax rate

Amount in ₹ Lakhs

	Year ended 31 March 2019		Year ended 31 March 2018	
	Percentage	Amount	Percentage	Amount
Profit before tax		**44,502.28**		35,592.50
Statutory income tax rate	**34.94%**	**15,550.88**	34.61%	12,317.85
Effects of:				
Non - deductible expenses for tax purposes	**0.15%**	**65.71**	0.29%	102.34
Tax exempt income/ additional deduction as per income tax	**(4.60%)**	**(2,047.04)**	(3.05%)	(1,085.15)
Changes in tax rate	**0.46%**	**202.90**	-	-
	30.95%	**13,772.45**	31.85%	11,335.04
Amount recognised in profit or loss				
- Current tax		**9,587.01**		7,609.88
- Deferred tax		**4,185.44**		3,725.16
Total expenses		**13,772.45**		11,335.04

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

B. Movement in deferred tax assets and liabilities

Amount in ₹ Lakhs

Movement during the year ended 31 March 2018	Balance as on 1 April 2017	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2018
Deferred tax (assets)/liabilities:				
Property, plant and equipment	20,514.43	1,443.39	-	21,957.82
Trade receivables	(144.08)	(3.73)	-	(147.81)
Loans	(78.80)	29.29	-	(49.51)
Other assets	(16.18)	-	-	(16.18)
Borrowings	(203.76)	10.67	-	(193.09)
Other financial liabilities	(1,958.99)	1,410.56	-	(548.43)
Share based payments- Equity settled	-	(37.38)	-	(37.38)
Provisions	(35.31)	(61.19)	(7.19)	(103.69)
MAT credit entitlements	(7,853.02)	(7,609.88)	-	(15,462.90)
Gain/ loss on fair valuation of Investments in equity instruments	-	-	4,871.62	4,871.62
Tax losses carried forward	(9,103.04)	8,543.43	-	(559.61)
Net deferred tax liabilities	1,121.25	3,725.16	4,864.43	9,710.84

Amount in ₹ Lakhs

Movement during the year ended 31 March 2019	**Balance as on 1 April 2018**	**Charge / (credit) to profit or loss**	**Charge / (credit) to OCI**	**Balance as on 31 March 2019**
Deferred tax (assets)/liabilities:				
Property, plant and equipment	**21,957.82**	**1,379.22**	**-**	**23,337.04**
Trade receivables	**(147.81)**	**(1.40)**	**-**	**(149.21)**
Loans	**(49.51)**	**-**	**-**	**(49.51)**
Other assets	**(16.18)**	**(0.16)**	**-**	**(16.34)**
Borrowings	**(193.09)**	**-**	**-**	**(193.09)**
Other financial liabilities	**(548.43)**	**50.00**	**-**	**(498.43)**
Share based payments- Equity-settled	**(37.38)**	**6.48**	**-**	**(30.90)**
Provisions	**(103.69)**	**0.48**	**(15.27)**	**(118.48)**
MAT credit entitlement	**(15,462.90)**	**2,756.25**	**-**	**(12,706.65)**
Gain/ loss on fair valuation of Investments in equity instruments	**4,871.62**	**-**	**(1,092.85)**	**3,778.77**
Tax losses carried forward	**(559.61)**	**(5.43)**	**-**	**(565.04)**
Net deferred tax liabilities	**9,710.84**	**4,185.44**	**(1,108.12)**	**12,788.16**

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

34. Earnings per share (EPS)

See accounting policy in note 3(t)

Amount in ₹ Lakhs

		Year ended 31 March 2019	Year ended 31 March 2018
A.	**Basic earnings per share**		
(i)	Profit for the year, attributable to the equity holders of the Company	**30,729.83**	24,257.46
(ii)	Weighted average number of equity shares (basic) (number)	**418,441,574**	418,407,867
	Basic earnings per share [(i)/ (ii)]	**7.34**	5.80
B.	**Diluted earnings per share**		
(i)	Weighted average number of equity shares (basic) (number)	**418,441,574**	418,407,867
(ii)	Effect of dilutive potential equity shares on account of employee stock options (number)	**4,35,365**	-
(iii)	Weighted average number of equity shares (diluted) for the year (i+ii)	**418,876,939**	418,407,867
	Diluted earnings per share {(A) (i)/ (B) (iii)}	**7.34**	5.80

35. Contingent liability and commitments

See accounting policy in note 3(v)

(to the extent not provided for)

(a) Contingent liabilities

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Claim against the Company not acknowledged as debt		
Sales tax/VAT matters in dispute/ under appeal	**5,366.50**	4,230.80
Excise/ Service Tax matters in dispute/under appeal	**3,008.07**	2,960.91
Custom duty matter in dispute/ under appeal	**491.76**	491.76
Entry tax in dispute/ under appeal - West Bengal	**4,681.07**	4,317.89
Entry tax in dispute/ under appeal - Chhattisgarh	**478.93**	465.71
Income tax in dispute/ under appeal	**938.87**	633.81
Others	**266.71**	266.71

Note:

(i) Cash outflows for the above are determinable only on receipt of final judgments pending at various forums/ authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) The Company had filed Writ petition on 7 January 2013 before the Hon'ble High Court of Calcutta and challenged the constitutional validity of Entry Tax levied by the Government of West Bengal. The Hon'ble High Court of Calcutta during the earlier year, passed an order on 24 June 2013 declaring The West Bengal tax on Entry of Goods into Local Areas Act, 2012 as unconstitutional against which the government filed an appeal which is still pending to be disposed off. In the opinion of the management, there is a strong merit of the case; hence the Company has not made provision for entry tax liability in the books for the current year and during the earlier years.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(iii) A search under Section 132 of the Income Tax Act, 1961 ("the Act") was conducted by the Income-Tax Department at all the premises/factories of the company during the financial year ended 31 March 2017. As per the applicable provisions of the Act, the Income-Tax Department will reassess the taxable income of the Company for the Assessment year 2011 -12 to 2016-17 by issuing notice u/s 153A of the Act. Notices had been received by the Company on 20 April 2017 and the Company has filed all returns u/s 153A of the Act declaring the same income and income tax liability as was declared in the original return filed u/s 139(1). Assessment completed for the assessment year 2016-2017, and remaining years are under appeal stage with the appropriate authorities.

(iv) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provision Act,1952. There are interpretative aspects related to the judgement including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on standalone financial statements, if any.

(v) Others represents dispute with a lessor in respect of arrear dues. The management as per internal assessment and based on independent legal opinion, does not foresee any significant financial liability on this accounts.

(b) Commitments

(I) Operating leases

See accounting policy in note 3(m)

(i) Future minimum lease rentals payable under non cancellable operating lease

The Company has taken certain commercial premises under non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Not later than one year	**9.22**	9.22
Later than one year and not later than five years	**36.86**	36.86
More than five years	**76.96**	86.18

(ii) The Company has taken various commercial premises and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Standalone Statement of Profit and Loss with respect to operating leases ₹ **227.55 lakhs** (31 March 2018: ₹ 167.50 lakhs) has been included as rent in note 32 'Other expenses'.

(II) Capital and other commitments

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(i) Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advances)	**14,596.38**	24,573.37
(ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods Scheme (EPCG)	**3,054.54**	6,768.62

36. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these Standalone financial statements since the requirement does not pertain to financial year ended 31 March 2019.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

37. Research and development expenses

See accounting policy in note 3(e)

Research and development expenses aggregating to ₹ **407.26 lakhs** (31 March 2018: ₹ 326.22 lakhs) in the nature of revenue expenditure and addition of ₹ **123.87 lakhs** (31 March 2018: ₹ 191.89 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

38. Employee benefits

See accounting policy in note 3(g)

Defined contribution plan

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund, Superannuation Fund and Employee State Insurance ('ESI') which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are recognised in the Standalone Statement of Profit and Loss as they accrue.

The expense for defined contribution plans amounts to ₹ **195.78 lakhs** (31 March 2018: ₹ 195.70 lakhs). Out of these, ₹ **168.57 lakhs** (31 March 2018: ₹ 125.71 lakhs) pertains to provident fund plan, ₹ **Nil** (31 March 2018: ₹ 42.93 lakhs) pertains to superannuation fund plan and ₹ **27.21 lakhs** (31 March 2018: ₹ 27.06 lakhs) pertains to ESI.

Defined benefits - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of expected gratuity payments.

Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. These defined benefit plans expose the Company to actuarial risks, such as interest rate risk, salary inflation risk, demographic risk and market (investment) risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Standalone Statement of Profit and Loss, actuarial assumptions and other information.

(i) Reconciliation of present value of defined benefit obligation

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Balance at the beginning of the year	**336.58**	227.46
(b) Current service cost	**40.02**	31.15
(c) Past service cost - plan amendments	**-**	48.21
(d) Interest cost	**25.45**	16.43
(e) Actuarial (gains)/ losses recognised in other comprehensive income	**44.21**	17.99
(f) Benefits paid	**(12.07)**	(4.66)
Balance at the end of the year	**434.19**	336.58

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(ii) Reconciliation of fair value of plan assets

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Balance at the beginning of the year	**159.78**	127.02
(b) Expected return on plan asset	**13.97**	10.20
(c) Actual return on plan asset less interest on plan asset	**0.36**	(2.78)
(d) Contributions by the employer	**55.32**	30.00
(e) Benefits paid	**(12.07)**	(4.66)
Balance at the end of the year	**217.36**	159.78

(iii) Net asset/ (liability) recognised in the Standalone Balance Sheet

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Present value of defined benefit obligation	**(434.19)**	(336.58)
(b) Fair value of plan assets	**217.36**	159.78
Net asset/ (liability) recognised in the Standalone Balance Sheet	**(216.83)**	(176.80)

(iv) Expense recognised in Standalone Profit or Loss

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Current service cost	**40.02**	31.15
(b) Past service cost - plan amendments	**-**	48.21
(c) Interest cost	**25.45**	16.43
(d) Expected return on plan assets	**(13.97)**	(10.20)
Amount charged to Standalone Profit or Loss	**51.50**	85.59

(v) Remeasurements recognised in Standalone Other Comprehensive Income

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**36.08**	(11.17)
- experience adjustment	**8.13**	29.16
(b) Actual return on plan asset less interest on plan asset	**(0.36)**	2.78
Amount recognised in Standalone Other Comprehensive Income	**43.85**	20.77

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Impact on defined benefit obligation on discount rate plus **100 basis points** (31 March 2018: 100 basis point)	**(39.30)**	(28.33)
Impact on defined benefit obligation on salary growth rate plus **100 basis points** (31 March 2018: 100 basis point)	**41.45**	30.05
Impact on defined benefit obligation on discount rate minus **100 basis points** (31 March 2018: 100 basis point)	**46.97**	33.88
Impact on defined benefit obligation on salary growth rate minus **100 basis points** (31 March 2018: 100 basis point)	**(36.08)**	(25.71)

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Standalone Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(vii) Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Standalone Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Financial assumption

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Discount rate	**7.70%**	7.70%
Expected rate of salary increase	**6.00%**	6.00%
Retirement age (years)	**60**	60
Attrition rate based on different age group of employees:		
ages from 20-25	**5%**	5%
ages from 25-30	**3%**	3%
ages from 30-35	**2%**	2%
ages from 35-50	**1%**	1%
ages from 50-55	**2%**	2%
ages from 55-58	**3%**	3%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

Demographic assumptions

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(viii) Maturity Profile of defined benefit obligation

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Within next 12 months	**95.65**	92.97
1-2 year	**16.69**	9.64
2-3 year	**18.92**	17.14
3-4 year	**18.37**	16.70
4-5 year	**27.29**	14.35
Thereafter	**221.06**	151.60

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(ix) Weighted average duration of defined benefit obligation	**15 years**	12 years

(x) The Company expects to pay ₹ **216.83 lakhs** in contribution to its defined benefit plans during the year 2019-20.

(xi) Asset Liability matching strategy:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

There is no compulsion on the part of the Company to fully prefund the liability of the Plan. The Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

39. Share based payments

See accounting policy in note 3(g)(ii)

A. Description of share-based payment arrangement

Himadri Employees Stock Option Plan 2016 (equity-settled)

The Company at its 28th Annual General Meeting held on 24 September 2016, has approved "Himadri Employees Stock Option Plan 2016" (ESOP 2016 or Plan) for granting 4,000,000 Employees Stock Options to certain "eligible employees". The plan is administered by the Nomination and Remuneration Committee of the Board ("Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions of the Companies Act, 2013 for the time being in force. The Option granted to certain eligible employees including certain key management personnel on vesting condition of Time basis, Company performance and individual performance as specified in the grant letter issued to each employee.

Scheme	Vesting Period	Exercise Period	Year	Date of grant	Number of options granted	Exercise price ₹ per equity share
ESOP 2016 Plan (Tranche I)	Vested after 1 year but not later than 5 years from the date of grant of options. Time basis, Company performance and individual performance as specified in the grant letter.	Any time within a period of 5 years from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan.	2016-17	05-Jan-17	1,304,600	19
ESOP 2016 Plan (Tranche II)			2018-19	08-May-18	2,695,000	140

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

B. Measurement of fair values

Equity-settled share based payment arrangements

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

Particulars	ESOP 2016 (Tranche I) 31 March 2019	ESOP 2016 (Tranche I) 31 March 2018	ESOP 2016 (Tranche II) 31 March 2019	ESOP 2016 (Tranche II) 31 March 2018
Fair value at grant date	**₹ 24.94**	₹ 24.94	**₹ 23.01**	N.A
Share price at grant date	**₹ 36.70**	₹ 36.70	**₹ 121.15**	N.A
Exercise price	**₹ 19.00**	₹ 19.00	**₹ 140.00**	N.A
Expected volatility* (weighted average volatility)	**57.57%**	57.57%	**23.77%**	N.A
Expected life (expected weighted average life)	**4.39 years**	4.39 years	**3.07 years**	N.A
Expected dividends**	**0.27%**	0.27%	**0.41%**	N.A
Risk-free interest rate (based on government bonds)	**6.48%**	6.48%	**7.35%**	N.A

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

Expected life of the Options has been calculated on the assumption that options would exercise within one year from the date of vesting.

The fair value of option on the date of grant have been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

* Expected volatility on the Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options up to the date of grant.

** Expected dividend on underlying shares is taken as 10% on market price as on the date of grant.

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (see A above) are as follows:

Particulars	Weighted average exercise price per option 31 March 2019	Number of options 31 March 2019	Weighted average exercise price per option 31 March 2018	Number of options 31 March 2018
Outstanding at 1 April	**19.00**	**1,281,100**	19.00	1,304,600
Granted during the year 2018-19	**140.00**	**2,695,000**	-	-
Forfeited during the year 2018-19	**134.98**	**1,546,700**	19.00	23,500
Exercised during the year 2018-19	**19.00**	**170,878**	-	-
Outstanding at 31 March	**83.96**	**2,258,522**	19.00	1,281,100
Exercisable at 31 March	**19.00**	**46,414**	-	-

Refer note 49 for subsequent issue of equity share capital on 7 May 2019.

A weighted average remaining contractual life of **3.73 years** (31 March 2018: 3.39 years).

The weighted average share price at the date of exercise for share options exercised during the year 2018-2019 was ₹ **130.41** (2017-2018: ₹ Nil).

Weighted Average Fair value of the options granted during the year 2018-2019 was ₹ **140** (2017-2018: ₹ Nil).

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

D. Expense recognised in Standalone Statement of Profit and Loss

During the year ended 31 March 2019, the Company has charged ₹ **170.36 lakhs** (31 March 2018: ₹ 103.79 lakhs) as share based payment equity-settled expenses, refer note 30.

E. Details of the liabilities arising out of the Share based payments to employees - Equity settled were as follows:

Amount in ₹ Lakhs

Particulars	31 March 2019	31 March 2018
Total carrying amount	**260.27**	129.19

40. Related party disclosure

A. Enterprises where control exists:

i) Subsidiaries (extent of holding)

Name of the related party	Principal place of business	% Shareholding and voting power	
		31 March 2019	31 March 2018
Equal Commodeal Private Limited (ECPL), Wholly owned subsidiary	India	**100**	100
AAT Global Limited (AAT), Wholly owned subsidiary of ECPL	Hongkong	**100**	100
Shandong Dawn Himadri Chemical Industry Limited (SDHCIL), Subsidiary of AAT	China	**94**	94

ii) Other related parties with whom transactions have taken place during the year

a) Key Management Personnel (KMP) and relatives of KMP

Name of the related parties	Relationship
Mr. Bankey Lal Choudhary, Managing Director	Key Management Personnel
Mr. Shyam Sundar Choudhary, Executive Director	Key Management Personnel
Mr. Vijay Kumar Choudhary, Executive Director	Key Management Personnel
Mr. Anurag Choudhary, Chief Executive Officer	Key Management Personnel
Mr. Amit Choudhary, President - Projects	Key Management Personnel
Mr. Tushar Choudhary, President - Operations	Key Management Personnel
Mr. Kamlesh Kumar Agarwal - Chief Financial Officer	Key Management Personnel
Mr. Bajrang Lal Sharma - Company Secretary	Key Management Personnel
Mr. Damodar Prasad Choudhary, Chairman Emeritus	Relative of KMPs
Mrs. Sushila Devi Choudhary	Relative of KMPs (wife of Mr. Damodar Prasad Choudhary)
Mrs. Sheela Devi Choudhary	Relative of KMPs (wife of Mr. Shyam Sundar Choudhary)
Mrs. Saroj Devi Choudhary	Relative of KMPs (wife of Mr. Bankey Lal Choudhary)
Mrs. Kanta Devi Choudhary	Relative of KMPs (wife of Mr. Vijay Kumar Choudhary)

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

b) Non-executive Directors

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director
Mr. Hardip Singh Mann, Non-Executive Independent Director
Mr. Santimoy Dey, Non-Executive Independent Director
Mr. Hanuman Mal Choraria, Non-Executive Independent Director
Ms Rita Bhattacharya, Nominee Director (Non-Executive) of Life Insurance Corporation of India
Mr. Santosh Kumar Agrawala, Non-Executive Independent Director
Mr. Suryakant Balkrishna Mainak, Non-Executive Independent Director

iii) Enterprises controlled by the Key Managerial Personnel or relatives of KMP

Himadri Credit & Finance Limited

Himadri Coke & Petro Limited

Himadri Industries Limited*

Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)

Sri Agro Himghar Limited

Himadri e-Carbon Limited

Nanhey Lal Mohini Devi Foundation

Bharat Seva Nidhi

Himadri Foundation

iv) Entities with significant influence over the Company

BC India Investments

Himadri Dyes & Intermediates Limited*

Modern Hi-Rise Private Limited

* Pursuant to the Order of the National Company Law Tribunal (NCLT), Kolkata Bench, dated 1 March 2019, in the matter of the composite scheme of Arrangement and Amalgamation under section 230 to 232 of the Companies Act, 2013 between Himadri Dyes & Intermediates Limited, Himadri Industries Limited, Himadri Coke & Petro Limited, Modern Hi-Rise Private Limited and Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited), a merger has been sanctioned and binding with respective appointed date.

B. Disclosure of transactions between the Company and related parties and the outstanding balances as at 31 march 2019

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Equal Commodeal Private Limited	Loan given	**209.87**	2,421.41
	Reimbursement	**7.95**	33.22
	Interest on loan given	**299.68**	196.89
AAT Global Limited	Purchase of raw materials	**60,192.61**	35,470.19
	Payment for supplies	**64,263.81**	35,854.63
	Guarantee fee	**-**	7.28
Shandong Dawn Himadri Chemical Industry Limited	Sale of products	**1.06**	-

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Himadri Dyes & Intermediates Limited	Rent paid	**0.07**	0.07
Himadri Industries Limited	Rent paid	**0.07**	0.07
Sri Agro Himghar Limited	Rent paid	**0.26**	0.04
Mr. Bankey Lal Choudhary	Remuneration	**130.46**	94.68
Mr. Shyam Sundar Choudhary	Remuneration	**130.18**	90.68
Mr. Vijay Kumar Choudhary	Remuneration	**125.68**	90.68
Mr. Anurag Choudhary	Remuneration	**150.68**	109.13
Mr. Amit Choudhary	Remuneration	**125.61**	94.13
Mr. Tushar Choudhary	Remuneration	**125.61**	94.13
Mr. Kamlesh Kumar Agarwal	Remuneration	**97.26**	45.52
Mr. Bajrang Lal Sharma	Remuneration	**17.69**	16.08
Nanhey Lal Mohini Devi Foundation	Expenditure on corporate social responsibility	**81.82**	25.97
Bharat Seva Nidhi	Expenditure on corporate social responsibility	**0.05**	0.56
Himadri Foundation	Expenditure on corporate social responsibility	**24.29**	-
Nanhey Lal Mohini Devi Foundation	Donation	**50.18**	44.03
Bharat Seva Nidhi	Donation	**0.45**	0.44
Himadri Foundation	Donation	**17.71**	-
Mr. Sakti Kumar Banerjee	Sitting fees	**2.12**	1.48
Mr. Hardip Singh Mann	Sitting fees	**1.20**	1.00
Mr. Santimoy Dey	Sitting fees	**2.12**	1.44
Mr. Hanuman Mal Choraria	Sitting fees	**1.64**	1.24
Ms Rita Bhattacharya	Sitting fees	**1.00**	1.00
Mr. Santosh Kumar Agrawala	Sitting fees	**1.20**	1.00
Mr. Suryakant Balkrishna Mainak	Sitting fees	**0.80**	0.60
BC India Investments	Dividend paid	**103.18**	103.18
Himadri Dyes & Intermediates Limited	Dividend paid	**98.29**	98.29
Himadri Industries Limited	Dividend paid	**46.14**	46.14
Himadri Credit & Finance Limited	Dividend paid	**9.48**	9.48
Himadri Coke & Petro Limited	Dividend paid	**38.18**	38.18
Mr. Vijay Kumar Choudhary	Dividend paid	**3.27**	3.27
Mr. Shyam Sundar Choudhary	Dividend paid	**3.23**	3.23
Mr. Bankey Lal Choudhary	Dividend paid	**1.48**	1.48
Mr. Damodar Prasad Choudhary	Dividend paid	**1.48**	1.48
Mrs.Sushila Devi Choudhary	Dividend paid	**0.85**	0.85
Mrs.Sheela Devi Choudhary	Dividend paid	**0.76**	0.76
Mrs.Saroj Devi Choudhary	Dividend paid	**0.82**	0.82
Mrs.Kanta Devi Choudhary	Dividend paid	**0.82**	0.82

Current borrowings include ₹ **Nil** (31 March 2018: ₹ 1.90 lakhs), being personally guaranteed by the promoter directors of the Company.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

C. Outstanding balances

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	31 March 2019	31 March 2018
Equal Commodeal Private Limited	Loan given	**3,257.12**	3,047.25
	Interest receivable on loan	**329.97**	60.25
AAT Global Limited	Advance for supplies (net)	**5,320.28**	773.63
Shandong Dawn Himadri Chemical Industry Limited	Trade receivable	**1.02**	-

D. Key management personnel remuneration

Key management personnels remuneration comprised of the following:

Amount in ₹ Lakhs

Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	**879.59**	631.22
Share based payments to employees - Equity settled	**20.41**	-
Other long-term benefits	**3.17**	3.81
Total remuneration paid to key management personnel	**903.17**	635.03

As the future liability for gratuity is provided on an actuarial basis for the Company as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Based on the recommendation of the Nomination and Remuneration Committee, all decisions relating to the remuneration of the KMP's are taken by the Board of Directors of the Company, in accordance with shareholders' approval, wherever necessary.

E. Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2017-18: Nil). This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.

41. Disclosures pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Loans and advances in the nature of loan to a subsidiary company		
Equal Commodeal Private Limited		
Amount outstanding as at year ended	**3,257.12**	3,047.25
Maximum balance of loan outstanding during the year	**3,257.12**	3,047.25
Loan given to Equal Commodeal Private Limited for business purpose, bears interest rate of 9% p.a. compounded quarterly and is repayable on or before 28 September 2023 (refer note 11).		

(b) Details of investments: Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in note 7.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

42. Fair value measurement

See accounting policy in note 3(w)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Amount in ₹ Lakhs

		Carrying value				Fair value measurement using		
As on 31 March 2019	Note no	Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	46.37	16,595.02	16,641.39	-	-	16,641.39
Investment in equity instruments (unquoted)	7	-	-	6.88	6.88	-	-	6.88
Investment in equity instruments (quoted)	7	-	-	1,272.51	1,272.51	1.90	-	1,270.61
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	37,396.92	-	-	37,396.92	-	-	-
Cash and cash equivalents	9	952.90	-	-	952.90	-	-	-
Bank balances other than cash and cash equivalents	10	3,704.61	-	-	3,704.61	-	-	-
Loans	11	5,424.30	-	-	5,424.30	-	-	-
Other financial assets	12	1,367.43	-	-	1,367.43	-	-	-
Financial liabilities:								
Non convertible debentures	19	15,000.00	-	-	15,000.00	-	-	-
Term loans	19	8,480.28	-	-	8,480.28	-	-	-
Current Borrowings	19	24,166.72	-	-	24,166.72	-	-	-
Trade payables	20	41,115.36	-	-	41,115.36	-	-	-
Derivatives	21	-	604.91	-	604.91	-	604.91	-
Other financial liabilities	22	2,123.66	-	-	2,123.66	-	-	-

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

As on 31 March 2018	Note no	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	7	-	-	21,530.27	21,530.27	-	-	21,530.27
Investment in equity instruments (quoted)	7	-	-	5,792.69	5,792.69	2.60	-	5,790.09
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	27,787.47	-	-	27,787.47	-	-	-
Cash and cash equivalents	9	1,718.04	-	-	1,718.04	-	-	-
Bank balances other than cash and cash equivalents	10	1,431.07	-	-	1,431.07	-	-	-
Loans	11	4,986.52	-	-	4,986.52	-	-	-
Other financial assets	12	815.44	-	-	815.44	-	-	-
Financial liabilities:								
Non convertible debentures	19	15,000.00	-	-	15,000.00	-	-	-
Term Loans	19	14,592.90	-	-	14,592.90	-	-	-
Current Borrowings	19	36,422.53	-	-	36,422.53	-	-	-
Trade payables	20	11,826.22	-	-	11,826.22	-	-	-
Derivatives	21	-	769.56	-	769.56	-	769.56	-
Other financial liabilities	22	1,211.60	-	-	1,211.60	-	-	-

Investment in subsidiary amounting to ₹ **8,001.00 lakhs** (31 March 2018: ₹ 8,001.00 lakhs) are measured at cost in accordance with Ind As 109.

The management assessed that trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, loans, trade payable and other financial assets and liabilities except derivative financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments. The Company's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings approximate fair value.

B. Fair value hierarchy

The Company has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of the quoted /unquoted investments included in level 3 are based on the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

(c) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

(d) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(e) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

(f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rate used is based on management estimates.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 2, or transfer into or out of level 3 during the year ended 31 March 2019 and 31 March 2018.

Reconciliation of level 3 fair value measurements

The following table shows a reconciliation from opening balances to closing balances for level 3 for fair values on a recurring basis.

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Balance as at beginning of the year	**27,320.36**	8,656.51
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**(6,878.30)**	18,663.85
Assumed in a scheme of amalgamation	**(2,523.18)**	-
Balance as at end of the year	**17,918.88**	27,320.36

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2018.

Financial assets and liabilities measured at fair value as at Standalone Balance Sheet date:

Other financial assets and liabilities

- Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

43. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Company's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company operations. The Company's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. The key risks and mitigating actions are also placed before the audit committee of the Company

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Foreign exchange risk	Committed commercial transaction Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts. Foreign currency options principal only/currency swaps
Interest rate	Long term borrowings at variable rates ; and other debt securities	Sensitivity analysis Interest rate movements	Interest rate swaps
Commodity Price risk	Movement in prices of raw materials	Commodity price tracking	Maintaining inventory at optimum level
Security prices	Investment in equity instruments	Sensitivity analysis	Portfolio diversification

The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and restricts the exposure in equity markets.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally form the Company receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, investments in debt securities and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company standard payment and delivery terms and conditions are offered. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customer operates. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customers.

Details of concentration percentage of revenue generated from a top customer and top five customers are stated below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from a top customer	**17%**	17%
Revenue from top five customers	**44%**	48%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

Movement in impairment loss account is as follows:

Amount in ₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning	**417.01**	417.01
Add: provided during the year	**-**	-
Less: utilised during the year	**-**	-
Balance at the end	**417.01**	417.01

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, finding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Amount in ₹ Lakhs

31 March 2019	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	31,057.28	17,745.08	1,508.74	818.28	-	51,129.38
Trade payables (including acceptances)	41,115.36	-	-	-	-	41,115.36
Derivatives	228.05	376.86	-	-	-	604.91
Other financial liabilities	1,305.03	-	-	25.77	-	1,330.80

Amount in ₹ Lakhs

31 March 2018	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	42,896.79	4,521.62	16,564.12	2,060.60	-	66,043.13
Trade payables (including acceptances)	11,826.22	-	-	-	-	11,826.22
Derivatives	185.91	185.79	397.86	-	-	769.56
Other financial liabilities	486.77	-	-	25.77	-	512.54

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The currency in which these transactions are primarily denominated are USD and JPY. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts and cross currency swap. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk. When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Exposure to currency risk

The Company's exposure to foreign currency as at the end of the reporting period are as follows:

Amount in ₹ Lakhs

31 March 2019	In original currency (USD)	In local currency	In original currency (JPY)	In local currency
Financial Assets				
Trade receivables	52.63	3,639.75	-	-
Cash and cash equivalents	0.66	45.71	-	-
	53.29	3,685.46	-	-
Financial Liabilities				
Borrowings (including current maturities of non-current borrowings)	59.68	4,127.79	1,291.68	807.55
Trade payables	510.47	35,310.07	-	-
Derivatives	3.80	262.83	547.15	342.08
Other financial liabilities	4.85	335.35	2.72	1.70
Less: Forward contracts	-	-	-	-
	578.80	40,036.04	1,841.55	1,151.33
Net exposure in respect of recognised financial assets and liabilities	(525.51)	(36,350.58)	(1,841.55)	(1,151.33)

Amount in ₹ Lakhs

31 March 2018	In original currency (USD)	In local currency	In original currency (JPY)	In local currency
Financial Assets				
Trade receivables	16.37	1,065.15	-	-
Cash and cash equivalents	1.20	78.02	-	-
Other financial assets	28.83	1,874.81	-	-
	46.40	3,017.98	-	-
Financial Liabilities				
Borrowings (including current maturities of non-current borrowings)	336.77	21,905.11	2,157.31	1,327.61
Trade payables	78.98	5,137.05	-	-
Derivatives	5.53	359.54	666.27	410.02
Other financial liabilities	0.22	14.62	-	-
Less: Forward contracts	(1.07)	(69.60)	-	-
	420.43	27,346.72	2,823.58	1,737.63
Net exposure in respect of recognised financial assets and liabilities	(374.03)	(24,328.74)	(2,823.58)	(1,737.63)

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and JPY against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates , remain constant and ignores any impact of forecast sales and purchases.

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD (5% Movement)	**(1,817.53)**	**1,817.53**	**(1,182.41)**	**1,182.41**
JPY (10% Movement)	**(115.13)**	**115.13**	**(74.90)**	**74.90**
31 March 2018				
USD (5% Movement)	(1,216.44)	1,216.44	(795.45)	795.45
JPY (10% Movement)	(173.76)	173.76	(113.63)	113.63

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates related primarily to the Company's current borrowing (excluding commercial paper and others) with floating interest rates. For all non-current borrowings with floating rates, the risk of variation in the interest rates in mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Exposure to interest rate risk

The interest rate profile of the Company 's interest bearing financial instruments at the end of the reporting period are as follows:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	**4,063.39**	4,891.55
Financial liabilities	**(31,168.48)**	(15,000.00)
	(27,105.09)	(10,108.45)
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(16,478.52)**	(51,015.43)
	(16,478.52)	(51,015.43)

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
Variable rate instruments	**(164.79)**	**164.79**	**(107.21)**	**107.21**
Cash flow sensitivity (net)	**(164.79)**	**164.79**	**(107.21)**	**107.21**
31 March 2018				
Variable rate instruments	(510.15)	510.15	(333.60)	333.60
Cash flow sensitivity (net)	(510.15)	510.15	(333.60)	333.60

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period and all other variables, in particulars foreign currency exchange rates, remain constant. Further, the calculation for the unhedged floating rate borrowing have been done on the notional value of the foreign currency.

(c) Equity price risks

The Company's quoted and unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Sensitivity analysis

Investment in equity instruments made by the Company are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
NSE Nifty 50 - increase by 10% (31 March 2018: 10%)	-	0.27	-	0.18
NSE Nifty 50 - decrease by 10% (31 March 2018: 10%)	-	(0.27)	-	(0.18)

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

(d) Hedge accounting

Currency risk-Transactions in foreign currency

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and interest rate exposures are denominated. The currencies in which these transactions are primarily denominated are US dollars and JPY. The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out as per the risk management policy of the Company.

The Company holds derivative financial instruments such as foreign currency forward, cross currency swaps, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Company's risk management policy is to hedge its foreign currency exposure in respect of firm commitments and highly probable forecasted transactions and interest rate risks. The counterparty for these contracts is generally a bank or a financial institution.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In order to designate a derivative contract as an effective hedge, the management objectively evaluates and evidence with appropriate underlying documents of each contract whether the contract is effective in offsetting cash flow attributable to the hedged risk. The Company applies a hedge ratio of 1:1.

In these hedging relationships, the main sources of ineffectiveness are :

- the effect of the counterparty and the Company's own credit risk on the fair value of the forward exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and
- changes in the timing of the hedged transactions.

Interest rate risk

The Company adopts a policy of hedging its certain interest rate risk exposure at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Company applies a hedge ratio of 1:1.

The Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional of hedging instruments or par amounts of hedged items.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Company's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and
- differences in re-pricing dates between the swaps and the borrowings.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

The following table gives details in respect of outstanding foreign currency forward, cross currency swaps, interest rate swaps and option contracts:

Amount in ₹ Lakhs

Particulars	Currency pair	Position	31 March 2019 Amount in foreign currency in lakhs	31 March 2019 Amount in ₹ in lakhs	31 March 2018 Amount in foreign currency in lakhs	31 March 2018 Amount in ₹ in lakhs
Forward contracts [**Nil**, (previous year 1)]	USD/INR	Buy	-	-	1.07	69.60
Currency swap [**1**, (previous year 1)]	USD/JPY	Sell	**1,291.67**	**807.55**	2,152.78	1,324.82
Interest rate swaps [**3**, (previous year 3)]	USD/INR	Notional Principal	**246.12**	**17,024.44**	246.12	16,008.65
Interest rate swap [**1**, (previous year 1)]	JPY to INR	Notional Principal	**4,733.69**	**2,959.50**	4,733.69	2,913.11

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Standalone Balance Sheet date:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Not later than one month	-	-
Later than one month and not later than three months	-	0.12
Later than three months and not later than one year	**228.05**	185.79
Later than one year	**376.86**	583.65
	604.91	769.56

All derivative contracts outstanding as at year end are marked to market. The Company has applied hedge accounting principles. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in Statement of Profit and Loss at the time of the hedge relationship rebalancing.

Accordingly, net exchange fluctuation loss/ (gain) aggregating to ₹ **Nil** [31 March 2018: ₹ (108.05 lakhs)], being the effective portion of the contract designated as effective hedge for future cash flows has been recognised in the other comprehensive income.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Derivative financial asset	Derivative financial liability	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	35.03	639.94	54.46	824.02
Amount set-off	(35.03)	(35.03)	(54.46)	(54.46)
Net amount presented in Standalone Balance Sheet	-	604.91	-	769.56

Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2019

Amount in ₹ Lakhs

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge effectiveness recognised in Standalone Statement of Profit and Loss	Amount reclassified from cash flow hedging reserve to Standalone Statement of Profit and Loss	Line item affected in the Standalone Statement of Profit and Loss because of the reclassification
Cash flow hedge				
(i) Foreign exchange risk	-	-	-	
(ii) Interest rate risk	-	-	-	

For the year ended 31 March 2018

Amount in ₹ Lakhs

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge effectiveness recognised in Standalone Statement of Profit and Loss	Amount reclassified from cash flow hedging reserve to Standalone Statement of Profit and Loss	Line item affected in the Standalone Statement of Profit and Loss because of the reclassification
Cash flow hedge				Foreign exchange fluctuation
(i) Foreign exchange risk	(121.18)	-	(76.64)	
(ii) Interest rate risk	13.13	-	-	

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Movements in cash flow hedging reserve

Amount in ₹ Lakhs

Risk category	Foreign currency risks	Interest rate risk	
Derivative instruments	**Foreign exchange forward contract**	**Interest rate swaps**	**Total**
Cash flow hedging reserve			
As at 1 April 2017	197.82	(13.13)	184.69
Add: Changes in discounted spot element of foreign exchange forward contracts	(121.18)	-	(121.18)
Add: Changes in fair value of interest rate swaps	-	13.13	13.13
Less: Amount reclassified to profit or loss	(76.64)	-	(76.64)
As at 31 March 2018	-	-	-
Add: Changes in discounted spot element of foreign exchange forward contracts	-	-	-
Add: Changes in fair value of interest rate swaps	-	-	-
Less: Amount reclassified to profit or loss	-	-	-
As at 31 March 2019	-	-	-

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

Impact of hedging activities

31 March 2019

Amount in ₹ Lakhs

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge:									
Foreign exchange contract									
- Currency swap contract	-	-	-	-	-	-	-	-	-
Interest rate risk									
- Interest rate swap	-	-	-	-	-	-	-	-	-

31 March 2018

Amount in ₹ Lakhs

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge:									
Foreign exchange contract									
- Currency swap contract	-	-	-	-	ICICI: 28 June 2017 (USD) 24 Aug 2020 (JPY)	1:1	US$ 1: INR 46.83 JPY 1: INR 0.7026	(121.18)	121.18
Interest rate risk									
- Interest rate swap	-	-	-	-	DBS: 15 September 2017 HSBC: 8 November 2017	1:1	1.3%	13.13	(13.13)

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

44. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders. The Company's objective when managing capital are to: (a) maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. The Company may take appropriate steps in order to maintain or adjust its capital structure.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Amount in ₹ Lakhs

Particulars		31 March 2019	31 March 2018
Borrowings	A	**47,647.00**	66,015.43
Liquid investments including bank deposits	B	**952.90**	1,718.04
Total	C = A-B	**46,694.10**	64,297.39
Equity	D	**167,722.92**	145,632.55
Debt to Equity	E = A / D	**0.28**	0.45
Debt to Equity (net)	F = C / D	**0.28**	0.44

For the purpose of the Company's capital management

(a) Borrowings includes as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 19 and 22.

(b) Equity includes Issued, subscribed and fully paid-up equity share capital and other equity attributable to the equity holders of the Company as described in note 17 and 18.

45. Segment information

See accounting policy in note 3(u)

The Company has presented segment information in the consolidated financial statement which are presented in the same financial report. Accordingly, in terms of paragraph 4 of Ind AS 108 'Operating segment', no disclosures related to segments are presented in these standalone financial statements.

46. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Standalone financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

47. Due to micro enterprises, small and medium enterprises

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**141.74**	200.58
- Interest	**-**	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	**-**	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	**-**	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	**-**	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	**-**	-

48. Distribution made and proposed dividend on equity shares

See accounting policy in note 3(q)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2018: ₹ 0.10 per share (31 March 2017: ₹ 0.10 per share)	**418.41**	418.41
Dividend distribution tax on final dividend	**86.00**	85.18
Total dividend paid	**504.41**	503.59
Proposed dividend on equity shares not recognised as liability		
Final dividend for the year ended on 31 March 2019: ₹ 0.15 per share (31 March 2018: ₹ 0.10 per share)	**627.87**	418.41
Dividend distribution tax on final dividend	**129.06**	86.00
Total dividend proposed for the year	**756.93**	504.41

Proposed dividend on equity shares is subject to the approval of the shareholders of the Company at the Annual General Meeting and not recognised as a liability (including dividend distribution tax thereon) as at Standalone Balance Sheet date.

Notes to the Standalone financial statements
for the year ended 31 March 2019 (Contd.)

49. The Nomination and Remuneration Committee of the Company at its meeting held on 7 May 2019, has allotted 31,061 equity shares of the company of face value of ₹ 1 per equity share 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 418,578,745 equity shares to 418,609,806 equity shares of ₹ 1 per equity share.

50. The Board of Directors of the Company, at its meeting held on 13 August 2018, has considered and approved a draft Scheme of Amalgamation ('Scheme') between Himadri Speciality Chemical Limited ('the Company' or the 'Transferee Company') and Equal Commodeal Private Limited ('ECPL' or the 'Transferor Company'), a wholly owned subsidiary of the Company, to merge the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company in terms of Section 230-232 of the Companies Act, 2013 ('the Act') and other applicable provisions, if any, of the Act, subject to necessary approvals from concerned authorities, with effect from 1 April 2018 ('Appointed Date'). The Company has filed the petition for the proposed Scheme with the National Company Law Tribunal (NCLT) and the NCLT has directed to hold meetings of the shareholders, secured creditors and unsecured creditors. Pending necessary regulatory approvals and other compliances, no adjustments have been made in the Stanadalone financial statements for the year ended 31 March 2019.

51. Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 28 May 2019

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Independent Auditors' Report

To the Members of Himadri Speciality Chemical Limited

(formerly known as Himadri Chemicals & Industries Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* 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, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd.)

Litigation and regulatory proceedings

See note 8 and 16 to the Consolidated Financial Statements

The key audit matter	How the matter was addressed in our audit
The Holding Company has ₹ 792.65 lakhs as amount receivable from a customer and ₹ 1,086.76 lakhs as advances given to a customer as at 31 March 2019, towards amount receivables from a customer and advances given to suppliers respectively, which are under arbitration proceedings from earlier years. Management applies significant judgement in estimating the likelihood of the future outcome in each case when considering whether, and how much, to provide or in determining the required disclosure for the potential exposure of each matter. This is due to the magnitude of the legal matters involved along with the fact that legal proceedings may span over multiple years, and may involve protracted negotiation or litigation. These estimates could change substantially over time as new facts emerge and each legal case progresses. The Holding Company's management has carried out independent assessment of the above matters and also has obtained independent legal opinion to support their assessment around the outcome of these litigations that has led to their conclusion that no provision is required to be recognised in the books of account against the same. We considered this to be a matter of significance to our audit given the inherent complexity, magnitude of potential exposures and the final outcome of these litigations, is likely to have significant impact on the consolidated financial statements for the year ended 31 March 2019.	We performed the following audit procedures in this regard: - Understood and evaluated the design and tested the operating effectiveness of controls around the assessment of this matter. - Discussed the status and likelihood of the outcome of the litigation with the external legal counsel engaged by the management of the Holding Company. - Evaluated the independence and competency of legal experts engaged by the Holding Company. - Read the independent legal opinions obtained by the Holding Company's management, from external legal counsel. - Obtained and tested evidence to support the management assessment with regard to non-provisioning against amount receivables from a customer and advances given to suppliers. - Assessed the appropriateness of disclosures in the consolidated financial statement. Based on the above procedures performed, we concluded that the management's assessment with regard to the amount receivables from a customer and advances given to suppliers is reasonable.

Information other than the Consolidated Financial Statements and auditors' report thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective 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 the assets of each company

Independent Auditors' Report (Contd.)

and for preventing and detecting frauds and other irregularities; the 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 financial statements 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and 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 management 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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 financial statements, 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 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 made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements 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 auditors' report to the related disclosures in the consolidated financial statements 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 auditors' report. However, future events or conditions may cause the Group (company and subsidiaries) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements,

Independent Auditors' Report (Contd.)

including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, 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 para of the Section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements / financial information of three subsidiaries (Equal Commodeal Private Limited, AAT Global Limited and Shandong Dawn Himadri Chemical Industry Limited), whose financial statements/financial information reflect total assets of ₹ 41,444.97 lakhs as at 31 March 2019, total revenues of ₹ 64,576.81 lakhs and net cash flows outflows amounting to ₹ 69.32 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

Certain of 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 audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the 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 report of other

Independent Auditors' Report (Contd.)

auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

(A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(B) With respect to the other matter to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

(i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group. Refer Note 8(c), 16(b), 24 and 35(a) to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 21 to the consolidated financial statements in respect of such items as it relates to the Group;

Independent Auditors' Report (Contd.)

(iii) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2019; and

(iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2019.

(C) With respect to the matter to be included in the Auditors' report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditor of such subsidiary company incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary company incorporated in India to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 28 May 2019

Annexure A

to the Independent Auditors' Report of even date on the consolidated financial statements of Himadri Speciality Chemical Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

[Referred to in paragraph (A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to consolidated financial statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) (hereinafter referred to as "the Holding Company") and such company incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

Annexure A

to the Independent Auditors' Report of even date on the consolidated financial statements of Himadri Speciality Chemical Limited for the year ended 31 March 2019 (Contd.)

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company in terms of its report referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with reference to consolidated financial statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matter

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 28 May 2019

Consolidated Balance Sheet
as at 31 March 2019

Amount in ₹ Lakhs

	Note	31 March 2019	31 March 2018
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	**116,807.28**	117,542.16
(b) Capital work-in-progress	5	**13,331.29**	2,244.44
(c) Other intangible assets	6	**233.93**	236.14
(d) Financial assets			
(i) Investments	7	**17,920.85**	27,323.03
(ii) Trade receivables	8	**792.65**	798.79
(iii) Loans	11	**1,976.57**	1,671.04
(iv) Other financial assets	12	**4.72**	3.04
(e) Non-current tax assets (net)	13	**160.01**	486.68
(f) Other non-current assets	14	**12,455.92**	5,317.84
Total non-current assets		**163,683.22**	155,623.16
(2) Current assets			
(a) Inventories	15	**54,317.79**	42,011.70
(b) Financial assets			
(i) Investments	7	**1.23**	1.14
(ii) Trade receivables	8	**36,613.20**	27,179.85
(iii) Cash and cash equivalents	9	**1,405.65**	1,989.42
(iv) Bank balances other than (iii) above	10	**3,704.61**	1,431.07
(v) Loans	11	**239.61**	316.43
(vi) Other financial assets	12	**1,032.74**	798.79
(c) Other current assets	16	**17,792.07**	12,275.86
Total current assets		**115,106.90**	86,004.26
TOTAL ASSETS		**278,790.12**	241,627.42
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**4,185.79**	4,184.08
(b) Other equity	18	**158,993.30**	137,281.86
Equity attributable to the owners of the Company		**163,179.09**	141,465.94
Non-controlling interests		**(32.08)**	(26.42)
Total equity		**163,147.01**	141,439.52
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**18,827.83**	23,119.18
(ii) Derivatives	21	**376.86**	583.65
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**295.25**	255.22
(c) Deferred tax liabilities (net)	33	**12,709.94**	9,710.84
Total non-current liabilities		**32,235.65**	33,694.66
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**24,166.72**	36,422.53
(ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		**141.74**	200.58
- total outstanding dues of creditors other than micro enterprises and small enterprises		**43,909.97**	14,422.91
(iii) Derivatives	21	**228.05**	185.91
(iv) Other financial liabilities	22	**6,750.34**	7,659.55
(b) Other current liabilities	23	**7,822.10**	7,480.81
(c) Provisions	24	**54.92**	40.24
(d) Current tax liabilities (net)	25	**333.62**	80.71
Total current liabilities		**83,407.46**	66,493.24
TOTAL EQUITY AND LIABILITIES		**278,790.12**	241,627.42
Significant accounting policies	3		
The accompanying notes form an integral part of the Consolidated financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Profit & Loss
for the year ended 31 March 2019

Amount in ₹ Lakhs

	Note	Year ended 31 March 2019	Year ended 31 March 2018
I. Revenue from Operations	26	**242,238.66**	207,184.68
II. Other income	27	**776.52**	1,225.95
III. Total income (I + II)		**243,015.18**	208,410.63
IV. Expenses			
Cost of materials consumed	28	**161,758.90**	137,370.32
Changes in inventories of finished goods and work-in-progress	29	**(1,718.27)**	(845.30)
Excise duty		**-**	5,034.56
Employee benefits expense	30	**5,956.17**	4,839.16
Finance costs	31	**7,105.25**	7,044.87
Depreciation and amortisation expense	4 and 6	**3,443.44**	3,323.24
Other expenses	32	**20,255.92**	15,546.86
Total expenses		**196,801.41**	172,313.71
V. Profit before tax (III-IV)		**46,213.77**	36,096.92
VI. Tax expenses			
Current tax	33	**9,683.00**	7,612.00
Deferred tax charge	33	**4,107.22**	3,725.16
Total tax expenses		**13,790.22**	11,337.16
VII. Profit for the year (V-VI)		**32,423.55**	24,759.76
VIII. Other comprehensive income			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the net defined benefit plan		**(43.85)**	(20.77)
(b) Net gain/ (loss) on investment in equity instruments accounted at fair value		**(9,402.15)**	18,658.45
(c) Income taxes relating to items that will not be reclassified to profit or loss		**1,108.12**	(4,857.24)
Net other comprehensive income not to be reclassified subsequently to profit or loss		**(8,337.88)**	13,780.44
B. Items that will be reclassified subsequently to profit or loss			
(a) Effective portion of gains on hedging instruments in cash flow hedges		**-**	3,882.61
(b) Effective portion of gains on hedging instruments in cash flow hedges reclassified to profit and loss		**-**	(3,774.56)
(c) Exchange differences in translating financial statements of foreign operations		**(2,076.77)**	143.96
(d) Income taxes relating to items that will be reclassified to profit or loss		**-**	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**(2,076.77)**	252.01
Other comprehensive income for the year		**(10,414.65)**	14,032.45
IX. Total comprehensive income for the year (VII+VIII)		**22,008.90**	38,792.21
X. Profit attributable to:			
Owners of the Company		**32,429.38**	24,746.24
Non-controlling interests		**(5.83)**	13.52
Profit after tax for the year		**32,423.55**	24,759.76
XI. Other comprehensive income attributable to:			
Owners of the Company		**(10,414.82)**	14,035.55
Non-controlling interests		**0.17**	(3.10)
Other comprehensive income for the year		**(10,414.65)**	14,032.45
XII. Total comprehensive income attributable to:			
Owners of the Company		**22,014.56**	38,781.79
Non-controlling interests		**(5.66)**	10.42
Total comprehensive income for the year		**22,008.90**	38,792.21
XIII. Earnings per equity share	34		
[Face value of equity share ₹ **1** each (previous year ₹ 1 each)]			
- Basic		**7.75**	5.92
- Diluted		**7.74**	5.92
Significant accounting policies	3		
The accompanying notes form an integral part of the Consolidated financial statements.			

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Changes in Equity
for the year ended 31 March 2019

A. Equity share capital

Amount in ₹ Lakhs

Particulars	Note	Number	Amount
Balance as at 1 April 2017		418,407,867	4,184.08
Changes in equity share capital during the year	17	-	-
Balance as at 31 March 2018		418,407,867	4,184.08
Changes in equity share capital during the year	17	**170,878**	**1.71**
Balance as at 31 March 2019		**418,578,745**	**4,185.79**

B. Other equity

Amount in ₹ Lakhs

Particulars	Note	Reserves and surplus						Items of Other comprehensive income				Total attributable to the owners of the Company	Attributable to Non-controlling interests	Total
		Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Remeasurement of net defined benefit plan	Effective portion of cash flow hedges	Currency translation reserve	Equity instruments through other comprehensive income			
Balance at 1 April 2017		1,280.50	45,365.53	4,214.27	13,669.94	25.40	29,728.65	(15.43)	(184.69)	(1,006.51)	5,748.67	98,826.33	(36.84)	98,789.49
Total comprehensive income for the year ended 31 March 2018														
Profit for the year 2017-18		-	-	-	-	-	24,746.24	-	-	-	-	24,746.24	13.52	24,759.76
Other comprehensive income for the year 2017-18		-	-	-	-	-	-	(13.58)	108.05	143.96	13,794.02	14,032.45	(3.10)	14,029.35
Total comprehensive income for the year		-	-	-	-	-	24,746.24	(13.58)	108.05	143.96	13,794.02	38,778.69	10.42	38,789.11
Dividends (including corporate dividend tax)	49	-	-	-	-	-	(503.59)	-	-	-	-	(503.59)	-	(503.59)
Fair value changes on derivatives designated as cash flow hedge	43 (d)	-	-	-	-	-	-	-	76.64	-	-	76.64	-	76.64
Share based payments- Equity settled	39	-	-	-	-	103.79	-	-	-	-	-	103.79	-	103.79
Transfer from debenture redemption reserve	18	-	-	(1,750.00)	1,750.00	-	-	-	-	-	-	-	-	-
Transfer to debenture redemption reserve	18	-	-	428.56	-	-	(428.56)	-	-	-	-	-	-	-
Balance at 31 March 2018		1,280.50	45,365.53	2,892.83	15,419.94	129.19	53,542.74	(29.01)	-	(862.55)	19,542.69	137,281.86	(26.42)	137,255.44

Consolidated Statement of Changes in Equity
for the year ended 31 March 2019 (Contd.)

B. Other equity (Continued)

Amount in ₹ Lakhs

Particulars	Note	Reserves and surplus						Items of Other comprehensive income				Total attributable to the owners of the Company	Attributable to Non-controlling interests	Total
		Capital reserve	Securities premium	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Remeasurement of net defined benefit plan	Effective portion of cash flow hedges	Currency translation reserve	Equity instruments through other comprehensive income			
Balance at 1 April 2018		1,280.50	45,365.53	2,892.83	15,419.94	129.19	53,542.74	(29.01)	-	(862.55)	19,542.69	137,281.86	(26.42)	137,255.44
Total comprehensive income for the year ended 31 March 2019														
Profit for the year 2018-19		-	-	-	-	-	32,429.38	-	-	-	-	32,429.38	(5.83)	32,423.55
Other comprehensive income for the year 2018-19		-	-	-	-	-	-	(28.58)	-	(2,076.77)	(8,309.30)	(10,414.65)	0.17	(10,414.48)
Total comprehensive income for the year		-	-	-	-	-	32,429.38	(28.58)	-	(2,076.77)	(8,309.30)	22,014.73	(5.66)	22,009.07
Dividends (including corporate dividend tax)	49	-	-	-	-	-	(504.41)	-	-	-	-	(504.41)	-	(504.41)
Issue of equity shares on exercise of employee stock option	17 and 39	-	39.28	-	-	(39.28)	-	-	-	-	-	-	-	-
Share based payments-Equity settled	39	-	30.76	-	-	170.36	-	-	-	-	-	201.12	-	201.12
Transfer to debenture redemption reserve	18	-	-	428.56	-	-	(428.56)	-	-	-	-	-	-	-
Balance at 31 March 2019		1,280.50	45,435.57	3,321.39	15,419.94	260.27	85,039.15	(57.59)	-	(2,939.32)	11,233.39	158,993.30	(32.08)	158,961.22

a) Nature and purpose of reserves:

(i) Capital reserve: Capital reserve represents profit or loss on purchase, sale, issue or cancellation of the Holding Company's own equity instruments.

(ii) Securities premium: Securities premium is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs etc. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium.

(iii) Debenture redemption reserve (DRR): The Group had issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (amended), requires the Holding Company to create DRR out of profits of the Holding Comapny available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

Consolidated Statement of Changes in Equity
for the year ended 31 March 2019 (Contd.)

(iv) **General reserve:** It represents a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.On redemption of 9.60% redeemable non-convertible debentures ₹ **Nil** (31 March 2018: ₹ 1,750 lakhs) lying in Debenture redemption reserve was transferred to General reserve.

(v) **Share option outstanding reserve:** The Holding Company has a stock option scheme under which options to subscribe for the Holding Company's share have been granted to certain executives and senior employees. The share option outstanding reserve is used to recognise the value of equity-settled share based payments provided to employees, including certain key management personnel, as part of their remuneration. Refer note 39 for further details of these plans.

(vi) **Retained earnings:** Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(vii) **Remeasurement of defined benefit plan:** Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other comprehensive income' and subsequently not reclassified to the Consolidated Statement of Profit and Loss.

(viii) **Effective portion of cash flow hedge:** This comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedging transactions that have not matured.

(ix) **Currency translation reserve:** This reserve has been created for exchange variation in opening equity share capital and other equity of AAT Global Limited and Shandong Dawn Himadri Chemical Industry Limited.

(x) **Equity instruments through other comprehensive income:** The Group has elected to recognise changes in the fair value of certain investments in equity instruments through other comprehensive income (OCI). These changes are accumulated within the equity instruments through OCI shown under the head other equity. The Group transfers amounts therefrom to retained earnings when the relevant equity instruments are derecognised.

b) Refer note 48 for subsequent issue of equity share capital as on 7 May 2019.

Significant accounting policies 3

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 28 May 2019

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Consolidated Statement of Cash Flows
for the year ended 31 March 2019

Amount in ₹ Lakhs

	Year ended 31 March 2019		Year ended 31 March 2018	
A. Cash flows from operating activities				
Net profit before tax		**46,213.77**		36,096.92
Adjustments for:				
Depreciation and amortisation expense	**3,443.44**		3,323.24	
Share based payments to employees - Equity settled	**170.36**		103.79	
Finance costs	**7,105.25**		7,044.87	
Interest income on bank deposits	**(139.21)**		(101.82)	
Interest income on income tax refunds	**(116.07)**		-	
Unwinding of discount on security deposits and others	**(144.08)**		(227.27)	
Gain of fair valuation of investments through profit or loss	**-**		(0.63)	
Dividend income on equity instruments	**-**		(0.08)	
Gain on sale proceeds of current investments measured at fair value through profit or loss	**(4.14)**		(12.20)	
Foreign exchange fluctuation (net)	**(870.97)**		781.12	
Exchange differences in translating financial statements of foreign operations	**(2,076.60)**		140.86	
Net gain on sale of property, plant and equipment	**(1.67)**		-	
Cash generated from operations before working capital changes		**7,366.31**		11,051.88
Operating cash flows before working capital changes		**53,580.08**		47,148.80
Working capital adjustments:				
(Increase) in inventories	**(12,306.09)**		(2,422.30)	
(Increase) in trade receivables	**(9,475.05)**		(5,038.63)	
(Increase) in financial and other assets	**(5,280.55)**		(1,167.05)	
Increase/ (decrease) in trade payables	**30,033.38**		(3,212.13)	
Increase/ (decrease) in financial, other liabilities and provisions	**576.89**		(1,578.68)	
Net changes in working capital		**3,548.58**		(13,418.79)
Cash generated from operating activities		**57,128.66**		33,730.01
Tax paid (net of refunds)		**(9,546.16)**		(7,922.68)
Net cash generated from operating activities (A)		**47,582.50**		25,807.33
B. Cash flows from investing activities				
Purchase of property, plant and equipments	**(20,382.73)**		(6,042.36)	
Sales proceeds of property, plant and equipments	**5.99**		-	
Purchase of intangible assets	**(47.75)**		(236.27)	
Interest income received	**274.45**		156.57	
Dividends received	**-**		0.08	
Sale proceeds of current investments	**4,604.08**		6,399.35	
Purchase of current investments	**(4,600.00)**		(6,350.00)	
(Investment in)/ redemption of bank deposits (having maturity of more than 3 months)	**(2,276.59)**		1,038.63	
Net cash provided by/ (used in) investing activities (B)		**(22,422.55)**		(5,034.00)
C. Cash flows from financing activities				
Proceeds from allotment of equity share under employee stock options	**32.47**		-	
Repayment of non-convertible debentures	**-**		(10,000.00)	
Proceeds from non-current borrowings	**411.89**		13,122.63	
Repayment of non-current borrowings	**(6,569.60)**		(15,223.53)	
(Decrease)/ increase in current borrowings	**(12,470.15)**		12.71	
Interest paid	**(6,596.55)**		(6,478.93)	

Consolidated Statement of Cash Flows
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	Year ended 31 March 2019		Year ended 31 March 2018	
Net outflow on settlement of derivative contracts	(47.35)		(917.54)	
Dividend paid (including dividend distribution tax)	(504.41)		(503.59)	
Net cash provided by/ (used in) financing activities (C)		(25,743.70)		(19,988.25)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		(583.75)		785.08
Cash and cash equivalents at the beginning of the year (refer note 9 to the consolidated financial statements)		1,989.42		1,205.08
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		(0.02)		(0.74)
Cash and cash equivalents at the end of the year (refer note 9 to the consolidated financial statements)		1,405.65		1,989.42

Notes:

1. Consolidated Statement of Cash Flows has been prepared under the indirect method as set out in *Ind AS 7 "Statement of cash flows"* specified under Section 133 of the Companies Act, 2013.
2. Purchase of property, plant and equipment includes movements of capital work-in-progress (including capital advances and liability for capital goods) during the year.
3. Change in Liability arising from financing activities

Amount in ₹ Lakhs

	1 April 2018	Cash flow (net)	Foreign exchange movement	Fair Value Changes	31 March 2019
Borrowing (including current maturities of non-current borrowings) - Non Current	29,592.90	(6,157.71)	31.86	13.23	23,480.28
Borrowing - Current	36,422.53	(12,470.15)	214.34	-	24,166.72

Amount in ₹ Lakhs

	1 April 2017	Cash flow (net)	Foreign exchange movement	Fair Value Changes	31 March 2018
Borrowing (including current maturities of non-current borrowings) - Non Current	41,543.32	(12,100.90)	88.46	62.02	29,592.90
Borrowing - Current	35,815.58	12.71	594.24	-	36,422.53

The accompanying notes form an integral part of the Consolidated financial statements.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

Place: Kolkata
Date: 28 May 2019

Notes to the Consolidated financial statements
for the year ended 31 March 2019

1. Reporting entity

Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) ('the Holding Company' or ' the Company') is a public company domiciled and headquartered in India, having its registered office situated at 23A, N. S. Road, Kolkata - 700 001 and corporate office situated at 8, India Exchange Place, 2nd floor, Kolkata -700 001. The Holding Company was originally incorporated on 28 July 1987 and its equity shares are listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Holding Company is primarily engaged in the manufacturing of carbon materials and chemicals. The Holding Company has operations in India and caters to both domestic and international markets. The Holding Company also has a wholly-owned subsidiary in India in the name of Equal Commodeal Private Limited, a step down wholly-owned subsidiary in the name of AAT Global Limited, incorporated in Hong Kong and another step down subsidiary with 94% shareholding in the name of Shandong Dawn Himadri Chemical Industry Limited, incorporated in China, collectively referred to as "the Group".

2. Basis of preparation and measurement of Consolidated financial statements

(a) Statement of compliance

These Consolidated financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Companies (Indian Accounting Standards) Rules, 2015 under Section 133 of the Companies Act, 2013 ('Act'), amendments thereto and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India ('SEBI'), as applicable.

The Consolidated financial statements were authorised for issue by the Board of Directors of the Holding Company at their meeting held on 28 May 2019.

The details of the Group's accounting policies are included in note 3 to the Consolidated financial statements.

(b) Functional and presentation currency

These Consolidated financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(c) Basis of measurement

The Consolidated financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

(i) Derivative financial instruments measured at fair value;

(ii) Certain financial assets and financial liabilities measured at fair value;

(iii) Employee's defined benefit plan as per actuarial valuation; and

(iv) Employee share-based payments measured at fair value

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

(d) Key accounting estimates and judgements

The preparation of the Group's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities.

Notes to the Consolidated financial statements

for the year ended 31 March 2019 **(Contd.)**

Estimates and underlying assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these Consolidated financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively. The changes in the estimates are reflected in the Consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Critical accounting estimates and key sources of estimation uncertainty: Key assumptions

(i) Useful lives of Property, plant and equipment

The Group uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets. See note 3 (d) and 4 for details.

(ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using certain valuation techniques. The inputs to these models are taken from observable market data where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as volatility risk and credit risk. See note 3(v) and 42 for details.

(iii) Defined benefit plan

The cost of the defined benefit plan includes gratuity and the present value of the gratuity obligation are determined using actuarial valuation using projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. See note 3(g) and 38 for details.

(iv) Employee share-based payments

The Group measures the cost of equity-settled transactions with employees using Black Scholes Merton model to determine the fair value of the liability incurred on the grant date. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model,

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 3(g)(ii) and 39.

(v) Recognition of current tax and deferred tax

Current taxes are recognised at tax rates (and tax laws) enacted or substantively enacted by the reporting date and the amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used See note 3(n) and 33 for details.

(vi) Recognition and measurement of provisions and contingencies

The certain key assumptions about the likelihood and magnitude of an outflow of resources. Provision is towards known contractual obligation, litigation cases and pending assessments in respect of taxes, duties and other levies in respect of which management believes that there are present obligations and the settlement of such obligations are expected to result in outflow of resources, to the extent provided for. See note 8, 16, 24, 35(a) and 43 for details.

(e) Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Group has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 42.

(f) Basis of consolidation

(i) Subsidiaries

These Consolidated financial statements are prepared in accordance with Ind AS on "Consolidated Financial Statements"(Ind AS - 110), specified under Section 133 of the Act.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated financial statements from the date on which control commences until the date on which control ceases. Subsidiaries considered in the Consolidated financial statements are:

Name of the Company	Country of incorporation	31 March 2019 shareholding %	31 March 2018 shareholding %
Equal Commodeal Private Limited	India	100%	100%
AAT Global Limited	Hong Kong	100%	100%
Shandong Dawn Himadri Chemical Industry Limited	China	94%	94%

(ii) Non-controlling interest (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(iii) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

(iv) Transactions eliminated on consolidation

The financial statements of the Holding Company and its subsidiaries used in the consolidation procedures are drawn upto the same reporting date i.e 31 March 2019.

The financial statements of the Holding Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

3. Significant accounting policies

(a) Current and non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act.

Assets

An asset is classified as current when it satisfies any of the following criteria:

a) it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

c) it is expected to be realised within 12 months after the reporting date; or

d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the Group's normal operating cycle;

b) it is held primarily for the purpose of being traded;

c) it is due to be settled within 12 months after the reporting date; or

d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

For the purpose of current and non-current classification of assets and liabilities, the Group has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

(b) (i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at an average rate which approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise, except:

- exchange differences on qualifying cash flow hedges to the extent that the hedges are effective;
- exchange differences on long term foreign currency monetary items accounted for in accordance with exemption availed by the Group under Ind AS 101.

(ii) Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Holding Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or any average rate if the average rate approximately the actual rate at the date of the transaction.

When a foreign operation is disposed off in its entirety or partially such that control, significant influence or joint

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in Other comprehensive income ("OCI") is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to Non-controlling interest ("NCI").

(c) Financial instruments

(i) Recognition and initial measurement

Trade Receivables and debt securities issued are initially recognised when they are originated. All financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. Trade receivables are initially measured at transaction price.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue of the financial asset/ financial liabilities.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at:

- amortised cost; or
- fair value through Other Comprehensive Income (FVOCI)– Equity Investment; or
- fair value through Profit or Loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

a. the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Consolidated Statement of Profit and Loss. This category generally applies to long-term deposits, loans and long-term trade receivables.

Financial assets at fair value through Other Comprehensive Income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (designated as FVOCI-equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 **(Contd.)**

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

In accordance with Ind AS 101, the Group has irrevocably designated its investment in equity instruments (other than investment in subsidiary) as FVOCI on the date of transition to Ind AS.

Financial assets at fair value through Profit or Loss (FVTPL)

All financial assets which are not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Consolidated Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Consolidated Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL.

Financial liabilities through fair value through Profit or Loss (FVTPL)

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Consolidated Statement of Profit and Loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. See note 3 (c) (v) for financial liabilities designated as hedging instruments.

Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on such instruments are recognised in the Consolidated Statement of Profit and Loss.

Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Consolidated Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Consolidated Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables (including other financial liabilities) maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

(iii) Derecognition

Financial assets

The Group derecognises a financial asset:

- when the contractual rights to the cash flows from the financial asset expire, or

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Consolidated Statement of Profit and Loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments, such as foreign currency forward contracts, interest rate swaps, cross currency swap and option contracts to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in Consolidated Statement of Profit and Loss. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

The Group uses forward contracts, cross currency swaps and interest rates swaps to hedge its exposure to foreign currency risk and interest rate risk in forecast transactions and firm commitments.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the Ind AS 109 "Financial Instruments: Recognition and Measurement". The use of hedge instruments is governed by the Group's policies approved by the Board of Directors. The Group does

Notes to the Consolidated financial statements
for the year ended 31 March 2019 **(Contd.)**

not use these contracts for trading or speculative purposes.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in Other Comprehensive Income (OCI) and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in Consolidated Statement of Profit and Loss.

All other hedged forecast transactions, the amount accumulated in other equity is reclassified to Consolidated Statement of Profit and Loss in the same period or periods during which the hedged expected future cash flows affect Consolidated Statement of Profit and Loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to Consolidated Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect Consolidated Statement of Profit and Loss.

If the hedged future cash flows/ forecasted transactions are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to Consolidated Statement of Profit and Loss.

Derivatives that are not designated as hedge

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through Consolidated Statement of Profit and Loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Borrowing costs directly attributable to the acquisition or construction of those qualifying property, plant and equipment, which necessarily take a substantial period of time to get ready for their intended use, are capitalised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

An item of property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Consolidated Statement of Profit and Loss. Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital work-in-progress. Assets retired from active use and held for disposal are stated at the lower of their net book value and net realisable value and shown under 'Other current assets'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-current Assets".

Foreign currency exchange differences on loans used for purchases of property, plant and equipment prior to 1 April 2016, are continued to be capitalised as per policy stated in note 3 (c) above.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Consolidated Statement of Profit and Loss.

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the written down value method for Property, plant and equipment situated at Liluah Unit - I (Howrah), Vapi and Vizag, and on property, plant and equipment situated at other locations are provided on straight line method over the useful lives of assets, at the rates and in the manner specified in Part C of Schedule II of the Act. The rates of depreciation as prescribed in Part C of Schedule II of the Act are considered as the minimum rates.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Leasehold land (includes development cost) is amortised on a straight line basis over the period of respective lease, except land acquired on perpetual lease. Useful lives and residual values are reviewed at each financial year end and adjusted, as appropriate.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

The estimated useful lives of items of property, plant and equipment for the current period are as follows:

Asset	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings	10-60	30
Plant and equipment	5-60	8-40
Office equipment	5-25	5
Vehicles	8-10	6-10
Furniture and fittings	10	8-10

Based on technical assessment done by experts and management's estimate:

- Useful life of property, plant and equipment are different than those indicated in Schedule II to the Act, as stated above.
- Residual value on property, plant and equipment has been estimated at 5% of the cost, specified in Schedule II of the Act.

The management believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

(e) Other intangible assets

(i) Recognition and measurement

Other intangible assets includes computer software which are acquired by the Group and are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment loss.

Revenue expenditure on research and development is charged as an expense through the normal heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Group.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Amortisation

Amortisation in respect to all the intangible assets is provided on straight line method over the useful lives of assets based on evaluation. The useful life of such intangible assets of Computer Software is 5 years. The amortisation period for other intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

(f) Impairment

(i) Impairment of financial instruments: financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are

Notes to the Consolidated financial statements
for the year ended 31 March 2019 **(Contd.)**

not fair valued through profit or loss. Loss allowance for trade receivable with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at twelve months ECL unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in Consolidated Statement of Profit and Loss.

In case of trade receivables, the Group follows the simplified approach permitted by Ind AS 109 - *Financial Instruments for recognition of impairment loss allowance*. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including subsequent information.

(ii) Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Group's corporate assets (e.g. corporate office for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of assets for which impairment loss has been recognised in

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Employee share- based payment transactions

The Group recognises compensation expense relating to share-based payments in Consolidated Statement of Profit and Loss using fair value in accordance with Ind AS 102, *Share Based Payment*.

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

(iii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions for (a) employee provident fund to Government administered provident fund scheme, and (b) superannuation scheme for eligible employees to Life Insurance Corporation of India (LICI), which are defined contribution plans. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Consolidated Statement of Profit and Loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Group's gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Holding Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested.

(v) Compensated absences

As per policy of the Group, employees can carry forward unutilised accrued compensated absences and utilise it in next service period or receive cash compensation. Since the compensated absences fall due wholly within twelve months after the end of the period in which the employees render the related service and are also expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a current employee benefit. The Group records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement. The obligation is measured at actuals at the year end as per the policy of the Group. The expected cost of accumulating compensated absences is determined by the management at each balance sheet date measured based on the amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Non-accumulating

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

compensated absences are recognised in the period in which the absences occur.

(h) Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

(i) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, packing materials, stores and spares are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out (FIFO) formula and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

In the case of finished goods and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Raw materials, held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount of the write-down is reversed.

(j) Revenue- Sale of products

Effective 1 April 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. 1 April 2018) in retained earnings, if any. The comparative information in the Consolidated Statement of Profit and Loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18. Refer note 2 (j) of the Consolidated financial statements - Significant accounting policies – 'Revenue-Sale of goods' in the Annual report of the Group for the year ended 31 March 2018, for the revenue recognition policy as per Ind AS 18. The impact of the adoption of the standard on the Consolidated financial statements of the Group is insignificant.

At contract inception, Group assess the goods promised in a contract with a customer and identifies as a performance obligation each promise to transfer to the customer. Revenue is recognised upon transfer of control of promised products to customers

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

in an amount of the transaction price that is allocated to that performance obligation and that reflects the consideration which the Group expects to receive in exchange for those products.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods to a customer net of returns, excluding amounts collected on behalf of third parties (for example, taxes) and excluding discounts, as specified in the contract with customer.

With respect to sale of products revenue is recognised at a point in time when the performance obligation is satisfied and the customer obtains the control of goods.

Significant financing component - Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

The Group recognises revenue only when it is probable that it will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Revenue from sale of power is accounted as per agreed tariff rates with the respective electricity board and are recognised net of discounts for prompt payment of bills.

(k) Government grants

Government grants are recognised in the Consolidated Statement of Profit and Loss as other operating revenue on a systematic basis over the periods in which the Group recognises the related costs for which the grants are intended to compensate.

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Consolidated Statement of Profit and Loss in the period in which they become receivable.

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

(l) Recognition of divided income, interest income or expenses

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established.

Interest income or expense is recognised using the effective interest rate (EIR) method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(m) Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Group's Consolidated Balance Sheet.

(iii) Lease payments

Payments made under operating leases are generally recognised in Consolidated Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Income tax

Income tax expense comprises of current tax and deferred tax charge or credit. Current tax and deferred tax is recognised in the Consolidated Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Current tax is measured on the basis of estimated taxable income for the current accounting period in accordance with the applicable tax

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

For items recognised in other comprehensive income or equity, deferred / current tax is also recognised in other comprehensive income or equity.

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

(o) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent

Notes to the Consolidated financial statements
for the year ended 31 March 2019 **(Contd.)**

that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Where there is an unrealised exchange loss which is treated as an adjustment to interest and subsequently there is a realised or unrealised gain in respect of the settlement or translation of the same borrowing, the gain to the extent of the loss previously recognised as an adjustment is recognised as an adjustment to interest.

(p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(q) Dividends

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Board of Directors of the Holding Company.

(r) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(s) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(t) Earnings per share

Basic earnings per share ('EPS') is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

(u) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Group has currently two reportable segments viz. Carbon materials and chemicals and Power.

(v) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(w) Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Separable embedded derivative

The fair value of the separable embedded derivative is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on measurement date, expected term of the instrument, risk free rate (based on government bond), expected volatility.

(ii) Non-derivative financial assets

Non-derivative financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI. Investments in equity instruments are measured at FVOCI and adjusted net assets method has been used for fair valuations of investment in unquoted securities.

(iii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

(iv) Derivative financial liabilities

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps, cross currency swap to hedge its foreign currency risks, interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

(v) Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. For finance leases the market rate of interest is determined with reference to similar lease agreements.

(vi) Employee share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes Merton valuation model. Measurement inputs include share price on grant date, exercise price of the instrument, expected volatility, expected life of the instrument (based on historical experience), expected dividends, and the risk free interest rate (based on government bonds).

(x) Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, , 2019 has notified the following new Ind AS and amendments

Notes to the Consolidated financial statements

for the year ended 31 March 2019 (Contd.)

to existing issued Ind AS which the Group has not applied as they are effective from 1 April 2019:

(i) Ind AS 116 Lease

The Group is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its Consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the Consolidated financial statements in the period of initial application is not reasonably estimable as at present.

The Group will recognise new assets and liabilities for its operating leases of offices and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

Transition to Ind AS 116

The Group plans to adopt Ind AS 116 with modified retrospectively approach with cumulative effect of applying the standard, recognised on the date of initial applicable (1 April 2019). The Group will elect to apply the standard to contracts that were previously identified as leases applying Ind AS 17. The Group will therefore not apply the standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

The Group will elect to use the exemptions proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value.

The Group intends to adopt this standard. However, adoption of this standard by the Group is not likely to have a significant impact in the Consolidated financial statements.

(ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatments

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1)

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its Consolidated financial statements.

(iii) Ind AS 19 – Plan Amendment, curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its Consolidated financial statements.

(iv) Ind AS 23 – Borrowing Costs

Borrowing Costs, clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. The Group does not expect this amendment to have any significant impact on its Consolidated financial statements.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

4. Property, plant and equipment

See accounting policies in note 3(d) and 3(f) (ii)

Reconciliation of carrying amount

Amount in ₹ Lakhs

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Total
Gross carrying amount								
Balance at 1 April 2017	3,667.15	622.90	11,325.46	142,360.35	789.24	976.92	1,757.23	161,499.25
Additions during the year	245.66	40.00	202.56	1,986.56	25.88	80.29	100.74	2,681.69
Exchange differences on translation of foreign operations	-	29.43	402.93	537.54	5.33	8.49	9.86	993.58
Balance at 31 March 2018	**3,912.81**	**692.33**	**11,930.95**	**144,884.45**	**820.45**	**1,065.70**	**1,867.83**	**165,174.52**
Balance at 1 April 2018	**3,912.81**	**692.33**	**11,930.95**	**144,884.45**	**820.45**	**1,065.70**	**1,867.83**	**165,174.52**
Additions during the year	**198.46**	**-**	**8.61**	**1,284.07**	**397.54**	**443.95**	**341.90**	**2,674.53**
Discard/ disposals during the year	**-**	**-**	**-**	**(4.03)**	**-**	**(10.42)**	**-**	**(14.45)**
Exchange differences on translation of foreign operations	**-**	**(1.84)**	**(25.18)**	**3.79**	**(0.33)**	**(0.53)**	**(0.62)**	**(24.71)**
Balance at 31 March 2019	**4,111.27**	**690.49**	**11,914.38**	**146,168.28**	**1,217.66**	**1,498.70**	**2,209.11**	**167,809.89**
Accumulated depreciation and amortisation								
Balance at 1 April 2017	-	59.41	2,656.44	38,658.42	510.17	668.11	1,564.67	44,117.22
Depreciation/ Amortisation for the year	-	20.36	264.97	2,841.34	74.23	83.39	38.82	3,323.11
Exchange differences on translation of foreign operations	-	4.98	66.13	103.38	2.71	5.48	9.35	192.03
Balance at 31 March 2018	**-**	**84.75**	**2,987.54**	**41,603.14**	**587.11**	**756.98**	**1,612.84**	**47,632.36**
Balance at 1 April 2018	**-**	**84.75**	**2,987.54**	**41,603.14**	**587.11**	**756.98**	**1,612.84**	**47,632.36**
Depreciation/ amortisation for the year	**-**	**19.94**	**269.89**	**2,850.72**	**64.04**	**97.17**	**91.72**	**3,393.48**
Discard/ disposals during the year	**-**	**-**	**-**	**(0.24)**	**-**	**(9.90)**	**-**	**(10.14)**
Exchange differences on translation of foreign operations	**-**	**(0.35)**	**(4.53)**	**(7.02)**	**(0.20)**	**(0.41)**	**(0.58)**	**(13.09)**
Balance at 31 March 2019	**-**	**104.34**	**3,252.90**	**44,446.60**	**650.95**	**843.84**	**1,703.98**	**51,002.61**
Net carrying amount								
At 31 March 2018	3,912.81	607.58	8,943.41	1,03,281.31	233.34	308.72	254.99	1,17,542.16
At 31 March 2019	**4,111.27**	**586.15**	**8,661.48**	**101,721.68**	**566.71**	**654.86**	**505.13**	**116,807.28**

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Notes:

(a) As at 31 March 2019, Property, plant and equipment with net carrying amount of ₹ **105,101.06 lakhs** (31 March 2018: ₹ 106,036.35 lakhs) are subject to first charge to secure borrowings (refer note 19).

(b) Gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fixtures and Office equipment) of ₹ **1,569.88 lakhs** (31 March 2018: ₹ 1,446.01 lakhs) and net carrying amount of ₹ **944.64 lakhs** (31 March 2018: ₹ 916.29 lakhs). Additions for the Research and development assets during the year 2018-19 is ₹ **123.87 lakhs** (2017-18: ₹ 191.89 lakhs).

(c) For contractual commitment with respect to property, plant & equipment, refer note 35(b)(II)(i).

5. Capital work-in-progress

See accounting policy in note 3(d)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
At the beginning of the year	**2,244.44**	1,298.98
Additions during the year	**12,487.22**	3,352.91
Capitalised during the year	**(1,397.62)**	(2,444.40)
Impact of foreign exchange differences	**(2.75)**	36.95
At the end of the year	**13,331.29**	2,244.44

6. Other intangible assets

See accounting policies in note 3(e) and 3(f) (ii)

Reconciliation of carrying amount of Computer software

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Gross carrying amount		
At the beginning of the year	**236.27**	-
Additions during the year	**47.75**	236.27
At the end of the year	**284.02**	236.27
Accumulated amortisation		
At the beginning of the year	**0.13**	-
Amortisation during the year	**49.96**	0.13
At the end of the year	**50.09**	0.13
Net carrying amount	**233.93**	236.14

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

7. Investments

See accounting policies in note 3(c)(i) - (ii) and 3(f)(i)

A. Non-current investments

(All the investments are fully paid, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Investments carried at fair value through other comprehensive income (FVOCI)		
Equity instruments		
Quoted		
334,900 (31 March 2018: 334,900) equity shares of Himadri Credit & Finance Limited (face value - ₹ 10 each)	**1,270.61**	5,790.09
8,000 (31 March 2018: 8,000) equity shares of Transchem Limited (face value - ₹ 10 each)	**1.90**	2.60
	1,272.51	5,792.69
Unquoted		
Nil (31 March 2018: 720,000) equity shares of Himadri Dyes & Intermediates Limited (face value - ₹ 10 each)	**-**	12,109.68
17,000 (31 March 2018: 17,000) equity shares of Himadri e-Carbon Limited (face value - ₹ 10 each)	**1.51**	1.52
Nil (31 March 2018: 493,300) equity shares of Himadri Industries Limited (face value - ₹ 10 each)	**-**	9,419.07
2 (31 March 2018: Nil) equity shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)	**5.31**	-
1 (31 March 2018: Nil) equity shares of Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) (face value - ₹ 10 each)*	**0.06**	-
	6.88	21,530.27
Preference shares (Unquoted)		
1,248,774 (31 March 2018: Nil) 1% Non-cumulative Optionally Convertible Preference Shares of Modern Hi-Rise Private Limited (face value - ₹ 10 each)*	**16,595.02**	-
	16,595.02	-
Investments carried at fair value through profit or loss (FVTPL)		
Preference shares (Unquoted)		
463,702 (31 March 2018: Nil) 1% Non-cumulative Redeemable Preference Shares of Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) (face value - ₹ 10 each)*	**46.37**	-
	46.37	-
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (Deposited with sales tax authorities)	**0.07**	0.07
	17,920.85	27,323.03
Aggregate book value of quoted investments	**1,272.51**	5,792.69
Aggregate market value of quoted investments	**1,272.51**	5,792.69
Aggregate value of unquoted investments	**16,648.34**	21,530.34

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Aggregate amount of impairment in value of investments	**-**	-
Investment carried at amortised cost	**0.07**	0.07
Investment carried at fair value through profit or loss (FVTPL)	**46.37**	-
Investment carried at fair value through other comprehensive income (FVOCI)	**17,874.41**	27,322.96

*Pursuant to the National Company Law Tribunal ('NCLT') order dated 1 March 2019 passed between Himadri Dyes & Intermediates Ltd ('HDIL'), Himadri Industries Limited ('HIL'), Himadri Coke & Petro Limited ('HCPL'), Modern Hi- Rise Private Limited ('MHPL') and Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) ('HIPL'), the following new investments were allotted in lieu of investments held by the Holding Company:

Investments already held	720,000 equity shares of HDIL of face value of ₹ 10/- each
Fair Value as at 31 March 2018	₹ 12,109.68 lakhs
Investments as per NCLT order	- 1 equity share of MHPL ('Issuer') of face value of ₹ 10/- each; and - 864,000 1% Non-cumulative optionally convertible preference shares of face value of ₹ 10 each of MHPL
Fair Value as at 31 March 2019	₹ 11,484.35 lakhs
Terms of OCPS	- OCPS are convertible/ redeemable at any time before the expiry of 20 years from the date of allotment at the option of the Issuer. - Each OCPS, if not opted for conversion shall be redeemable at value equal to fair market value (post considering the market value of underlying assets) of the proportionate equity shares of the Issuer (if it were converted) as on 1 June 2018 (i.e. amalgamation appointed date). - The outstanding OCPS, if not redeemed, would be converted into equity shares at any time at the option of the Issuer, but not later than 20 years from the date of allotment at the option of the Issuer in a manner that the Holding Company would obtain same proportion of equity shareholding (ownership) of the Issuer as on 1 June 2018 (i.e. 7.7% of the total outstanding as on 1 June 2018) and would be subject to any dilution thereof pursuant to fresh allotment by MHPL. In that case conversion is made by the Issuer, the OCPS will be converted into 6,253 equity shares (i.e. fixed number of equity shares) whenever converted.

Investments already held	493,000 equity shares of HIL of face value of ₹ 10 each
Fair Value as at 31 March 2018	₹ 9,419.07 lakhs
Investments as per NCLT order	- 1 equity share of MHPL of face value of ₹ 10/- each. - 1 equity share of HIPL of face value of ₹ 10/-each. - 384,774 1% Non-cumulative optionally convertible preference shares of face value of ₹ 10 each of MHPL. - 463,702 1% Non-cumulative, non-convertible redeemable preference shares (RPS) of face value of ₹ 10/- each of HIPL.
Fair Value as at 31 March 2019	₹ 5,162.41 lakhs
Terms of RPS	- RPS are non-convertible, non-cumulative and redeemable in nature. - Dividend shall be payable annually and shall be non-cumulative. - Each RPS redeemable at par at any time before the expiry of the 20 years from the date of allotment.

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

B. Current investments

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Mutual funds (quoted) carried at fair value through profit or loss		
39 (31 March 2018: 39) units of UTI - Floating Rate Fund - Direct Plan - Growth	**1.23**	1.14
	1.23	1.14
Aggregate book value of quoted investments	**1.23**	1.14
Aggregate market value of quoted investments	**1.23**	1.14

Information about the Group's fair value measurement and exposure to credit and market risks are disclosed in note 42 and 43.

C. Investments designated at fair value

Amount in ₹ Lakhs

	Fair value as at 31 March 2019	Dividend income recognised during 2018-19	Fair value as at 31 March 2018	Dividend income recognised during 2017-18	Fair value as at 1 April 2017
Fair value through other comprehensive income					
Equity Shares					
Investment in ACC Limited	**-**	**-**	-	0.08	-
Investment in Himadri Credit & Finance Limited	**1,270.61**	**-**	5,790.09	-	1,796.07
Investment in Transchem Limited	**1.90**	**-**	2.60	-	1.80
Investment in Modern Hi-Rise Private Limited	**5.31**	**-**	-	-	-
Investment in Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)	**0.06**	**-**	-	-	-
Investment in Himadri Dyes & Intermediates Limited	**-**	**-**	12,109.68	-	3,755.52
Investment in Himadri e-Carbon Limited	**1.51**	**-**	1.52	-	1.56
Investment in Himadri Industries Limited	**-**	**-**	9,419.07	-	3,102.36
Preference shares					
Investment in Modern Hi-Rise Private Limited	**16,595.02**	**-**	-	-	-
Fair value through profit or loss (FVTPL)					
Preference shares					
Investment in Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)	**46.37**	**-**	-	-	-
	17,920.78	**-**	27,322.96	0.08	8,657.31

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

8. Trade receivables

See accounting policy in note 3(c) (i)-(ii) and (f) (i)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Trade receivable considered good - secured	**1,371.86**	885.25
Trade receivable considered good - unsecured	**36,451.00**	27,510.40
	37,822.86	28,395.65
Less: Loss for allowances	**417.01**	417.01
	37,405.85	27,978.64
Non-current	**792.65**	798.79
Current	**36,613.20**	27,179.85
	37,405.85	27,978.64
(a) Movement in loss for allowances		
Balance as at beginning of the year	**417.01**	417.01
Change in loss for allowance during the year	**-**	-
Trade receivables written off during the year	**-**	-
Balance as at the end of the year	**417.01**	417.01

(b) For trade receivables secured against borrowings, refer note 19.

(c) Non-current trade receivables represents an amount of ₹ **792.65 lakhs** (31 March 2018: ₹ 798.79 lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Holding Company, the management continues to believe that the outcome of the said proceedings would be in favour of the Holding Company.

(d) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(e) Information about the Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 42.

9. Cash and cash equivalents

See accounting policy in note 3(r)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Cash on hand	**25.93**	20.54
Balances with banks		
- On current accounts	**1,326.29**	1,450.85
- On EEFC accounts	**45.71**	78.02
- On deposit account (with original maturities less than 3 months)	**7.72**	440.01
	1,405.65	1,989.42

Bank deposits ₹ **7.72 lakhs** (31 March 2018: ₹ 440.01 lakhs) have been pledged with the banks against various credit facilities availed by the Group.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

10. Bank balances other than cash and cash equivalents

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date [refer note (a) below]	**590.15**	1,401.03
Earmarked balances with banks		
- Earmarked balances with banks for unpaid dividend accounts	**28.19**	29.77
- Others [refer note (b) below]	**3,086.27**	0.27
	3,704.61	1,431.07

(a) Bank deposits of ₹ **590.15 lakhs** (31 March 2018: ₹ 1,401.03 lakhs) have been pledged with the banks against various credit facilities availed by the Holding Company.

(b) Earmarked balances with banks of ₹ **3,086.27 lakhs** (31 March 2018: ₹ 0.27 lakhs) is held as security against various credit facilities availed by the Holding Company.

11. Loans

See accounting policy in note 3(c) (i) - (ii) and 3(f) (i)

(Unsecured, considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Security and other deposits	**1,890.88**	1,641.04
Loan to employees	**85.69**	30.00
	1,976.57	1,671.04
Current		
Security and other deposits	**72.36**	158.42
Loan to employees	**167.25**	158.01
	239.61	316.43
	2,216.18	1,987.47
Loan receivables considered good - secured	**-**	-
Loan receivables considered good - unsecured	**2,216.18**	1,987.47
Loan receivables which have significant increase in credit risk	**-**	-
Loan receivables - credit impaired	**-**	-
	2,216.18	1,987.47

Information about the Group's exposure to credit and market risks are disclosed in note 43.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

12. Other financial assets

See accounting policy in note 3(c) (i) - (ii) and 3(f) (i)

(Unsecured, considered good, unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Bank deposits due to mature after 12 months of the reporting date	**4.46**	2.99
Interest accrued on bank deposits	**0.26**	0.05
	4.72	3.04
Current		
Receivable from parties other than related parties		
Interest accrued on bank deposits	**16.58**	35.96
Insurance claim receivable	**-**	126.13
Income tax refundable	**454.24**	11.50
Export incentive receivable	**4.86**	20.42
Government grants receivable	**557.06**	557.06
Other receivable	**-**	47.72
	1,032.74	798.79
	1,037.46	801.83

Bank deposits of ₹ **4.46 lakhs** (31 March 2018: ₹ 2.99 lakhs) have been pledged with the banks against various credit facilities availed by the Group.

Information about the Group's exposure to credit and market risks are disclosed in note 43.

13. Non-current tax assets (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Advance income tax [net of provision for income tax ₹ **14,312.29 lakhs** (31 March 2018: ₹ 7,370.43 lakhs)]	**160.01**	486.68
	160.01	486.68

14. Other non-current assets

(Unsecured, considered good)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Capital advances	**9,216.90**	1,947.94
Deposits with government authorities (custom, excise, etc)	**843.42**	768.24
Prepaid expenses	**2,395.60**	2,601.66
	12,455.92	5,317.84

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

15. Inventories

See accounting policy in note 3(i)

(Valued at the lower of cost and net realisable value)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Raw materials [including goods-in-transit ₹ **1,104.19 lakhs** (31 March 2018: ₹ 2,483.64 lakhs)]	**26,001.51**	16,467.78
Work-in-progress	**7,671.46**	8,811.51
Finished goods	**16,874.88**	14,017.92
Packing materials	**545.44**	246.71
Stores and spares	**3,224.50**	2,467.78
	54,317.79	42,011.70

Carrying amount of inventories pledged as securities for borrowings, refer note 19.

16. Other current assets

(Unsecured considered good unless otherwise stated)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Parties other than related parties		
Advances to suppliers		
Unsecured, considered good	**14,760.35**	9,594.59
Unsecured, considered doubtful	**46.76**	46.76
	14,807.11	9,641.35
Less: Allowances for unsecured advances [refer note (a) below]	**46.76**	46.76
	14,760.35	9,594.59
Balance with government authorities	**2,509.60**	2,246.00
Prepaid expenses	**501.12**	414.14
Other receivables	**21.00**	21.13
	17,792.07	12,275.86

(a) Movement in allowances for unsecured advances		
Balance as at beginning of the year	**46.76**	46.76
Change in allowance for unsure advances during the year	**-**	-
Advances written off during the year	**-**	-
Balance as at the end of the year	**46.76**	46.76

(b) Advances to suppliers includes ₹ **1,086.76 lakhs** (31 March 2018: ₹ 1,086.76 lakhs) as advance given in earlier years against supply of raw materials which is currently under arbitration proceedings. Based on the merits of the case and independent legal opinion obtained by the Holding Company, the management continues to believe that the outcome of the said proceedings would be in favour of the Holding Company.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

17. Equity share capital

See accounting policy in note 3(p)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Authorised		
700,000,000 (31 March 2018: 700,000,000) equity shares of ₹ 1 each	**7,000.00**	7,000.00
Issued, subscribed and fully paid-up		
418,578,745 (31 March 2018: 418,407,867) equity shares of ₹ 1 each	**4,185.79**	4,184.08
	4,185.79	4,184.08

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
At the beginning of the year	**418,407,867**	**4,184.08**	418,407,867	4,184.08
Add: Equity shares issued during the year (refer note 39)	**170,878**	**1.71**	-	-
At the end of the year	**418,578,745**	**4,185.79**	418,407,867	4,184.08

B. Rights, preferences and restrictions attached to equity shares

The Holding Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Holding Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Holding Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Holding Company.

On winding up of the Holding Company, the holders of equity shares will be entitled to receive the residual assets of the Holding Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

C. Equity shares held by upstream associates (shareholders of the Company) having significant influence over the Holding Company

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Modern Hi-Rise Private Limited	**182,599,607**	**1,826.00**	-	-
BC India Investments	**103,178,860**	**1,031.79**	103,178,860	1,031.79
Himadri Dyes & Intermediates Limited ^	-	-	98,284,310	982.84

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

D. Details of equity shareholders holding more than 5% shares of fully paid up equity shares of the aggregate equity shares of the Holding Company

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
Modern Hi-Rise Private Limited	**182,599,607**	**43.62%**	-	-
BC India Investments	**103,178,860**	**24.65%**	103,178,860	24.66%
Himadri Dyes & Intermediates Limited ^	-	-	98,284,310	23.49%
Himadri Industries Limited *	-	-	46,140,000	11.03%
Himadri Coke & Petro Limited ^	-	-	38,175,297	9.12%

E. Shares reserved for issue under options

See accounting policies in note 3(g)(ii)

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016): **2,258,522** (31 March 2018: 1,281,100) equity shares of ₹ 1 each (refer note 39)	**2,258,522**	**22.59**	1,281,100	12.81

Information to stock options granted to employees are disclosed in note 39 regarding share based payments.

F. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

During the year ended 31 March 2016, 32,675,297 equity shares of ₹ 1 each were allotted as fully paid up pursuant to conversion of Deep Discount Debentures (DDD) into 32,675,297 equity shares of ₹ 1 each at a price of ₹ 19 per equity share (including at a premium of ₹ 18 per equity share) on 25 March 2016 to Himadri Coke & Petro Limited*, a related party, on preferential basis for consideration other than cash.

^ Relationship existed for part of the year. Merged with Modern Hi-Rise Private Limited pursuant to National Company Law Tribunal order dated 1 March 2019 with appointed date from 1 June 2018.

* Relationship existed for part of the year. A part of business merged with Modern Hi-Rise Private Limited pursuant to National Company Law Tribunal order dated 1 March 2019 with appointed date from 1 June 2018 and balance part of business merged with Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited) with appointed date from 1 April 2018.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

18. Other equity

Refer statement of changes in equity for detailed movement in other equity balance.

A. Movement in other equity balance

Amount in ₹ Lakhs

Components	1 April 2017	Movement during the year	31 March 2018	**Movement during the year**	**31 March 2019**
Capital reserve	1,280.50	-	1,280.50	**-**	**1,280.50**
Securities premium	45,365.53	-	45,365.53	**70.04**	**45,435.57**
Debenture redemption reserve	4,214.27	(1,321.44)	2,892.83	**428.56**	**3,321.39**
General reserve	13,669.94	1,750.00	15,419.94	**-**	**15,419.94**
Share option outstanding reserve	25.40	103.79	129.19	**131.08**	**260.27**
Retained earnings	29,728.65	23,814.09	53,542.74	**31,496.41**	**85,039.15**
Items of other comprehensive income:					
- Remeasurement of defined benefit plan	(15.43)	(13.58)	(29.01)	**(28.58)**	**(57.59)**
- Effective portion of cash flow hedge	(184.69)	184.69	-	**-**	**-**
- Currency translation reserve	(1,006.51)	143.96	(862.55)	**(2,076.77)**	**(2,939.32)**
- Equity instruments through Other Comprehensive income	5,748.67	13,794.02	19,542.69	**(8,309.30)**	**11,233.39**
	98,826.33	38,455.53	137,281.86	**21,711.44**	**158,993.30**

B. Other comprehensive income accumulated in other equity, (net of income tax)

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

Amount in ₹ Lakhs

	Remeasurement of defined benefit liability/ (asset)	**Effective portion of cash flow hedge**	**Currency translation reserve**	**Equity instruments through other comprehensive income**	**Total other comprehensive income**
As at 1 April 2017	(15.43)	(184.69)	(1,006.51)	5,748.67	4,542.04
Remeasurements of defined benefit plan	(20.77)	-	-	-	(20.77)
Equity instruments through other comprehensive income - net change in fair value	-	-	-	18,658.45	18,658.45
Effective portion of gains on hedging instruments in cash flow hedges	-	3,882.61	-	-	3,882.61
Effective portion of gains on hedging instruments in cash flow hedges reclassified to profit and loss	-	(3,774.56)	-	-	(3,774.56)
Exchange differences in translating financial statements of foreign operations	-	-	143.96	-	143.96

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	Remeasurement of defined benefit liability/ (asset)	Effective portion of cash flow hedge	Currency translation reserve	Equity instruments through other comprehensive income	Total other comprehensive income
Fair value changes on derivatives designated as cash flow hedge	-	76.64	-	-	76.64
Tax on above	7.19	-	-	(4,864.43)	(4,857.24)
As at 31 March 2018	(29.01)	-	(862.55)	19,542.69	18,651.13
Remeasurements of defined benefit plan	**(43.85)**	**-**	**-**	**-**	**(43.85)**
Equity instruments through other comprehensive income - net change in fair value	**-**	**-**	**-**	**(9,402.15)**	**(9,402.15)**
Exchange differences in translating financial statements of foreign operations	**-**	**-**	**(2,076.77)**	**-**	**(2,076.77)**
Tax on above	**15.27**	**-**	**-**	**1,092.85**	**1,108.12**
As at 31 March 2019	**(57.59)**	**-**	**(2,939.32)**	**11,233.39**	**8,236.48**

19. Borrowings

See accounting policy in note 3(b) and (c)(i) - (iii)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2019	31 March 2018
Non-current borrowings				
500 (31 March 2018: 500) 12.50% Redeemable non-convertible debentures of ₹ 1,000,000 each (secured)	12.50%	2020-2021	**5,000.00**	5,000.00
2,500,000 (31 March 2018: 2,500,000) 10% Redeemable non-convertible debentures of ₹ 400 each (secured)	10.00%	2020-2021	**10,000.00**	10,000.00
			15,000.00	15,000.00
Term loans				
Rupee term loan (secured)	refer note (b) below			
From banks			**7,232.49**	13,106.76
Foreign currency loans (secured)	refer note (b) below			
From banks			**807.10**	1,324.37
			8,039.59	14,431.13
Loan against vehicles and equipments (secured)	8.3%-11%	2019-2023	**440.69**	161.77
			23,480.28	29,592.90

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

	Interest	Maturity	31 March 2019	31 March 2018
Less: Current maturities of non-current borrowings (refer note 22)			**4,652.45**	6,473.72
			18,827.83	23,119.18
Current borrowings				
Secured				
From banks (Repayable on demand)				
Rupee loans			**3,175.35**	3,554.62
Foreign currency loans			**1,428.38**	19,402.29
			4,603.73	22,956.91
From others				
Commercial Paper			**-**	1,500.00
Unsecured				
From banks (Repayable on demand)				
Rupee loans			**6,863.58**	9,587.02
Foreign currency loans			**2,699.41**	2,378.60
From others				
Commercial Paper			**10,000.00**	-
			24,166.72	36,422.53

Information about the Group's exposure to fair value measurement, interest rate, currency and liquidity risks related to borrowings are disclosed in note 42 and 43.

A. Terms of repayment/ conversion/ redemption

(a) Bonds and Debentures

(i) The Holding Company, on 29 October 2013, had issued 500 12.50% Redeemable non-convertible debentures of face value of ₹ 1,000,000 each aggregating ₹ 5,000 lakhs to be redeemed at par at the end of 7 years from the date of allotment on private placement basis to Life Insurance Corporation of India.

(ii) The Holding Company, on 24 August 2010, had issued 2,500,000 10% Redeemable non-convertible debentures of face value of ₹ 400 each aggregating ₹ 10,000 lakhs to be redeemed at par at the end of 10 years from the date of allotment on private placement basis to Life Insurance Corporation of India.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(b) Term loans

Amount in ₹ Lakhs

Name of the lender	Interest	Repayment schedule	31 March 2019	31 March 2018
(i) Rupee term loans				
Axis Bank Limited [₹ **Nil** (31 March 2018: ₹ 1,950.00 lakhs)]	6 Month MCLR + 1.70%	Repaid on 5 April 2018	-	1,950.00
Axis Bank Limited [₹ **5,002.00 lakhs** (31 March 2018: ₹ 8,334.00 lakhs)]	6 Month MCLR + 0.35%	Repayable at quarterly rest: 4 of ₹ 833.00 10 of ₹ 167.00	**4,985.32**	8,311.16
IDFC Bank [₹ **2,250.00 lakhs** (31 March 2018: ₹ 2,850.00 lakhs)]	12 Month MCLR + 0.15%	Repayable at quarterly rest: 15 of ₹ 150.00	**2,247.17**	2,845.60
(ii) Foreign currency loans				
ICICI Bank Limited [**JPY 1,291.67 lakhs** (31 March 2018: JPY 2,152.78 lakhs)]	6 Month JPY Libor + 2.00%	JPY 430.56 - repayable in 3 half yearly rest	**807.10**	1,324.37

(iii) Loans against vehicles and equipments are for a period of three to five years and repayable by way of equated monthly instalments.

B. Details of security

(i) 12.50% and 10% Redeemable non-convertible debentures issued to Life Insurance Corporation of India, aggregating to ₹ 15,000.00 lakhs are secured by way of Equitable Mortgage on land situated at Mouza Maharaj Pura Dist - Mahsana (Gujarat), First Pari Passu charge on immovable properties (Leasehold Land) situated at Mahistikry and hypothecation of all movable property, plant and equipment (including plant and equipment) of the Holding Company in favour of Axis Trustee Services Limited, being the trustee of the debenture holders.

(ii) Rupee term loans from Axis Bank Limited is secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of all movable property, plant and equipment on pari passu basis with other lenders. Rupee term loans from IDFC Bank Limited is secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of movable property, plant and equipment situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit on pari passu basis with other lenders.

(iii) Foreign currency borrowings from ICICI Bank Limited is secured by way of mortgage of immovable properties (Leasehold Land) and hypothecation of movable property, plant and equipment situated at Mahistikry on pari passu basis with other secured lenders.

(iv) Loans against vehicles and equipments are secured by way of hypothecation of the underlying asset financed.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(v) Rupees loan comprises of cash credits and working capital borrowings. Current borrowings from banks aggregating to ₹ **4,603.73 lakhs** (31 March 2018: ₹ 24,456.91 lakhs) are secured by hypothecation of currents assets of the Holding Company both present and future on pari passu basis. Further, working capital loan from bank aggregating to ₹ **1,143.05 lakhs** (31 March 2018: ₹ 12,848.15 lakhs) is also secured by subservient charge on moveable property, plant and equipment of the Holding Company. These loans include ₹ **Nil** (31 March 2018: ₹ 1.90 lakhs), being personally guaranteed by the promoter directors of the Holding Company.

20. Trade payables

See accounting policy in note 3(c) (i) - (iv)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Trade payable for goods and services		
- Total outstanding dues of micro enterprises and small enterprises (refer note 47)	**141.74**	200.58
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**7,789.44**	14,422.91
(b) Acceptances	**36,120.53**	-
	44,051.71	14,623.49
Non-current	**-**	-
Current	**44,051.71**	14,623.49
	44,051.71	14,623.49

Information about the Group's exposure to currency and liquidity risks related to trade payables are disclosed in note 43.

21. Derivatives

See accounting policy in note 3(c)(v)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Foreign exchange forward/ interest rate swap contracts	**604.91**	769.56
	604.91	769.56
Non-current	**376.86**	583.65
Current	**228.05**	185.91
	604.91	769.56

Information about the Group's exposure to interest rate and currency risks related to derivatives are disclosed in note 43.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

22. Other financial liabilities

See accounting policy in note 3(c) (i) - (ii)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Security deposits	**25.77**	25.77
	25.77	25.77
Current		
Current maturities of non-current borrowings (refer note 19)	**4,652.45**	6,473.72
Interest accrued	**792.86**	699.06
Unclaimed dividend	**28.19**	29.77
Liability for capital goods	**855.55**	260.58
Others (including Employee benefits expense and Security deposits)	**421.29**	196.42
	6,750.34	7,659.55

(a) There is no amount due and outstanding to be credited by the Holding Company to Investor Education and Protection under Section 125 of the Companies Act, 2013 as at 31 March 2019 (31 March 2018 - ₹ Nil).

(b) Information about the Group's exposure to currency and liquidity risks related to the above financial liabilities are disclosed in note 43.

23. Other current liabilities

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Statutory dues (including provident fund, tax deducted at source, goods and service tax and others)	**1,916.92**	2,227.54
Advance from customers	**5,905.18**	5,253.27
	7,822.10	7,480.81

24. Provisions

See accounting policies in note 3(g) and (h)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Non-current		
Net defined benefit liability - Gratuity (refer note 38)	**216.83**	176.80
Provision for litigation [refer note (a) below]	**78.42**	78.42
	295.25	255.22
Current		
Liability for compensated absences [refer note (a) below]	**54.92**	40.24
	54.92	40.24

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(a) Movement of provisions (Non-current and current)

Amount in ₹ Lakhs

	Liability for compensated absences	Provision for litigation
Balance as at 1 April 2017	18.19	78.42
Add: Provisions made during the year 2017-18	48.98	-
Less: Amount utilised/ reversed during the year 2017-18	(26.93)	-
Balance as at 31 March 2018	40.24	78.42
Add: Provisions made during the year 2018-19	**58.31**	**-**
Less: Amount utilised/ reversed during the year 2018-19	**(43.63)**	**-**
Balance as at 31 March 2019	**54.92**	**78.42**

Movement of provision for litigation during the year as required by Ind AS 37: "Provisions, Contingent Liabilities and Contingent Asset" specified under Section 133 of the Companies Act, 2013, the Group as a prudent measure had made provisions in the earlier year amounting to ₹ 78.42 lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities.

25. Current tax liabilities (net)

See accounting policy in note 3(n)

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Income tax liabilities	**333.62**	80.71
[net of advance tax ₹ **9,348.50 lakhs** (31 March 2018: ₹ 7,531.30 lakhs)]		
	333.62	80.71

26. Revenue from operations

See accounting policies in note 3(j) and (k)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Sale of products (including excise duty)	**242,234.09**	207,137.63
Other operating income		
- Export incentive	**4.57**	47.05
Total revenue from operations	**242,238.66**	207,184.68

(i) Sales are net of price adjustments settled during the year by the Group and discounts, trade incentives, VAT, Sales Tax, Goods and Service Tax (GST) etc.

(ii) Sale of goods includes excise duty collected from customers of ₹ **Nil** (2017-18: ₹ 5,034.56 lakhs).

(iii) Post the applicability of GST with effect from 1 July 2017, revenue from operations are disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 are not comparable with the previous years figure.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(iv) Revenue disaggregation is as follows:

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Disaggregation of goods		
- Carbon materials and chemicals	**240,348.06**	205,227.82
- Power	**1,886.03**	1,909.81
	242,234.09	207,137.63
(b) Disaggregation based on geography		
India	**210,326.26**	175,547.53
Outside India	**31,907.83**	31,590.10
	242,234.09	207,137.63
Geographical location is based on the location of customers excluding export incentives		
(c) Reconciliation of Revenue from sale of products with the contracted price		
Contracted price	**235,821.93**	208,363.87
Less: adjustment for variable consideration	**6,412.16**	(1,226.24)
	242,234.09	207,137.63
(d) Information about major customers (refer note 43)		
Customer represents 10% or more of the Company's total revenue during the year ended 31 March 2019 and 31 March 2018, refer note 43		
(e) Contracted balances		
Trade receivables (refer note 8)	**37,405.85**	27,978.64
	37,405.85	27,978.64

27. Other income

See accounting policies in note 3(j) and (l)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under the effective interest method on:		
- Interest on bank deposits	**139.21**	101.82
- Unwinding of discount on security deposits and others	**144.08**	227.27
Interest income on income tax refunds	**116.07**	-
Dividend income on equity securities measured at fair value through other comprehensive income	**-**	0.08
Gain on sale proceeds of current investments measured at fair value through profit or loss	**4.14**	12.20
Insurance claims	**177.16**	112.46
Net foreign exchange gain	**-**	676.49
Net gain on sale of property, plant and equipment	**1.67**	-
Gain on fair valuation of current investments measured at fair value through profit or loss	**-**	0.63
Others	**194.19**	95.00
	776.52	1,225.95

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

28. Cost of materials consumed

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Inventory of raw materials at the beginning of the year	**16,467.78**	15,454.06
Add: Purchases during the year	**171,293.22**	138,372.54
	187,761.00	153,826.60
Less: Inventory of raw materials at the end of the year	**26,001.51**	16,467.78
Add/(Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	**(0.59)**	11.50
Cost of materials consumed	**161,758.90**	137,370.32

29. Change in inventories of finished goods and work-in-progress

See accounting policy in note 3(i)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Opening inventories		
Finished goods	**14,017.92**	13,757.94
Work-in-progress	**8,811.51**	8,213.90
	22,829.43	21,971.84
Closing inventories		
Finished goods	**16,874.88**	14,017.92
Work-in-progress	**7,671.46**	8,811.51
	24,546.34	22,829.43
Add/(Less): Exchange rate fluctuation on account of average rate transferred to currency translation reserve	**(1.36)**	12.29
Change in inventories of finished goods and work-in-progress	**(1,718.27)**	(845.30)

30. Employee benefits expense

See accounting policy in note 3(g)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus	**5,070.27**	4,053.99
Contribution to provident and other funds	**211.93**	212.88
Defined benefit plan expenses - Gratuity (refer note 38)	**40.02**	85.59
Share based payments to employees - Equity settled (refer note 39)	**170.36**	103.79
Staff welfare expenses	**463.59**	382.91
	5,956.17	4,839.16

Salaries, wages and bonus includes ₹ **284.22 lakhs** (31 March 2018: ₹ 267.00 lakhs) relating to outsource manpower cost

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

31. Finance costs

See accounting policy in note 3(o)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on financial liabilities measured at amortised cost	**6,418.41**	6,222.23
Exchange difference regarded as an adjustment to borrowing costs	**401.67**	420.20
Other borrowing costs (including interest on income tax)	**516.95**	402.44
	7,337.03	7,044.87
Less: Interest capitalised during the year (refer note 5)	**231.78**	-
	7,105.25	7,044.87

32. Other expenses

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Consumption of stores and spares	**349.66**	335.79
Power and fuel	**1,199.13**	1,201.10
Excise duty related to decrease in inventory of finished goods	**-**	(1,827.07)
Rent	**538.65**	476.76
Rates and taxes	**183.11**	129.25
Repairs to :		
- Building	**46.06**	51.98
- Plant and equipment	**1,913.28**	1,549.62
- Others	**418.68**	468.19
Payment to auditor's	**76.05**	76.11
Insurance	**200.82**	143.54
Packing expenses	**1,606.19**	1,543.27
Freight and forwarding expenses	**8,013.65**	6,441.29
Commission on sales	**1,095.52**	1,030.86
Net foreign exchange loss	**268.55**	-
Expenditure on corporate social responsibility [refer note (a) below]	**117.67**	33.03
Miscellaneous expenses	**4,228.90**	3,893.14
	20,255.92	15,546.86

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(a) Details of expenditure on corporate social responsibility (CSR)

As per Section 135 of the Act, a Holding Company meeting the applicability threshold, is required to spend at least 2% of its average net profit for the immediate preceeding three financial years on CSR activities. The area of CSR activity are eradicating hunger, poverty and malnutrition, promoting education, promoting healthcare including preventive healthcare. A CSR committee has been formed by the Holding Company under the Act.

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Amount required to be spent by the Company during the year	**329.65**	57.34
(b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	**-**	-
(ii) On purposes other than (i) above	**117.67**	33.03
Total	**117.67**	33.03

The Holding Company does not carry any provision for corporate social responsibility expenses for current year and previous year.

33. Income tax

See accounting policy in note 3(n)

A. Reconciliation of effective tax rate

Amount in ₹ Lakhs

	Year ended 31 March 2019		Year ended 31 March 2018	
	Percentage	Amount	Percentage	Amount
Profit before tax		**46,213.77**		36,096.92
Statutory income tax rate	**34.94%**	**16,148.94**	34.61%	12,492.42
Effects of:				
Non - deductible expenses for tax purposes	**0.14%**	**65.71**	0.29%	102.34
Tax exempt income/ additional deduction as per income tax	**(5.39%)**	**(2,491.00)**	(3.05%)	(1,257.60)
Effect of Lower Jurisdiction Tax Rate	**(0.08%)**	**(38.21)**	-	-
Effect of tax relating to uncertain tax positions	**(0.20%)**	**(93.41)**	-	-
Changes in tax rate	**0.44%**	**202.90**	-	-
Others	**0.00%**	**(4.71)**	-	-
	29.85%	**13,790.22**	31.85%	11,337.16
Amount recognised in profit or loss				
- Current tax		**9,683.00**		7,612.00
- Deferred tax		**4,107.22**		3,725.16
Total expenses		**13,790.22**		11,337.16

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

B. Movement in deferred tax assets and liabilities

Amount in ₹ Lakhs

Movement during the year ended 31 March 2018	Balance as on 1 April 2017	Charge / (credit) to profit or loss	Charge / (credit) to OCI	Balance as on 31 March 2018
Deferred tax (assets)/liabilities				
Property, plant and equipment	20,514.43	1,443.39	-	21,957.82
Trade receivables	(144.08)	(3.73)	-	(147.81)
Loans	(78.80)	29.29	-	(49.51)
Other assets	(16.18)	-	-	(16.18)
Borrowings	(203.76)	10.67	-	(193.09)
Other financial liabilities	(1,958.99)	1,410.56	-	(548.43)
Share based payments- Equity settled	-	(37.38)	-	(37.38)
Provisions	(35.31)	(61.19)	(7.19)	(103.69)
MAT credit entitlements	(7,853.02)	(7,609.88)	-	(15,462.90)
Gain/ loss on fair valuation of Investments in equity instruments	-	-	4,871.62	4,871.62
Tax losses carried forward	(9,103.04)	8,543.43	-	(559.61)
Net deferred tax liabilities	1,121.25	3,725.16	4,864.43	9,710.84

Amount in ₹ Lakhs

Movement during the year ended 31 March 2019	**Balance as on 1 April 2018**	**Charge / (credit) to profit or loss**	**Charge / (credit) to OCI**	**Balance as on 31 March 2019**
Deferred tax (assets)/liabilities				
Property, plant and equipment	**21,957.82**	**1,379.22**	**-**	**23,337.04**
Trade receivables	**(147.81)**	**(1.40)**	**-**	**(149.21)**
Loans	**(49.51)**	**-**	**-**	**(49.51)**
Other assets	**(16.18)**	**(0.16)**	**-**	**(16.34)**
Borrowings	**(193.09)**	**-**	**-**	**(193.09)**
Other financial liabilities	**(548.43)**	**50.00**	**-**	**(498.43)**
Share based payments- Equity-settled	**(37.38)**	**6.48**	**-**	**(30.90)**
Provisions	**(103.69)**	**0.48**	**(15.27)**	**(118.48)**
MAT credit entitlement	**(15,462.90)**	**2,678.03**	**-**	**(12,784.87)**
Gain/ loss on fair valuation of Investments in equity instruments	**4,871.62**	**-**	**(1,092.85)**	**3,778.77**
Tax losses carried forward	**(559.61)**	**(5.43)**	**-**	**(565.04)**
Net deferred tax liabilities	**9,710.84**	**4,107.22**	**(1,108.12)**	**12,709.94**

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

34. Earnings per share (EPS)

See accounting policy in note 3(t)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
A. Basic earnings per share		
(i) Profit for the year, attributable to the equity holders of the Group	**32,429.38**	24,746.24
(ii) Weighted average number of equity shares (basic) (numbers)	**418,441,574**	418,407,867
Basic earnings per share [(i)/ (ii)]	**7.75**	5.92

B. Diluted earnings per share

The calculation of diluted earnings per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares as follows:

(i) Profit attributable to equity shareholders (diluted)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(i) Weighted average number of equity shares (basic) (numbers)	**418,441,574**	418,407,867
(ii) Effect of dilutive potential equity shares on account of employee stock options (numbers)	**435,365**	-
(iii) Weighted average number of equity shares (diluted) for the year (i+ii)	**418,876,939**	418,407,867
Diluted earnings per share [(A) (i)/ (B) (iii)]	**7.74**	5.92

35. Contingent liability and commitments

See accounting policy in note 3(v)

(to the extent not provided for)

(a) Contingent liabilities

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Claim against the Company not acknowledged as debt		
Sales tax/VAT matters in dispute/ under appeal	**5,366.50**	4,230.80
Excise/ Service Tax matters in dispute/under appeal	**3,008.07**	2,960.91
Custom duty matter in dispute/ under appeal	**491.76**	491.76
Entry tax in dispute/ under appeal - West Bengal	**4,681.07**	4,317.89
Entry tax in dispute/ under appeal - Chhattisgarh	**478.93**	465.71
Income tax in dispute/ under appeal	**3,360.17**	633.81
Others	**266.71**	266.71

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Note:

(i) Cash outflows for the above are determinable only on receipt of final judgments pending at various forums/ authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

(ii) The Holding Company had filed Writ petition on 7 January 2013 before the Hon'ble High Court of Calcutta and challenged the constitutional validity of Entry Tax levied by the Government of West Bengal. The Hon'ble High Court of Calcutta during the earlier year, passed an order on 24 June 2013 declaring The West Bengal tax on Entry of Goods into Local Areas Act, 2012 as unconstitutional against which the government filed an appeal which is still pending to be disposed off. In the opinion of the management, there is a strong merit of the case; hence the Holding Company has not made provision for entry tax liability in the books for the current year and during the earlier years.

(iii) A search under Section 132 of the Income Tax Act, 1961 ("the Act") was conducted by the Income-Tax Department at all the premises/factories of the Holding Company during the financial year ended 31 March 2017. As per the applicable provisions of the Act, the Income-Tax Department will reassess the taxable income of the Holding Company for the Assessment year 2011 -12 to 2016-17 by issuing notice u/s 153A of the Act. Notices had been received by the Holding Company on 20 April 2017 and the Holding Company has filed all returns u/s 153A of the Act declaring the same income and income tax liability as was declared in the original return filed u/s 139(1). Assessment completed for the assessment year 2016-2017, and remaining years are under appeal stage with the appropriate authorities.

(iv) There has been a Supreme Court Judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provision Act,1952. There are interpretative aspects related to the judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on consolidated financial statements, if any.

(v) Others represents dispute with a lessor in respect of arrear dues. The management as per internal assessment and based on independent legal opinion, does not foresee any significant financial liability on this accounts.

(b) Commitments

(I) Operating leases

See accounting policy in note 3(m)

(i) Future minimum lease rentals payable under non cancellable operating lease

The Holding Company has taken certain commercial premises under non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Not later than one year	**9.22**	9.22
Later than one year and not later than five years	**36.86**	36.86
More than five years	**76.96**	86.18

(ii) The Holding Company has taken various commercial premises and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry. Lease payments recognised in Consolidated Statement of Profit and Loss with respect to operating leases ₹ **227.55 lakhs** (31 March 2018: ₹ 167.50 lakhs) has been included as rent in note 32 'Other expenses'.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(II) Capital and other commitments

Amount in ₹ Lakhs

		31 March 2019	31 March 2018
(i)	Estimated amount of contracts in capital account remaining to be executed and not provided for (net of capital advances)	**14,596.38**	24,573.37
(ii)	Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods Scheme (EPCG)	**3,054.54**	6,768.62

36. The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these Consolidated financial statements since the requirement does not pertain to financial year ended 31 March 2019.

37. Research and development expenses

See accounting policy in note 3(e)

Research and development expenses aggregating to ₹ **407.26 lakhs** (31 March 2018: ₹ 326.22 lakhs) in the nature of revenue expenditure and addition of ₹ **123.87 lakhs** (31 March 2018: ₹ 191.89 lakhs) in the nature of capital expenditure during the year have been included under the relevant account heads.

38. Employee benefits

See accounting policy in note 3(g)

Defined contribution plan

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident and Pension Fund, Superannuation Fund and Employee State Insurance ('ESI') which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are recognised in the Consolidated Statement of Profit and Loss as they accrue.

The expense for defined contribution plans amounts to ₹ **211.93 lakhs** (31 March 2018: ₹ 212.88 lakhs). Out of these, ₹ **184.72 lakhs** (31 March 2018: ₹ 142.89 lakhs) pertains to provident fund plan, ₹ **Nil** (31 March 2018: ₹ 42.93 lakhs) pertains to superannuation fund plan and ₹ **27.21 lakhs** (31 March 2018: ₹ 27.06 lakhs) pertains to ESI.

Defined benefits - Gratuity

The Holding Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Holding Company makes contributions to recognised funds in India. The Holding Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimation of expected gratuity payments.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Inherent risk

The plan is defined benefit in nature which is sponsored by the Holding Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Holding Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk. These defined benefit plans expose the Holding Company to actuarial risks, such as interest rate risk, salary inflation risk, demographic risk and market (investment) risk.

The following tables analyse present value of defined benefit obligations, expense recognised in Consolidated Statement of Profit and Loss, actuarial assumptions and other information.

Reconciliation of the net defined benefit (asset)/ liability:

(i) Reconciliation of present value of defined benefit obligation

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Balance at the beginning of the year	**336.58**	227.46
(b) Current service cost	**40.02**	31.15
(c) Past service cost - plan amendments	**-**	48.21
(d) Interest cost	**25.45**	16.43
(e) Actuarial (gains)/ losses recognised in other comprehensive income	**44.21**	17.99
(f) Benefits paid	**(12.07)**	(4.66)
Balance at the end of the year	**434.19**	336.58

(ii) Reconciliation of fair value of plan assets

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Balance at the beginning of the year	**159.78**	127.02
(b) Interest income	**13.97**	10.20
(c) Actual return on plan asset less interest on plan asset	**0.36**	(2.78)
(d) Contributions by the employer	**55.32**	30.00
(e) Benefits paid	**(12.07)**	(4.66)
Balance at the end of the year	**217.36**	159.78

(iii) Net asset/ (liability) recognised in the Consolidated Balance Sheet

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(a) Present value of defined benefit obligation	**(434.19)**	(336.58)
(b) Fair value of plan assets	**217.36**	159.78
Net asset/ (liability) recognised in the Consolidated Balance Sheet	**(216.83)**	(176.80)

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(iv) Expense recognised in Consolidated Profit or Loss

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Current service cost	**40.02**	31.15
(b) Past service cost - plan amendments	**-**	48.21
(c) Interest cost	**25.45**	16.43
(d) Expected return on plan assets	**(13.97)**	(10.20)
Amount charged to Consolidated Profit or Loss	**51.50**	85.59

(v) Remeasurements recognised in Consolidated Other Comprehensive Income

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**36.08**	(11.17)
- experience adjustment	**8.13**	29.16
(b) Actual return on plan asset less interest on plan asset	**(0.36)**	2.78
Amount recognised in Consolidated Other Comprehensive Income	**43.85**	20.77

(vi) The sensitivity of the overall plan obligation to changes in the weighted key assumptions are:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Impact on defined benefit obligation on discount rate plus **100 basis points** (31 March 2018: 100 basis point)	**(39.30)**	(28.33)
Impact on defined benefit obligation on salary growth rate plus **100 basis points** (31 March 2018: 100 basis point)	**41.45**	30.05
Impact on defined benefit obligation on discount rate minus **100 basis points** (31 March 2018: 100 basis point)	**46.97**	33.88
Impact on defined benefit obligation on salary growth rate minus **100 basis points** (31 March 2018: 100 basis point)	**(36.08)**	(25.71)

The above sensitivity analysis have been determined based on reasonable possible changes of the respective assumptions occurring at the end of the year and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method is used to calculate the liability recognised in the Consolidated Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

(vii) Actuarial assumptions

With the objective of presenting the plan assets and plan obligations of the defined benefits plans at their fair value on the Consolidated Balance Sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Financial assumption

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Discount rate	**7.70%**	7.70%
Expected rate of salary increase	**6.00%**	6.00%
Retirement age (years)	**60**	60
Attrition rate based on different age group of employees:		
ages from 20-25	**5%**	5%
ages from 25-30	**3%**	3%
ages from 30-35	**2%**	2%
ages from 35-50	**1%**	1%
ages from 50-55	**2%**	2%
ages from 55-58	**3%**	3%

The estimates of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

Demographic assumptions

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(viii) Maturity Profile of defined benefit obligation

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Within next 12 months	**95.65**	92.97
1-2 year	**16.69**	9.64
2-3 year	**18.92**	17.14
3-4 year	**18.37**	16.70
4-5 year	**27.29**	14.35
Thereafter	**221.06**	151.60

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
(ix) Weighted average duration of defined benefit obligation	**15 years**	12 years

(x) The Holding Company expects to pay ₹ **216.83 lakhs** in contribution to its defined benefit plans during the year 2019-20.

(xi) Asset Liability matching strategy:

The defined benefit plans are funded with insurance companies of India. The Holding Company does not have any liberty to manage the funds provided to insurance companies. Thus, the composition of each major category of plan assets has not been disclosed.

There is no compulsion on the part of the Holding Company to fully prefund the liability of the Plan. The Holding Company's philosophy is to fund these benefits based on its own liquidity and the level of underfunding of the plan.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

39. Share based payments

See accounting policy in note 3(g)(ii)

A. Description of share-based payment arrangement

Himadri Employees Stock Option Plan 2016 (equity-settled)

The Holding Company at its 28th Annual General Meeting held on 24 September 2016, has approved "Himadri Employees Stock Option Plan 2016" (ESOP 2016 or Plan) for granting 4,000,000 Employees Stock Options to certain "eligible employees". The plan is administered by the Nomination and Remuneration Committee of the Board ("Committee") in compliance with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 and other applicable provisions of the Companies Act, 2013 for the time being in force. The Option granted to certain eligible employees including certain key management personnel on vesting condition of Time basis, Company performance and individual performance as specified in the grant letter issued to each employee.

Scheme	Vesting Period	Exercise Period	Year	Date of grant	Number of options granted	Exercise price ₹ per equity share
ESOP 2016 Plan (Tranche I)	Vested after 1 year but not later than 5 years from the date of grant of options. Time basis, Company performance and individual performance as specified in the grant letter.	Any time within a period of 5 years from the date of vesting and will be settled by way of equity shares in accordance with the aforesaid plan.	2016-17	05-Jan-17	1,304,600	19
ESOP 2016 Plan (Tranche II)			2018-19	08-May-18	2,695,000	140

B. Measurement of fair values

Equity-settled share based payment arrangements

The fair value of the options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plan are as follows:

Particulars	ESOP 2016 (Tranche I)		ESOP 2016 (Tranche II)	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
Fair value at grant date	**₹ 24.94**	₹ 24.94	**₹ 23.01**	N.A
Share price at grant date	**₹ 36.70**	₹ 36.70	**₹ 121.15**	N.A
Exercise price	**₹ 19.00**	₹ 19.00	**₹ 140.00**	N.A
Expected volatility* (weighted average volatility)	**57.57%**	57.57%	**23.77%**	N.A
Expected life (expected weighted average life)	**4.39 years**	4.39 years	**3.07 years**	N.A
Expected dividends**	**0.27%**	0.27%	**0.41%**	N.A
Risk-free interest rate (based on government bonds)	**6.48%**	6.48%	**7.35%**	N.A

Expected volatility has been based on an evaluation of the historical volatility of the Holding Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Expected life of the Options has been calculated on the assumption that options would exercise within one year from the date of vesting.

The fair value of option on the date of grant have been done by an independent valuer appointed by the management using the Black Scholes Merton Model.

* Expected volatility on the Holding Company's stock price on National Stock Exchange based on the data commensurate with the expected life of the options up to the date of grant.

** Expected dividend on underlying shares is taken as 10% on market price as on the date of grant.

C. Reconciliation of outstanding share options

The number and weighted average exercise prices of share option under the share option plan (see A above) are as follows.

Particulars	**Weighted average exercise price per option** **31 March 2019**	**Number of options** **31 March 2019**	Weighted average exercise price per option 31 March 2018	Number of options 31 March 2018
Outstanding at 1 April	**19.00**	**1,281,100**	19.00	1,304,600
Granted during the year 2018-19	**140.00**	**2,695,000**	-	-
Forfeited during the year 2018-19	**134.98**	**1,546,700**	19.00	23,500
Exercised during the year 2018-19	**19.00**	**170,878**	-	-
Outstanding at 31 March	**83.96**	**2,258,522**	19.00	1,281,100
Exercisable at 31 March	**19.00**	**46,414**	-	-

Refer note 49 for subsequent issue of equity share capital on 7 May 2019.

A weighted average remaining contractual life of **3.73 years** (31 March 2018: 3.39 years).

The weighted average share price at the date of exercise for share options exercised during the year 2018-2019 was ₹ **130.41** (2017-2018: ₹ Nil).

Weighted Average Fair value of the options granted during the year 2018-2019 was ₹ **140** (2017-2018: ₹ Nil).

D. Expense recognised in Consolidated Statement of Profit and Loss

During the year ended 31 March 2019, the Holding Company has charged ₹ **170.36 lakhs** (31 March 2018: ₹ 103.79 lakhs) as share based payment equity-settled expenses, refer note 30.

E. Details of the liabilities arising out of the Share based payments to employees - Equity settled were as follows:

Amount in ₹ Lakhs

Particulars	**31 March 2019**	31 March 2018
Total carrying amount	**260.27**	129.19

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

40. Related party disclosure

A. Enterprises where control exists:

i) Key Management Personnel (KMP) and relatives of KMP

Name of the related parties	Relationship
Mr. Bankey Lal Choudhary, Managing Director	Key Management Personnel
Mr. Shyam Sundar Choudhary, Executive Director	Key Management Personnel
Mr. Vijay Kumar Choudhary, Executive Director	Key Management Personnel
Mr. Anurag Choudhary, Chief Executive Officer	Key Management Personnel
Mr. Amit Choudhary, President - Projects	Key Management Personnel
Mr. Tushar Choudhary, President - Operations	Key Management Personnel
Mr. Kamlesh Kumar Agarwal - Chief Financial Officer	Key Management Personnel
Mr. Bajrang Lal Sharma - Company Secretary	Key Management Personnel
Mr. Damodar Prasad Choudhary, Chairman Emeritus	Relative of KMPs
Mrs. Sushila Devi Choudhary	Relative of KMPs (wife of Mr. Damodar Prasad Choudhary)
Mrs. Sheela Devi Choudhary	Relative of KMPs (wife of Mr. Shyam Sundar Choudhary)
Mrs. Saroj Devi Choudhary	Relative of KMPs (wife of Mr. Bankey Lal Choudhary)
Mrs. Kanta Devi Choudhary	Relative of KMPs (wife of Mr. Vijay Kumar Choudhary)

ii) Non-executive Directors

Name of the related parties
Mr. Sakti Kumar Banerjee, Non-Executive Independent Director
Mr. Hardip Singh Mann, Non-Executive Independent Director
Mr. Santimoy Dey, Non-Executive Independent Director
Mr. Hanuman Mal Choraria, Non-Executive Independent Director
Ms Rita Bhattacharya, Nominee Director (Non-Executive) of Life Insurance Corporation of India
Mr. Santosh Kumar Agrawala, Non-Executive Independent Director
Mr. Suryakant Balkrishna Mainak, Non-Executive Independent Director
Mr. Swapan Bhadra, Non-Executive Director, KMP of Equal Commodeal Private Limited (WoS)
Mr. Gajendra Bansal, Non-Executive Director, KMP of Equal Commodeal Private Limited (WoS)

iii) Enterprises controlled by the Key Managerial Personnel or relatives of KMP

Himadri Credit & Finance Limited

Himadri Coke & Petro Limited*

Himadri Industries Limited*

Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited)
Sri Agro Himghar Limited

Himadri e-Carbon Limited

Nanhey Lal Mohini Devi Foundation

Bharat Seva Nidhi

Himadri Foundation

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

iv) Entities with significant influence over the Holding Company

BC India Investments

Himadri Dyes & Intermediates Limited*

Modern Hi-Rise Private Limited

* Pursuant to the Order of the National Company Law Tribunal (NCLT), Kolkata Bench, dated 1 March 2019, in the matter of the composite scheme of Arrangement and Amalgamation under section 230 to 232 of the Companies Act, 2013 between Himadri Dyes & Intermediates Limited, Himadri Industries Limited, Himadri Coke & Petro Limited, Modern Hi-Rise Private Limited and Himadri Industries Private Limited (formerly known as Shresth Merchandise Private Limited), a merger has been sanctioned and binding with respective appointed date.

B. Disclosure of transactions between the Group and related parties and the outstanding balances as at 31 March 2019

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Himadri Dyes & Intermediates Limited	Rent paid	**0.07**	0.07
Himadri Industries Limited	Rent paid	**0.07**	0.07
Sri Agro Himghar Limited	Rent paid	**0.26**	0.04
Mr. Bankey Lal Choudhary	Remuneration	**130.46**	94.68
Mr. Shyam Sundar Choudhary	Remuneration	**130.18**	90.68
Mr. Vijay Kumar Choudhary	Remuneration	**125.68**	90.68
Mr. Anurag Choudhary	Remuneration	**150.68**	109.13
Mr. Amit Choudhary	Remuneration	**125.61**	94.13
Mr. Tushar Choudhary	Remuneration	**125.61**	94.13
Mr. Kamlesh Kumar Agarwal	Remuneration	**97.26**	45.52
Mr. Bajrang Lal Sharma	Remuneration	**17.69**	16.08
Nanhey Lal Mohini Devi Foundation	Expenditure on corporate social responsibility	**81.82**	25.97
Bharat Seva Nidhi	Expenditure on corporate social responsibility	**0.05**	0.56
Himadri Foundation	Expenditure on corporate social responsibility	**24.29**	-
Nanhey Lal Mohini Devi Foundation	Donation	**50.18**	44.03
Bharat Seva Nidhi	Donation	**0.45**	0.44
Himadri Foundation	Donation	**17.71**	-
Mr. Sakti Kumar Banerjee	Sitting fees	**2.12**	1.48
Mr. Hardip Singh Mann	Sitting fees	**1.20**	1.00
Mr. Santimoy Dey	Sitting fees	**2.12**	1.44
Mr. Hanuman Mal Choraria	Sitting fees	**1.64**	1.24
Ms Rita Bhattacharya	Sitting fees	**1.00**	1.00
Mr. Santosh Kumar Agrawala	Sitting fees	**1.20**	1.00

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

Name of the related party	Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Mr. Suryakant Balkrishna Mainak	Sitting fees	**0.80**	0.60
BC India Investments	Dividend paid	**103.18**	103.18
Himadri Dyes & Intermediates Limited	Dividend paid	**98.29**	98.29
Himadri Industries Limited	Dividend paid	**46.14**	46.14
Himadri Credit & Finance Limited	Dividend paid	**9.48**	9.48
Himadri Coke & Petro Limited	Dividend paid	**38.18**	38.18
Mr. Vijay Kumar Choudhary	Dividend paid	**3.27**	3.27
Mr. Shyam Sundar Choudhary	Dividend paid	**3.23**	3.23
Mr. Bankey Lal Choudhary	Dividend paid	**1.48**	1.48
Mr. Damodar Prasad Choudhary	Dividend paid	**1.48**	1.48
Mrs.Sushila Devi Choudhary	Dividend paid	**0.85**	0.85
Mrs.Sheela Devi Choudhary	Dividend paid	**0.76**	0.76
Mrs.Saroj Devi Choudhary	Dividend paid	**0.82**	0.82
Mrs.Kanta Devi Choudhary	Dividend paid	**0.82**	0.82

Current borrowings include ₹ **Nil** (31 March 2018: ₹ 1.90 lakhs), being personally guaranteed by the current promoter directors of the Holding Company.

C. Key Management Personnel Remuneration

Key management personnels remuneration comprised of the following:

Amount in ₹ Lakhs

Nature of transaction	Year ended 31 March 2019	Year ended 31 March 2018
Short-term employee benefits	**879.59**	631.22
Share based payments to employees - Equity settled	**20.41**	-
Other long-term benefits	**3.17**	3.81
Total remuneration paid to key management personnel	**903.17**	635.03

As the future liability for gratuity is provided on an actuarial basis for the Group as a whole, the amount pertaining to the key management personnel is not ascertainable and, therefore, not included above.

Based on the recommendation of the Nomination and Remuneration Committee of the Holding Company, all decisions relating to the remuneration of the KMP's are taken by the Board of Directors of the Holding Company, in accordance with shareholders' approval, wherever necessary.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

41. Operating segments:

A. Basis of segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group' s other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief operating decision maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group has two reportable segments, as described below, which is the Group's strategic business verticals. These business verticals are managed separately because they require different technology and marketing strategies. For these business units, the Holding Company CEO reviews internal management reports on at least a quarterly basis.

The following summary describes the operations in each of the Group's reportable segments:

Reportable segment	Opeartions
Carbon materials and chemicals	Manufacturing
Power	Generation and Distribution

B. Information about reportable segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Holding Company CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm's length basis.

Amount in ₹ Lakhs

	Reportable segments			
Year ended 31 March 2019	**Carbon materials and chemicals**	**Power**	**Elimination**	**Total**
Segment revenue:				
- External revenues	240,352.63	1,886.03	-	242,238.66
- Inter-segment revenue	-	4,767.52	4,767.52	-
Total segment revenue	240,352.63	6,653.55	4,767.52	242,238.66
Segment results*	46,890.58	5,920.47	-	52,811.05
Reconciliation of segment result with profit before tax				
Other income	-	-	-	776.52
Finance cost	-	-	-	(7,105.25)
Foreign exchange gain/(loss) (net)				(268.55)
Profit before tax	-	-	-	46,213.77
Depreciation and amortisation	3,292.31	151.13	-	3,443.44
Segment assets	248,154.49	5,404.98	-	253,559.47
Unallocable corporate assets	-	-	-	25,230.65
Capital expenditure during the year	21,068.10	35.23	-	21,103.33
Segment liabilities	53,206.79	319.80	-	53,526.59
Unallocable corporate liabilities	-	-	-	62,116.52

* Segment results represents earnings before other income, finance cost, foreign exchange gain/(loss) (net) and tax

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

Year ended 31 March 2018	Reportable segments: Carbon materials and chemicals	Reportable segments: Power	Reportable segments: Elimination	Total
Segment revenue:				
- External revenues	205,274.87	1,909.81	-	207,184.68
- Inter-segment revenue	-	1,944.03	1,944.03	-
Total segment revenue	205,274.87	3,853.84	1,944.03	207,184.68
Segment results*	38,747.31	3,168.53	-	41,915.84
Reconciliation of segment result with profit before tax				
Other income	-	-	-	549.46
Finance cost	-	-	-	(7,044.87)
Foreign exchange gain/(loss) (net)	-	-	-	676.49
Profit before tax	-	-	-	36,096.92
Depreciation and amortisation	3,173.23	150.01	-	3,323.24
Segment assets	203,375.43	5,685.76	-	209,061.19
Unallocable corporate assets	-	-	-	48,029.13
Capital expenditure during the year	5,569.74	46.94	-	5,616.68
Segment liabilities	22,855.72	26.81	-	22,882.53
Unallocable corporate liabilities	-	-	-	92,768.27

* Segment results represents earnings before other income, finance cost, foreign exchange gain/(loss) (net) and tax

Property, plant and equipment are allocated based on location of the assets.

Secondary segment information (geographical segment)

Amount in ₹ Lakhs

Particulars	Within India: 31 March 2019	Within India: 31 March 2018	Outside India: 31 March 2019	Outside India: 31 March 2018	Total: 31 March 2019	Total: 31 March 2018
External revenue by location of customers	**210,354.47**	175,594.58	**31,884.19**	31,590.10	**242,238.66**	207,184.68
Carrying amount of segment assets by location of assets	**255,896.51**	227,470.88	**22,893.61**	14,156.54	**278,790.12**	241,627.42
Cost incurred on acquisition of property, plant and equipment and other intangible assets	**21,088.31**	5,572.89	**15.02**	43.79	**21,103.33**	5,616.68

Major customer

Revenue from one customer of the Group's Carbon material and chemical segment is ₹ **39,795.61 lakhs** (31 March 2018: ₹ 32,930.61 lakhs) which is more than 16 percent of the Group's total revenue.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

42. Fair value measurement

See accounting policy in note 3(w)

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their level in the fair value hierarchy.

Amount in ₹ Lakhs

As on 31 March 2019	Note no	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in preference shares (unquoted)	7	-	**46.37**	**16,595.02**	**16,641.39**	-	-	**16,641.39**
Investment in equity instruments (unquoted)	7	-	-	**6.88**	**6.88**	-	-	**6.88**
Investment in equity instruments (quoted)	7	-	-	**1,272.51**	**1,272.51**	**1.90**	-	**1,270.61**
Investment in government securities	7	**0.07**	-	-	**0.07**	-	-	-
Trade receivables	8	**37,405.85**	-	-	**37,405.85**	-	-	-
Cash and cash equivalents	9	**1,405.65**	-	-	**1,405.65**	-	-	-
Bank balances other than cash and cash equivalents	10	**3,704.61**	-	-	**3,704.61**	-	-	-
Loans	11	**2,216.18**	-	-	**2,216.18**	-	-	-
Other financial assets	12	**1,037.46**	-	-	**1,037.46**	-	-	-
Financial liabilities:								
Non convertible debentures	19	**15,000.00**	-	-	**15,000.00**	-	-	-
Term loans	19	**8,480.28**	-	-	**8,480.28**	-	-	-
Current Borrowings	19	**24,166.72**	-	-	**24,166.72**	-	-	-
Trade payables	20	**43,909.97**	-	-	**43,909.97**	-	-	-
Derivatives	21	-	**604.91**	-	**604.91**	-	**604.91**	-
Other financial liabilities	22	**2,123.66**	-	-	**2,123.66**	-	-	-

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

As on 31 March 2018	Note no	Carrying value				Fair value measurement using		
		Amortised cost	Financial assets/ liabilities at FVTPL	Financial assets/ liabilities at FVOCI	Total carrying amount	Level 1	Level 2	Level 3
Financial assets:								
Investment in equity instruments (unquoted)	7	-	-	21,530.27	21,530.27	-	-	21,530.27
Investment in equity instruments (quoted)	7	-	-	5,792.69	5,792.69	2.60	-	5,790.09
Investment in government securities	7	0.07	-	-	0.07	-	-	-
Trade receivables	8	27,978.64	-	-	27,978.64	-	-	-
Cash and cash equivalents	9	1,989.42	-	-	1,989.42	-	-	-
Bank balances other than cash and cash equivalents	10	1,431.07	-	-	1,431.07	-	-	-
Loans	11	1,987.47	-	-	1,987.47	-	-	-
Other financial assets	12	801.83	-	-	801.83	-	-	-
Financial liabilities:								
Non convertible debentures	19	15,000.00	-	-	15,000.00	-	-	-
Term Loans	19	14,592.90	-	-	14,592.90	-	-	-
Current Borrowings	19	36,422.53	-	-	36,422.53	-	-	-
Trade payables	20	14,422.91	-	-	14,422.91	-	-	-
Derivatives	21	-	769.56	-	769.56	-	769.56	-
Other financial liabilities	22	1,211.60	-	-	1,211.60	-	-	-

The management assessed that trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, loans, trade payable and other financial assets and liabilities except derivative financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments. The Group's borrowings have been contracted at market rates of interest. Accordingly, the carrying value of such borrowings approximate fair value.

B. Fair value hierarchy

The Group has established the following fair value hierarchy that categories the value into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1: The hierarchy uses quoted (adjusted) prices in active markets for identical assets or liabilities. The fair value of all bonds which are traded in the stock exchanges is valued using the closing price or dealer quotations as at the reporting date.

Level 2: The fair value of financial instruments that are not traded in an active market (for example traded bonds, over the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on company specific estimates. The mutual fund units are valued using the closing net asset value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The following methods and assumptions were used to estimate the fair values:

(a) The fair value of the quoted investments are based on market price at the respective reporting date.

(b) The fair value of the quoted /unquoted investments included in level 3 are based on the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a range of possible fair value measurements and the cost represents estimate of fair value within that range.

(c) The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

(d) The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.

(e) The fair value of currency swap is calculated as the present value determined using forward exchange rates, currency basis spreads between the respective currencies and interest rate curves.

(f) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rate used is based on management estimates.

There were no transfer of financial assets or liabilities measured at fair value between level 1 and level 2, or transfer into or out of level 3 during the year ended 31 March 2019 and 31 March 2018.

Reconciliation of level 3 fair value measurements

The following table shows a reconciliation from opening balances to closing balances for level 3 for fair values on a recurring basis.

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Balance as at beginning of the year	**27,320.36**	8,656.51
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**(6,878.30)**	18,663.85
Assumed in a scheme of amalgamation	**(2,523.18)**	-
Balance as at end of the year	**17,918.88**	27,320.36

Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended 31 March 2018.

Financial assets and liabilities measured at fair value as at Consolidated Balance Sheet date:

1. The fair values of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at Consolidated Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

2. The fair values of the derivative financial instruments has been determined using valuation techniques with market observable inputs. The models incorporate various inputs including the credit quality of counter-parties and foreign exchange forward rates.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Other financial assets and liabilities

- Cash and Cash equivalents, trade receivables, investments in term deposits, other financial assets (except derivative financial instruments), trade payables, and other financial liabilities (except derivative financial instruments) have fair values that approximate to their carrying amounts due to their short-term nature.

- Loans have fair values that approximate to their carrying amounts as it is based on the net present value of the anticipated future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

43. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

The Group's principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group's principal financial assets, other than derivatives include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. The key risks and mitigating actions are also placed before the audit committee of the Group

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

The sources of risks which the Group is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables, Investments, Derivative financial instruments, Loans	Ageing analysis, Credit rating	Diversification of mutual fund investments, Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Foreign exchange risk	Committed commercial transaction Financial asset and liabilities not denominated in INR	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts. Foreign currency options principal only/currency swaps
Interest rate	Long term borrowings at variable rates ; and other debt securities	Sensitivity analysis Interest rate movements	Interest rate swaps
Commodity Price risk	Movement in prices of raw materials	Commodity price tracking	Maintaining inventory at optimum level
Security prices	Investment in equity instruments	Sensitivity analysis	Portfolio diversification

The Group has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in debt securities and mutual fund schemes of debt categories only and restricts the exposure in equity markets.

(i) Credit risk

Credit risk is the risk of financial loss of the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally form the Group receivables from customers and loans. Credit arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing/investing activities, including deposits with bank, mutual fund investments, investments in debt securities and foreign exchange transactions. The Group has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure.

Trade receivable

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. All trade receivables are reviewed and assessed for default on a quarterly basis. Our historical experience of collecting receivables indicate a low credit risk.

Exposure to credit risks

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customer operates. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customers.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Details of concentration percentage of revenue generated from a top customer and top five customers are stated below:

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from a top customer	**16%**	16%
Revenue from top five customers	**43%**	47%

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. As per simplified approach, the Group makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. The Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix to compute the credit loss allowance for trade receivables.

Movement in impairment loss account is as follows:

Amount in ₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at the beginning	**417.01**	417.01
Add: provided during the year	**-**	-
Less: utilised during the year	**-**	-
Balance at the end	**417.01**	417.01

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Group's finance team is responsible for liquidity, finding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's liquidity position through rolling forecasts on the basis of expected cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Amount in ₹ Lakhs

31 March 2019	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	**31,057.28**	**17,745.08**	**1,508.74**	**818.28**	**-**	**51,129.38**
Trade payables (including acceptances)	**44,051.71**	**-**	**-**	**-**	**-**	**44,051.71**
Derivatives	**228.05**	**376.86**	**-**	**-**	**-**	**604.91**
Other financial liabilities	**1,305.03**	**-**	**-**	**25.77**	**-**	**1,330.80**

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

31 March 2018	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	42,896.79	4,521.62	16,564.12	2,060.60	-	66,043.13
Trade payables (including acceptances)	14,623.49	-	-	-	-	14,623.49
Derivatives	185.91	185.79	397.86	-	-	769.56
Other financial liabilities	486.77	-	-	25.77	-	512.54

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

(a) Currency risk

Foreign currency risk is the risk impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings, import of raw materials and spare parts, capital expenditure, exports of finished goods. The currency in which these transactions are primarily denominated are USD and JPY. The Group manages currency exposures within prescribed limits, through use of forward exchange contracts and cross currency swap. Foreign exchange transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time.

The Group evaluates exchange rate exposure arising from foreign currency transactions. The Group follows established risk management policies and standard operating procedures. It uses derivative instruments like foreign currency swaps and forwards to hedge exposure to foreign currency risk. When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of those derivatives to match the terms of the hedged exposure.

Exposure to currency risk

The Group's exposure to foreign currency as at the end of the reporting period are as follows:

Amount in ₹ Lakhs

31 March 2019	In original currency (USD)	In local currency	In original currency (JPY)	In local currency
Financial Assets				
Trade receivables	52.62	3,638.71	-	-
Cash and cash equivalents	0.66	45.71	-	-
	53.28	3,684.42	-	-
Financial Liabilities				
Borrowings (including current maturities of non-current borrowings)	59.68	4,127.79	1,291.68	807.55
Trade payables	510.47	35,310.07	-	-
Derivatives	3.80	262.83	547.15	342.08
Other financial liabilities	4.85	335.35	2.72	1.70
Less: Forward contracts	-	-	-	-
	578.80	40,036.04	1,841.55	1,151.33
Net exposure in respect of recognised financial assets and liabilities	(525.52)	(36,351.62)	(1,841.55)	(1,151.33)

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

31 March 2018	In original currency (USD)	In local currency	In original currency (JPY)	In local currency
Financial Assets				
Trade receivables	16.37	1,065.15	-	-
Cash and cash equivalents	1.20	78.02	-	-
Other financial assets	16.93	1,101.17	-	-
	34.50	2,244.34	-	-
Financial Liabilities				
Borrowings (including current maturities of non-current borrowings)	336.77	21,905.11	2,157.31	1,327.61
Trade payables	79.20	5,151.67	-	-
Derivatives	5.53	359.54	666.27	410.02
Other financial liabilities	0.22	14.62	-	-
Less: Forward contracts	(1.07)	(69.60)	-	-
	420.65	27,361.34	2,823.58	1,737.63
Net exposure in respect of recognised financial assets and liabilities	(386.15)	(25,117.00)	(2,823.58)	(1,737.63)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and JPY against Indian rupee at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates , remain constant and ignores any impact of forecast sales and purchases.

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
USD (5% Movement)	**(1,817.58)**	**1,817.58**	**(1,182.45)**	**1,182.45**
JPY (10% Movement)	**(115.13)**	**115.13**	**(74.90)**	**74.90**
31 March 2018				
USD (5% Movement)	(1,255.85)	1,255.85	(821.23)	821.23
JPY (10% Movement)	(173.76)	173.76	(113.63)	113.63

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group exposure to the risk of changes in market interest rates related primarily to the Group's current borrowing (excluding commercial paper and others) with floating interest rates. For all non-current borrowings with floating rates, the risk of variation in the interest rates in mitigated through interest rate swaps. The Group constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Exposure to interest rate risk

The interest rate profile of the Group's interest bearing financial instruments at the end of the reporting period are as follows:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Fixed rate instruments		
Financial assets	**855.27**	1,844.30
Financial liabilities	**(45,335.20)**	(15,000.00)
	(44,479.93)	(13,155.70)
Variable rate instruments		
Financial assets	**-**	-
Financial liabilities	**(16,478.52)**	(51,015.43)
	(16,478.52)	(51,015.43)

Sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitivity analysis.

A reasonably possible change of 100 basis points in variable rate instruments at the reporting dates would have increased or decreased profit or loss by the amounts shown below:

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
31 March 2019				
Variable rate instruments	**(164.79)**	**164.79**	**(107.21)**	**107.21**
Cash flow sensitivity (net)	**(164.79)**	**164.79**	**(107.21)**	**107.21**
31 March 2018				
Variable rate instruments	(510.15)	510.15	(333.60)	333.60
Cash flow sensitivity (net)	(510.15)	510.15	(333.60)	333.60

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period and all other variables, in particulars foreign currency exchange rates, remain constant. Further, the calculation for the unhedged floating rate borrowing have been done on the notional value of the foreign currency.

(c) Equity price risks

The Group's quoted and unquoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Sensitivity analysis

Investment in equity instruments made by the Group are listed on the Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Calcutta Stock Exchange (CSE) in India. The table below summaries the impact of increase/decrease of the Nifty 50 index on the Group's equity and profit for the period. The analysis is based on the assumption that the NSE nifty 50 equity index had increased/decreased by 10% with all other variables held constant, and that all the Group's equity instruments moved in line with the index.

Amount in ₹ Lakhs

	Profit or loss		Equity, net of tax	
	31 March 2019	31 March 2018	**31 March 2019**	31 March 2018
NSE Nifty 50 - increase by 10% (31 March 2018: 10%)	-	0.27	-	0.18
NSE Nifty 50 - decrease by 10% (31 March 2018: 10%)	-	(0.27)	-	(0.18)

(d) Hedge accounting

Currency risk-Transactions in foreign currency

The Holding Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales and interest rate exposures are denominated. The currencies in which these transactions are primarily denominated are US dollars and JPY. The Holding Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out as per the risk management policy of the Holding Company.

The Holding Company holds derivative financial instruments such as foreign currency forward, cross currency swaps, interest rate swaps and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The Holding Company's risk management policy is to hedge its foreign currency exposure in respect of firm commitments and highly probable forecasted transactions and interest rate risks. The counterparty for these contracts is generally a bank or a financial institution.

The Holding Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the currency, amount and timing of their respective cash flows. The Holding Company assesses whether the derivative designated in each hedging relationship is expected to be and has been effective in offsetting changes in cash flows of the hedged item. In order to designate a derivative contract as an effective hedge, the management objectively evaluates and evidence with appropriate underlying documents of each contract whether the contract is effective in offsetting cash flow attributable to the hedged risk. The Holding Company applies a hedge ratio of 1:1.

In these hedging relationships, the main sources of ineffectiveness are :

- the effect of the counterparty and the Holding Company's own credit risk on the fair value of the forward exchange contracts, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in exchange rates; and

- changes in the timing of the hedged transactions.

Interest rate risk

The Holding Company adopts a policy of hedging its certain interest rate risk exposure at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate and using interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Holding Company applies a hedge ratio of 1:1.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

The Holding Company determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional of hedging instruments or par amounts of hedged items.

In these hedging relationships, the main sources of ineffectiveness are:

- the effect of the counterparty and the Holding Company's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value of the hedged cash flows attributable to the change in interest rates; and

- differences in re-pricing dates between the swaps and the borrowings.

The following table gives details in respect of outstanding foreign currency forward, cross currency swaps, interest rate swaps and option contracts:

Amount in ₹ Lakhs

Particulars	Currency pair	Position	31 March 2019		31 March 2018	
			Amount in foreign currency in lakhs	Amount in ₹ in lakhs	Amount in foreign currency in lakhs	Amount in ₹ in lakhs
Forward contracts [**Nil**, (previous year 1)]	USD/INR	Buy	-	-	1.07	69.60
Currency swap [**1**, (previous year 1)]	USD/JPY	Sell	**1,291.67**	**807.55**	2,152.78	1,324.82
Interest rate swaps [**3**, (previous year 3)]	USD/INR	Notional Principal	**246.12**	**17,024.44**	246.12	16,008.65
Interest rate swap [**1**, (previous year 1)]	JPY to INR	Notional Principal	**4,733.69**	**2,959.50**	4,733.69	2,913.11

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Consolidated Balance Sheet date:

Amount in ₹ Lakhs

	31 March 2019	31 March 2018
Not later than one month	-	-
Later than one month and not later than three months	-	0.12
Later than three months and not later than one year	**228.05**	185.79
Later than one year	**376.86**	583.65
	604.91	769.56

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

All derivative contracts outstanding as at year end are marked to market. The Group has applied hedge accounting principles. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument, including whether the hedging instrument is expected to offset changes in cash flows of hedged items. If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in Consolidated Statement of Profit and Loss at the time of the hedge relationship rebalancing.

Accordingly, net exchange fluctuation loss/ (gain) aggregating to ₹ **Nil** [31 March 2018: ₹ (108.05 lakhs)], being the effective portion of the contract designated as effective hedge for future cash flows has been recognised in the other comprehensive income.

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

Amount in ₹ Lakhs

	31 March 2019		31 March 2018	
	Derivative financial asset	**Derivative financial liability**	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**35.03**	**639.94**	54.46	824.02
Amount set-off	**(35.03)**	**(35.03)**	(54.46)	(54.46)
Net amount presented in Consolidated Balance Sheet	**-**	**604.91**	-	769.56

Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2019

Amount in ₹ Lakhs

Type of hedge	**Change in the value of the hedging instrument recognised in OCI**	**Hedge effectiveness recognised in Consolidated Statement of Profit and Loss**	**Amount reclassified from cash flow hedging reserve to Consolidated Statement of Profit and Loss**	**Line item affected in the Consolidated Statement of Profit and Loss because of the reclassification**
Cash flow hedge				
(i) Foreign exchange risk	-	-	-	
(ii) Interest rate risk	-	-	-	

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

For the year ended 31 March 2018

Amount in ₹ Lakhs

Type of hedge	Change in the value of the hedging instrument recognised in OCI	Hedge effectiveness recognised in Consolidated Statement of Profit and Loss	Amount reclassified from cash flow hedging reserve to Consolidated Statement of Profit and Loss	Line item affected in the Consolidated Statement of Profit and Loss because of the reclassification
Cash flow hedge				Foreign exchange fluctuation
(i) Foreign exchange risk	(121.18)	-	(76.64)	
(ii) Interest rate risk	13.13	-	-	

Movements in cash flow hedging reserve

Amount in ₹ Lakhs

Risk category	**Foreign currency risks**	**Interest rate risk**	
Derivative instruments	**Foreign exchange forward contract**	**Interest rate swaps**	**Total**
Cash flow hedging reserve			
As at 1 April 2017	197.82	(13.13)	184.69
Add: Changes in discounted spot element of foreign exchange forward contracts	(121.18)	-	(121.18)
Add: Changes in fair value of interest rate swaps	-	13.13	13.13
Less: Amount reclassified to profit or loss	(76.64)	-	(76.64)
As at 31 March 2018	-	-	-
Add: Changes in discounted spot element of foreign exchange forward contracts	-	-	-
Add: Changes in fair value of interest rate swaps	-	-	-
Less: Amount reclassified to profit or loss	-	-	-
As at 31 March 2019	-	-	-

Impact of hedging activities

31 March 2019

Amount in ₹ Lakhs

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge:									
Foreign exchange contract									
- Currency swap contract	-	-	-	-				-	-
Interest rate risk									
- Interest rate swap	-	-	-	-				-	-

31 March 2018

Amount in ₹ Lakhs

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity date	Hedge ratio	Weighted average strike price/ rate	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge:									
Foreign exchange contract									
- Currency swap contract	-	-	-	-	ICICI: 28 June 2017 (USD) 24 Aug 2020 (JPY)	1:1	US$ 1: INR 46.83 JPY 1: INR 0.7026	(121.18)	121.18
Interest rate risk									
- Interest rate swap	-	-	-	-	DBS: 15 September 2017 HSBC: 8 November 2017	1:1	1.3%	13.13	(13.13)

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

44. Non-controlling interests

Additional information pursuant to paragraph 2 of Division II of schedule III to the Companies Act, 2013.

	Net assets (total assets minus total liabilities)		Share in Profit or Loss		Share in OCI		Share in total comprehensive income	
	As % of Consolidated net assets	Amount in ₹ Lakhs	As % of Consolidated profit or loss	Amount in ₹ Lakhs	As % of Consolidated other comprehensive income	Amount in ₹ Lakhs	As % of Consolidated total comprehensive income	Amount in ₹ Lakhs
Parent								
Himadri Speciality Chemical Limited	102.80%	167,722.92	94.78%	30,729.83	80.06%	(8,337.88)	101.74%	22,391.95
Subsidiaries:								
Indian								
Equal Commodeal Private Limited	5.12%	8,351.49	1.26%	409.37	0.00%	-	1.86%	409.37
Foreign								
1. AAT Global Limited	3.41%	5,570.58	(1.83%)	(593.31)	0.00%	-	(2.70%)	(593.31)
2. Shandong Dawn Himadri Chemical Industry Limited	(0.31%)	(504.28)	(0.28%)	(91.33)	0.00%	-	(0.41%)	(91.33)
Non-controlling interests in all subsidiaries	(0.02%)	(32.08)	(0.02%)	(5.83)	0.00%	0.17	(0.03%)	(5.66)
Intercompany eliminations on consolidation	(11.00%)	(17,961.62)	6.09%	1,974.82	0.00%	-	8.98%	1,974.82
Exchange differences in translating financial statements of foreign operations	0.00%	-	0.00%	-	19.94%	(2,076.94)	(9.44%)	(2,076.94)
At 31 March 2019	**100.00%**	**163,147.01**	**100.00%**	**32,423.55**	**100.00%**	**(10,414.65)**	**100.00%**	**22,008.90**

45. Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders. The Group's objective when managing capital are to: (a) maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital. The Group may take appropriate steps in order to maintain or adjust its capital structure.

The Group monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

Amount in ₹ Lakhs

Particulars		**31 March 2019**	31 March 2018
Borrowings	A	**47,647.00**	66,015.43
Liquid investments including bank deposits	B	**1,406.88**	1,990.56
Total	C = A-B	**46,240.12**	64,024.87
Equity	D	**163,147.01**	141,439.52
Debt to Equity	E = A / D	**0.29**	0.47
Debt to Equity (net)	F = C / D	**0.28**	0.45

For the purpose of the Group's capital management

(a) Borrowings includes as non-current borrowings, current borrowings and current maturities of non-current borrowings as described in note 19 and 22.

(b) Equity includes Issued, subscribed and fully paid-up equity share capital and other equity attributable to the equity holders of the Group as described in note 17 and 18.

46. The Group has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulations under Sections 92-92F of the Income-Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Group continuously updates its documents for the international transactions entered into with the associated enterprises during the financial year. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the Consolidated financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

47. Due to micro enterprises, small and medium enterprises

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
(a) The amounts remaining unpaid to micro and small suppliers as at the end of each accounting year:		
- Principal	**141.74**	200.58
- Interest	-	-
(b) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006.	-	-

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

48. Distribution made and proposed dividend on equity shares by the Holding Company

See accounting policy in note 3(q)

Amount in ₹ Lakhs

	Year ended 31 March 2019	Year ended 31 March 2018
Dividend on equity shares declared and paid during the year		
Final dividend for the year ended on 31 March 2018: ₹ 0.10 per share (31 March 2017: ₹ 0.10 per share)	**418.41**	418.41
Dividend distribution tax on final dividend	**86.00**	85.18
Total dividend paid	**504.41**	503.59
Proposed dividend on equity shares not recognised as liability		
Final dividend for the year ended on 31 March 2019: ₹ 0.15 per share (31 March 2018: ₹ 0.10 per share)	**627.87**	418.41
Dividend distribution tax on final dividend	**129.06**	86.00
Total dividend proposed during the year	**756.93**	504.41

Proposed dividend on equity shares is subject to the approval of the shareholders of the Holding Company at the Annual General Meeting and not recognised as a liability (including dividend distribution tax thereon) as at Consolidated Balance Sheet date.

49. The Nomination and Remuneration Committee of the Holding Company at its meeting held on 7 May 2019, has allotted 31,061 equity shares of the Holding Company of face value of ₹ 1 per equity share 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 Holding Company has increased from 418,578,745 equity shares to 418,609,806 equity shares of ₹ 1 per equity share.

50. The Board of Directors of the Holding Company, at its meeting held on 13 August 2018, has considered and approved a draft Scheme of Amalgamation ('Scheme') between Himadri Speciality Chemical Limited ('the Holding Company' or the 'Transferee Company') and Equal Commodeal Private Limited ('ECPL' or the 'Transferor Company'), a wholly owned subsidiary of the Holding Company, to merge the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company in terms of Section 230-232 of the Companies Act, 2013 ('the Act') and other applicable provisions, if any, of the Act, subject to necessary approvals from concerned authorities, with effect from 1 April 2018 ('Appointed Date'). The Holding Company has filed the petition for the proposed Scheme with the National Company Law Tribunal (NCLT) and the NCLT has directed to hold meetings of the shareholders, secured creditors and unsecured creditors. Pending necessary regulatory approvals and other compliances, no adjustments have been made in the Consolidated financial statements for the year ended 31 March 2019.

Notes to the Consolidated financial statements
for the year ended 31 March 2019 (Contd.)

51. Previous year figures have been regrouped / reclassified wherever necessary to correspond with current year classification / disclosure.

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number:
101248W/W-100022

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 28 May 2019

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 28 May 2019

FORM AOC-1

Statement containing salient features of the Financial Statements of Subsidiaries as per Companies Act, 2013

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

Amount in ₹ Lakhs

S.No.	1	2		3	
Name of the Subsidiary Company	**Equal Commodeal Private Limited, India**	**AAT Global Limited, Hongkong**		**Shandong Dawn Himadri Chemical Industry Limited, China**	
Financial year ending on	31 March 2019	31 March 2019		31 March 2019	
Reporting Currency	INR	INR	HKD	INR	RMB
Share Capital	1.00	6,250.20	707.84	4,850.40	470.00
Other Equity	8,350.49	(679.62)	(76.97)	(5,386.76)	(521.97)
Total Assets	12,089.03	18,617.17	2,108.40	10,738.77	1,040.58
Total Liabilities	3,737.54	13,046.59	1,477.53	11,275.13	1,092.55
Investments	5,245.87	4,770.61	540.27	-	-
Turnover / Total Income	729.96	58,199.11	6,791.03	6,165.10	595.66
Profit/(Loss) Before Taxation	427.16	(593.31)	(69.23)	(97.16)	(9.39)
Provision for Taxation	17.79	-	-	-	-
Profit/(Loss) After Taxation	409.37	(593.31)	(69.23)	(97.16)	(9.39)
Proposed Dividend	-	-	-	-	-
% of Shareholding	100%		100%		94%

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Sd/-
Bankey Lal Choudhary
Managing Director
DIN: 00173792

Sd/-
Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Sd/-
Anurag Choudhary
Chief Executive Officer

Place: Kolkata
Date: 28 May 2019

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Notes

Notes

CORPORATE INFORMATION

Chairman Emeritus
Mr. Damodar Prasad Choudhary

Executive Chairman
Mr. Bankey Lal Choudhary
(DIN: 00173792)

Managing Director & CEO
Mr. Anurag Choudhary
(DIN: 00173934)

Executive Directors
Mr. Shyam Sundar Choudhary
(DIN: 00173732)

Mr. Vijay Kumar Choudhary
(DIN: 00173858)

Mr. Amit Choudhary
(DIN: 00152358)

Mr. Tushar Choudhary
(DIN: 00174003)

Nominee Director
Mrs. Rita Bhattacharya
(DIN: 03157199)
– Nominee of LIC of India

Independent Directors
Mr. Hanuman Mal Choraria
(DIN: 00018375)

Mr. Santimoy Dey
(DIN: 06875452)

Mr. Sakti Kumar Banerjee
(DIN: 00631772)

Mr. Hardip Singh Mann
(DIN: 00104948)

Mr. Suryakant Balkrishna Mainak
(DIN: 02531129)

Mr. Santosh Kumar Agrawala
(DIN: 00364962)

Mrs. Sucharita Basu De
(DIN: 06921540)

Senior Management Team
Mr. Kamlesh Kumar Agarwal
– Chief Financial Officer

Mr. Bajrang Lal Sharma
– Company Secretary & Compliance Officer

Dr. Soumen Chakraborty
– President Carbon Black Division

Mr. Monojit Mukherjee
– Business Head, Carbon Black Division

Mr. Somesh Satnalika
– Vice President, Strategy & Business Development

Mr. Santanu Chatterjee
– Senior Vice President, HR and Administration

Bankers
Axis Bank Limited
Bank of Baroda
Central Bank of India
Citi Bank, N.A.
DBS Bank
HDFC Bank
Hong Kong & Shanghai Banking Corporation Limited
ICICI Bank Limited
IDFC Bank
IndusInd Bank Limited
Kotak Mahindra Bank
RBL Bank Ltd
Standard Chartered Bank
State Bank of India
Yes Bank Limited

Registrar & Share Transfer Agents
M/s. S.K. Infosolutions Pvt. Ltd
34/1A, Sudhir Chatterjee Street
Kolkata 700 006
Tel: (033) 2219 6797/ 4815
E-mail:contact@skcinfo.com/ skcdilip@gmail.com
Web Site: www.skcinfo.com

Debenture Trustee
Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29, Senapati Bapat Marg,
Dadar (West), Mumbai – 400028
Tel: +91-22-62300451;
mail: debenturetrustee@axistrustee.com;
complaints@axistrustee.com

Registered Office
Fortuna Tower
23-A, Netaji Subhas Road
8th Floor, Kolkata - 700 001
Tel Fax : 91 (033) 22104261/62
E-mail: info@himadri.com
Web Site: www.himadri.com
CIN: L27106WB1987PLC042756

Corporate Office
8, India Exchange Place, 2nd Floor,
Kolkata – 700 001
Tel: (033) 2230-4363/ 9953
Fax: 91-033- 2230-9051

Auditors
M/s B S R & Co. LLP
Chartered Accountants
Unit No: 603-604, 6th Floor,
Tower –I Godrej Waterside
Sector- V
Salt lake City
Kolkata- 700 091

Solicitors & Advocates
M/s Aquilaw
9 Old Post Office Street
8th Floor
Kolkata - 700 001

Works
Unit number 1
58 N.S. Road, Liluah, Howrah (W.B.)

Unit number 2
27B Gadadhar Bhatt Road, Liluah, Howrah (W.B.)

Mahistikry Plant
Mahistikry, P.S. – Haripal District Hooghly (W.B.)

Visakhapatnam Unit
Ancillary Industrial Estate Visakhapatnam (A.P.)

Korba Unit
Jhagrah, Rajgamar Colliery Korba (Chhattisgarh)

Vapi Unit
GIDC 1st Phase,
Vapi (Gujarat)

Sambalpur Unit
Kenghati, P.O. Jayantpur,
Sambalpur 768112

Falta (SEZ unit)
Falta Special Economic Zone
Sector - II, Vill - Simulberia, Falta,
Dist - 24 Pgs (South), West Bengal

Windmills
1. Village Amkhel, Taluka- Sakri, District Dhule, Maharashtra

2. Village Titane, Taluka- Sakri, District Dhule, Maharashtra

China Unit
Longkou, Shandong China

Registered Office
23A, Netaji Subhas Road,
Suite No. 15, 8th Floor,
Kolkata 700 001
email: info@himadri.com
Website: www.himadri.com