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
Corp. Office: 8, India Exchange Place, Ruby House, 2nd Floor, Kolkata - 700 001
Ph: 033 22309953, e-mail: investors@himadri.com
Website: www.himadri.com

NOTICE OF THE NCLT CONVENED MEETING OF THE UNSECURED CREDITORS OF HIMADRI SPECIALITY CHEMICAL LIMITED

(convened pursuant to the order dated 1st January, 2019 passed by the National Company Law Tribunal, Bench at Kolkata)

MEETING:

Day	:	Wednesday
Date	:	13th February, 2019
Time	:	10.30 A.M.
Venue	:	"Kala-Kunj Hall", 48, Shakespeare Sarani, Kolkata – 700017

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FORM NO. CAA. 2

[Pursuant to Section 230(3) and rule 6 and 7]

Before the National Company Law Tribunal, Kolkata Bench

CA (CAA) No. 1008/KB/2018
In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 read with other relevant provisions of the Companies Act, 2013

AND

In the matter of:
Equal Commodeal Private Limited
(CIN: U51909WB2011PTC160507)
a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 72/4, Shambunath Pandit Street, Kolkata – 700025 ("Transferor Company")

AND

Himadri Speciality Chemical Limited
(CIN: L27106WB1987PLC042756) under the provisions of the Companies Act 1956, and having its registered office at 23A, Netaji Subhas Road 8th Floor, Suite No. 15, Kolkata-700001 ("Transferee Company") and their respective shareholders.

....Applicants

NOTICE CONVENING THE MEETING OF THE UNSECURED CREDITORS OF HIMADRI SPECIALITY CHEMICAL LIMITED

To,

The Unsecured Creditor(s) of Himadri Speciality Chemical Limited ("Transferee Company")

NOTICE is hereby given that by an order made on 1st January, 2019 in the above mentioned Company Application (the "Order"), the Hon'ble National Company Law Tribunal, Bench at Kolkata ("NCLT") has directed that a meeting of the Unsecured Creditors of the Transferee Company, be convened and held at "Kala-Kunj", 48, Shakespeare Sarani, Kolkata-700017, on Wednesday, 13th February, 2019 at 10.30 A.M. ("NCLT Convened Meeting") for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed amalgamation embodied in the Scheme of Merger of Equal Commodeal Private Limited with Himadri Speciality Chemical Limited ("Scheme")

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Unsecured Creditors of the Transferee Company, will be held at “Kala-Kunj”, 48, Shakespeare Sarani, Kolkata-700017, on Wednesday, 13th February, 2019 at 10.30 A.M., at which place, day, date and time you are requested to attend. At the meeting, the following resolution will be considered and if thought fit, be passed:

“**RESOLVED THAT** pursuant to the provisions of Sections 230 to Section 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 and other applicable provisions, if any of the Companies Act, 2013 and the rules, regulations, circulars and notifications issued thereunder (including any statutory modification or re- enactment thereof) to the extent notified and applicable; enabling provisions in the Memorandum and Articles of Association of the Company and subject to the sanction of the National Company Law Tribunal, and subject to such other approvals of any statutory/regulatory authorities, as may be required and subject to such conditions and modifications as may be prescribed or imposed by the National Company Law Tribunal or by any regulatory or other authorities while granting such consent, approvals and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), pursuant to the recommendation of the Audit Committee, the proposed Scheme of Merger of Equal Commodeal Private Limited (“Transferor Company”) with Himadri Speciality Chemical Limited (“The Transferee Company”) and their respective Shareholders placed before this meeting and initialed by the Chairman of the meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to delegate all or any of their powers herein conferred, to any Director(s) or any officer(s)/ authorized representative(s) of the Company to give effect to the aforesaid resolutions and to do all such acts, matters, deeds and things as may be necessary or desirable in connection with or incidental to giving effect to the purpose of the above resolution or to otherwise give effect to the Scheme of Amalgamation, to make or accept such alterations or changes or modifications in the Scheme of Amalgamation as may be advised by the regulatory authorities.”

TAKE FURTHER NOTICE that the Unsecured Creditors entitled to attend and vote at the said meeting may vote in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised signatory, is deposited at the registered office of the Transferee Company at “23A Netaji Subhas Road, 8th Floor, Suite No 15, Kolkata- 700001”, not later than 48 hours before the scheduled time of the commencement of the said meeting. The form of proxy can be obtained free of cost from the registered office of the Transferee Company.

Copies of the Scheme and of the Explanatory Statement, under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index, can be obtained free of charge at the registered office of the Transferee Company at 23A, Netaji Subhas Road 8th Floor, Suite No. 15, Kolkata - 700001 or at the office of its authorised representative being S. Jaykishan, Chartered Accountants, Kankaria Estates, 6, Little Russel Street, 4th Floor, Kolkata - 700071.

As per the NCLT Order, the quorum for the said meeting is two (2) unsecured creditors personally present and in case the quorum is not present at the commencement of the meeting, then the meeting shall be adjourned by half an hour and thereafter the person present and voting shall be deemed to constitute the quorum.

It is pertinent to note that Section 230(4) of the Companies Act, 2013, inter-alia, provides that, unsecured creditors having outstanding debt of not less than 5% of the total outstanding debt as per the audited financial statement for the year ended on 31st March, 2018 of the Transferor Company, are only entitled to raise objections to the said Scheme of Amalgamation.

The NCLT has appointed Mr. Mohan Ram Goenka to be the Chairman of the said meeting including any adjournment thereof.

The Scheme, if approved in the aforesaid meeting, will be subject to the approval of the NCLT.

A copy of the Explanatory Statement, under Section 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed.

Sd/-

Place: Kolkata

Date: 2nd January, 2019

Mohan Ram Goenka

Chairman appointed for the meeting

Notes of the NCLT Convened Meeting:

1. **AN UNSECURED CREDITOR OF THE TRANSFEREE COMPANY ENTITLED TO ATTEND AND VOTE AT THE NCLT CONVENED MEETING (THE"MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE ANUNSECURED CREDITOR OF THE TRANSFEREE COMPANY. THE PROXY FORM DULY COMPLETED SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF THE MEETING.**

   A person can act as proxy on behalf of unsecured creditors not exceeding fifty unsecured creditors and holding in aggregate not more than ten percent of the total value of amount outstanding to unsecured creditors of the Transferee Company. An unsecured creditor holding more than ten percent of the total value of the amount outstanding to the unsecured creditors of the Transferee Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other unsecured creditor.

2. All alterations made in the Proxy Form should be initialled.

3. Explanatory Statement for the proposed Resolution pursuant to Section 230(3), 232 and 102 of the Companies Act, 2013 along with applicable rules thereunder setting out material facts forms part of this Notice. Also all the annexures as mentioned above in the index and attached to this Notice forms part of this notice.

4. Only an unsecured creditor of the Transferee Company may attend and vote (either in person or by proxy or by authorized representative of a body corporate under Sections 112 and 113 of the Companies Act, 2013) at the NCLT Convened Meeting. The Authorised Representative of a body corporate which is a unsecured creditor of the Transferee Company may attend and vote at the Meeting, provided a certified true copy of the resolution of the Board of Directors under Section 113 of the Companies Act, 2013/Power of Attorney/ Letter of Authority or other governing body of the body corporate is deposited at the registered office of the Transferee Company not later than 48 hours before the scheduled time of the commencement of the meeting authorizing such representative to attend and vote at the NCLT Convened Meeting.

5. The unsecured Creditors are requested to hand over the enclosed Attendance Slip, duly signed for admission to the meeting hall.

6. In terms of the directions contained in the NCLT's Order, the quorum for the Meeting shall be 2 (Two) unsecured creditors of the Transferee Company, present in person.

7. The queries, if any, related to the Scheme should be sent to the Transferee Company in the name of Mr. Bajrang Lal Sharma, Company Secretary at its registered office at least 7 (seven) days before the meeting.

8. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the unsecured Creditors of the Transferee Company at the registered office of the Transferee Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 01.00 p.m. upto the date of the meeting i.e. 13th February, 2019.

9. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if the resolution mentioned in the Notice have been approved at the Meeting by the majority of such unsecured Creditors of the Transferee Company, voting in person or by proxy as prescribed under section 230-232 read with the Rules thereunder.

10. Mr. N Gurumurthy, Partner of Maroti & Associates, Chartered Accountants, has been appointed as the scrutinizer for scrutinizing the process of voting at the venue of the meeting in a fair and transparent manner.

11. As directed by the NCLT, Kolkata Bench in its Order the Transferee Company shall serve the notice as per the requirements of Section 230 of the Act along with all relevant documents to all the statutory and regulatory authorities, as may be applicable.

Explanatory Statement under Sections 230(3), 232 and Section 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other applicable provisions

1. A Scheme of Amalgamation between Himadri Speciality Chemical Limited (Transferee Company) and Equal Commodeal Private Limited (Transferor Company) and their respective Shareholders, has been proposed and approved by the Board of Directors of the Applicant Companies at its meeting held on 13th August, 2018 respectively. The other definitions contained in the Scheme of Amalgamation between the Transferor Company and the Transferee Company and their respective shareholders (herein after referred to as the "Scheme" or "Scheme of Amalgamation") will also apply to this statement under Sections 230(3), 232 and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Explanatory Statement").

2. The Scheme of Amalgamation, if approved by the required number of Equity Shareholders and the creditors, shall be operative from the Appointed Date.

Particulars of the Transferor Company

1. The Transferor Company was incorporated on March 09, 2011 under the provisions of the Companies Act, 1956 as an unlisted private company limited by shares. The Company is a wholly owned subsidiary of the Transferee Company. There has been no change in the name of the Transferor Company since incorporation. The Corporate Identification Number of the Transferor Company is U51909WB2011PTC160507. The Permanent Account Number of the Transferor Company is AACCE6455E.

2. The Registered Office of Transferor Company is situated at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal. There has been no change in the registered office address of the Transferor Company in last five (5) years. The e-mail address of the Transferor Company is *itefilingindia19@gmail.com*

3. The objects for which Transferor Company has been established are set out in its Memorandum of Association. Some of the relevant objects of Transferor Company are, inter alia, as follows:

    a. *To carry on, *whether directly or through its subsidiary or joint venture companies, the business of trader, buyers, sellers retails, suppliers, commission agents, broker merchants, sub-agents, wholesaler's retailer's, indenting agents, stockists, distributors, dealers, buying, selling, marketing net marketing, whole selling consignor, supplying distributor, dealer of all types of readymade garments, lifestyle products, furnishings and to operate retail stores and also act as C&F agents, broker, franchisee for all types of business including readymade garments, forum and lifestyle products, homecare products and dealing in herbs, herbal products and natural derivates' for a enhancing mental power and physical strength, Preferable electronics & electrical goods, consumer goods, household goods*

*Industrial Goods, Engineering goods, Electrical and Electronics products, Food articles, Sugar, Spices, Pulses, Agricultural products and its by products, non-conventional energy products. Hardware and stores, Plant and machinery, stores, spare parts and accessories commercials, natural and man-made fibre, clothes and fabrics, garments, synthetic and polythene products, laminated cloth jute and jute goods, packing materials, paper and paper products, plastics and plastic products, polythene and polythene products, Granules, Petro-Chemicals and petroleum products, *Coke tar, tar by-products, any kind of by-products based on Coal Tar distillation including Naphthalene, SNF, battery Cell, Carbon Black and all types of advanced carbon materials, leather and leather products, Footwear rubber and rubber products, Carpets, plantation crops i.e. tea, cotton coffee, tobacco, vegetables and other eatables, milk and milk products, confectionaries, Ice-cream, dairy products, spices, pickles, kirana food products, marine products, sea foods, paper, sugar & molasses, medicines, drugs, pharmaceuticals, cosmetics goods, all kinds of cements, steels, zinc &alloys, scraps, minerals & materials, ore, petroleum products, industrial and other gases, alcohol, edible and non-edible oils & oil seeds, fats, soap, detergents, adhesive, Paint & varnishes, dyes &chemical fertilizers, manures, drugs & pesticides, acids, wood & wood Products, furnishing materials, building automobile parts & devices, electronic goods, Computers, Computer software & hardware, watches, novelties, bullion, precious stones, work of art, antiques, curious, jewelries. .*

b. *To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner.*

c. *To lend and advance money and assets of all kinds or give credit on any terms or mode and with or without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding company, subsidiary or associate company of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or associate company of, or any other company associated in any way with, the company).*

The object clause of the Transferor Company was last amended by passing a special resolution at the EGM held on 29th May, 2014.

4. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferor Company as on 31st March, 2018 was as follows:

	In Rs.
Authorised Share Capital	**1,00,000**
10,000 Equity shares of Rs.10/- each	1,00,000
Issued, Subscribed and Paid-up Capital, in cash	**1,00,000**
10,000 Equity shares of Rs.10/- each	1,00,000

5. Subsequent to 31st March 2018, there has not been any change in the Authorised, Issued or Paid-up Share Capital of the Transferor Company.

Particulars of the Transferee Company

6. The Transferee Company was incorporated on July 28, 1987 as a private company limited by shares under the name of Himadri Castings Private Limited under the provisions of the Companies Act, 1956. Thereafter its' name was changed from Himadri Castings Private Limited to Himadri Chemicals & Industries Private Limited on 20th November 1991 and further it became a limited company with effect from 27th November 1991. The name of the transferee company was further changed to Himadri Speciality Chemical Limited with effect from July 27, 2016. The Corporate Identification Number of the Transferee Company is L27106WB1987PLC042756. The Permanent Account Number of the Transferee Company is AAACH7475H. The shares of the Transferee Company are listed on National Stock Exchange of India Ltd. and BSE Limited.

7. The Registered Office of the Transferee Company is situated at 23A, Netaji Subhas Road, Floor 8, Suite No: 15, Kolkata – 700001, West Bengal. During the last five years and with effect from 15 June 2015 the registered office of the Transferee Company changed from Ruby House, 8 India Exchange Place, 2nd Floor, Kolkata – 700 001 to 23A Netaji Subhas Bose Road, 8th Floor, Suite No 15, Kolkata – 700 001, within the same city. The e-mail address of the Transferee Company is blsharma@himadri.com;

8. The objects for which the Transferee Company has been established are set out in its Memorandum of Association. Some of the relevant objects of the Transferee Company are as follows:

   a. *To carry on the business of Manufacturers and processors of dealers in, exporters and importers of all grades, types, qualities, shapes, categories and description of alloy, tool and special steels, Including alloy constructional steel In carbon, manganese, nickel, chromium, nickel-chromium (NiCr), nickel-chromium molybdenum (Nicrmb), chromium molybdenum corrosion resisting steels, stainless and heat resisting steels, free cutting steels, silicon manganese steels, spring steels, carbon and alloy tool and die steels, high speed steels, cold and hot working steels, amour steels, magnet steels, electrical steels, hot rolled and cold rolled grunion oriented electrical steels, all types of alloying materials required for manufacture of alloy, tool and special steels such as Ferro-silicon, Ferro-manganese, Ferro-*

vanadium, Ferro molybdenum, Ferro-tungsten, Ferrochrome, silicon-manganese, Ferro-vanadium, Ferromolybdenum, Ferro-tungsten, ferrochrome, silicon-manganese, silicon-calcium, nickel, copper, cobalt aluminum, baronatianium niobium, pig Iron, cast iron, scrap Iron, wrought Iron, mild steel castings and steel forgings in all the categories of steel described herein above, all types of refectory bricks and materials coke tar, and tar byproducts, ferrous and non-ferrous metals and products thereof, Ingots, Slabs, billets, sheets, sections angles, wires strips flats, rounds and as processor of metal, ferrous and non-ferrous, Into castings, forgings, rolling, re-roiling, galvanizing, drawing, extruding Including of finished or semi-finished goods. Agricultural equipment's, Automobile parts, Machine tools, other hand tools, jigs, fixtures, tine blades, tubes, pipes and to act as metal workers machines, iron & steel worker, smiths, metallurgists & buyers and sellers of all Items mentioned above and Hard wares and allied products.

b. *To carry on the business of iron founders, Civil and mechanical engineers, consulting engineers, project engineers, technical consultants, and manufacturers of agricultural, industrial, and other machinery, and tool bits, machine tool-makers, brass founders metal workers, boiler-maker, makers of locomotive and engines of every description, mill-Wright, machinists, iron and steel converters, smiths, woodworkers, builders, painters, chemists, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, printers carriers and to buy, sale, design, specify, manufacture, fabricate, expel, repair convert, alter, let on hire and deal in machinery, implements, plants tool, tackles, instruments, rolling stock and hardware of all kinds, general fittings, accessories and appliances of all descriptions made from metal, alloy, glass or any other materials and any parts of such accessories or fittings and generally to carry on business as merchants, importers and exporters and to transact and carry on all kinds of agency business of the aforesaid products.*

There has been no change in the object clause of the Transferee Company in the last 5 years.

9. The Transferee Company is engaged in the business of manufacture and sale of Carbon Materials & Chemicals.

10. The Transferee Company holds the entire paid up share capital of the Transferor Company. As such, the Transferor Company is the wholly owned subsidiary of the Transferee Company.

11. The Authorised, Issued, Subscribed and Paid up Share Capital of the Transferee Company as on 31st March, 2018 was as follows:

	In Rs.
Authorised Share Capital	**700,000,000**
700,000,000 Equity Shares of Re.1 /- each	700,000,000
Issued, Subscribed and Paid-up Capital, in cash	**418,407,867**
418,407,867 Equity Shares of Re.1 /- each	418,407,867

Subsequent to 31st March 2018, there has not been any change in the Authorised, Issued or Paid-up Share Capital of the Transferee Company.

12. Salient features and Rationale for the Scheme

1. This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective companies in the manner provided for in the Scheme.

2. The Transferee Company as the parent would like to integrate and consolidate its subsidiary. The circumstances that justify the proposed scheme and its main benefits are inter-alia, summarised as under:

   a. The Transferee Company would be able to operate more effectively with a larger asset base available resulting into better turnover and profits which if not merged, would remain idle with the Transferor Company which is not able to carry on any business effectively.

   b. To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.

   c. To achieve cost savings from more focused operational efforts, rationalisation, standardisation and simplification of business processes, productivity improvements and rationalization of administrative expenses.

   d. Some facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in economic, efficient and optimum use of facilities to the advantage of the Transferee Company and achieve cost savings from more focussed operational efforts, rationalisation, standardisation and simplification of business processes.

   e. The merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried on by the Transferor Company and the Transferee Company.

   f. The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, organisational efficiency and optimal utilisation of resources.

   g. AAT Global Limited, currently a step-down subsidiary of HSCL, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.

   h. The banks, creditors and financial institutions, if any, are in no manner affected adversely by the proposed merger as their security and asset cover will be maintained.

13. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date.

14. Definitions

In the Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

(a) **"Act"** - shall mean (a) the Companies Act, 1956, as amended from time to time, for the time being in force; and/ or (b) the Companies Act, 2013, as the case may be including any statutory modification or re-enactment thereof for the time being in force; the terms "Act" and "Section" shall be construed accordingly.

(b) **"Applicable Law"** means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other Governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.

(c) **"Appointed Date"** means the date from which this Scheme becomes operative, viz., April 1, 2018 or such other date as the NCLT or such other authority having powers to sanction the Scheme under the Applicable law, may direct.

(d) **"Board of Directors"** in relation to the Transferor Companyand/or the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

(e) **"Clause"** means a clause in this Scheme.

(f) **"Closing Date/Effective Date"** means the date or the dates on which the certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Transferor and the Transferee Company, as may be applicable.

(g) Reference in this Scheme of the date of 'coming into effect of this Scheme' or 'this Scheme becoming effective' or 'upon this Scheme becoming effective' or 'effectiveness of this Scheme' shall mean the Closing/Effective Date.

(h) **"Governmental Authority"** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.

(i) **"NCLT"** or **"Tribunal"** means the Hon'ble National Company Law Tribunal under the Companies Act, 2013

(j) **"Part"** means a part of this Scheme.

(k) **"Party"** means a party to this Scheme and **"Parties"** shall be construed accordingly.

(l) **“Scheme of Merger”** or **“This Scheme”** or **“The Scheme”** or **“Scheme”** means this scheme of merger, in its present form or with any modification(s) as approved or imposed by the NCLT or any other authority as may be authorized for approval of the Scheme.

(m) **“Transferee Company”** means Himadri Speciality Chemical Limited, a company incorporated on 28th day of July 1987 under the provisions of the Companies Act, 1956 having CIN: L27106WB1987PLC042756 and having its registered office at 23A, Netaji Subhas Road, 8th Floor, Kolkata- 700 001, West Bengal.

(n) **“Transferor Company”** means Equal Commodeal Private Limited, a company incorporated under the provisions of the Companies Act, 1956 on March 9, 2011 having CIN: U51909WB2011PTC160507 in the State of West Bengal having its Registered Office at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal.

(o) **“Undertaking of Transferor Company”** or **“Undertaking”** shall include (without limitation) their entire business and:

(i) any and all their assets, whether movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(ii) any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest thereon;

(iii) any and all permits, quotas, rights, entitlements, industrial and other licenses, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company;

(iv) any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company;

(v) all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which any of the Transferor Company is a party and having effect immediately before the Effective

Date, shall remain in full force and effect in favour of and/ or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto;

(vi) any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, if any, at their current terms and conditions;

(vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or because of the provisions contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, if this Scheme had not been made;

(viii) all the tax liabilities under the applicable laws/ regulations dealing with taxes/duties/ levies (**"Tax Laws"**) allocable or related to the business of the Transferor Company shall be transferred to the Transferee Company; and

(ix) any refunds/ credits/ claims under the Tax Laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax and service tax credits) shall also belong to and be availed of or received by the Transferee Company.

(x) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the NCLT or any other authority as may be authorized for approval of the Scheme in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts.

(xi) all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company;

(xii) any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company;

Without prejudice to the generality of the foregoing mentioned hereinabove, the term "Undertaking of Transferor Company" shall include the entire business which is being carried out under the name and style of the Transferor Company as the case may be, and shall include the advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registration, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment's, tenancy rights, titles, trademarks, trade names, all other utilities held by Transferor Company or to which Transferor Company is entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

15. With effect from the Appointed Date and upon this Scheme becoming effective, and subject to the provisions of this Scheme, the Transferor Company shall, pursuant to Section 230 read with section 233 of the Act and/or any other applicable provisions of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been and stand transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company.

16. Corporate Approvals

The proposed Scheme has been approved by the Board of Directors of the Transferor Company at its meeting held on 13th August, 2018. All the Directors present at the meeting voted in favour of the Scheme. None of the directors attending the meeting voted against the Scheme.

The proposed Scheme has been approved by the Board of Directors of the Transferee Company at its meetings held on 13th August, 2018. All the Directors present voted in favour of the Scheme. None of the directors attending the meeting voted against the Scheme. Two directors namely Mr. Suryakant Balkrishna Mainak and Mr. Vijay Kumar Choudhary did not attend the meeting held on August 13, 2018.

17. Approvals and actions taken in relation to the Scheme

The Transferor Company will obtain such necessary approvals/sanctions/no objection(s) from the regulatory or other governmental authorities, if so required.

18. Effect of the Scheme

(i) Key Managerial Personnel

The Scheme does not affect the Key Managerial Personnel of the Transferee Company. There are no Key Managerial Personnel in the Transferor Company.

(ii) Directors

The Scheme does not affect the Directors of the Transferee Company or the Transferor Company except as mentioned hereinafter. The Directors of the Transferee Company shall continue to hold their position as Director on the Board of the Transferee Company. The Directors of the Transferor Company shall cease to be Directors of the Transferor Company, consequent to dissolution of the Transferor Company upon the Scheme becoming effective.

(iii) Promoters and Non-Promoters

The Transferor Company is wholly owned subsidiary of Transferee Company. The entire paid up share capital of the Transferor Company is held by the Transferee Company and its nominee and the same shall stand cancelled on the Scheme becoming effective and no shares will be issued by Transferee Company to Transferor Company. Further, Save as aforesaid, the rights and interest of the Promoters and Non-Promoter Shareholders of Companies involved in the Scheme will not be prejudicially affected by the Scheme.

(iv) Depositors and Deposit Trustee

There are no depositors and Deposit Trustee in the Transferee Company or the Transferor Company.

(v) Creditors and Debenture holders and Debenture Trustee

Post sanction of the Merger the rights and interests of Secured Creditors and Unsecured Creditors including the Debenture Holders and Debenture Trustee of the Transferee Company or the secured and unsecured Creditors of the Transferor Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.

(vi) Employees: Upon the coming into effect of this Scheme:

The rights and interests of the employees, if any, of the Transferor Company will not be prejudicially affected by the Scheme as such employees will become employees of Transferee Company at the agreed terms and conditions without any break or interruption in service.

You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the salient extracts thereof.

19. Other matters

(a) The accounting treatment as proposed in the Scheme is in conformity with the accounting standards prescribed under Section 133 of the Companies Act, 2013. The certificate issued by B S R & Co. LLP Chartered Accountants is open for inspection.

(b) A report adopted by the directors of the Applicant Companies explaining effect of Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties, if any is attached herewith to this Notice.

(c) Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the Transferor Company except to the extent that upon the effectiveness of Part II of the Scheme, the creditors belonging to the Undertaking of the Transferor Company shall become the creditors of the Transferee Company in the manner as provided in the Scheme. No compromise is offered under the Scheme to any of the creditors of the Transferor Company. The liability of the creditors of the Transferor Company, under the Scheme, is neither being reduced nor being extinguished. The creditors of the Transferor Company would in no way be affected by the present Scheme. The creditors of the Transferor Company have given their written consents by way of affidavits to the Scheme.

(d) Under the Scheme, on and from the Effective Date, the Transferee Company undertakes to engage all the Employees, if any, of the Transferor Company pertaining to the Transferor Undertaking on the same terms and conditions on which they are engaged by the Transferor Company without any interruption of service and in the manner provided thereunder. In no way the rights of the Employees of the Transferor Company would be affected by the Scheme.

(e) Further, none of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Transferor Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Transferor Company and/or to the extent that the said Director(s) are common director(s) of the Transferor Company or the Transferee Company, if any. Save as aforesaid, none of the said Directors or the Key Managerial Personnel has any material interest in the Scheme. None of the directors are common to the Transferor Company and the Transferee Company involved in the proposed Scheme of Amalgamation. Further, none of the directors or KMPs of the Transferor Company or the Transferee Company are holding any shares in the Transferor Company or the Transferee Company, except that one of the Director of Transferee Company, Mr. Bankey Lal Choudhary, holds 100 shares in Transferor Company as a nominee of the holding company just to comply with the requirement of minimum number of members and One of the Director of the Transferor Company Mr. Swapan Bhadra, holds 1000 shares in the Transferee Company.

(f) No investigation proceedings have been instituted or are pending in relation to the Transferor Company or the Transferee Company under Sections 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Act of 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Act of 1956 against the Transferor Company or the Transferee Company.

(g) To the knowledge of the Transfer or Company, no winding up proceedings have been filed or are pending against it under the Act or the corresponding provisions of the Act of 1956.

(h) As on 31st March, 2018, a total of Rs. 3107.51 lakhs was due to unsecured Creditors respectively of the Transferor Company. As on the said date, the Transferor Company did not have any Secured Creditors.

(i) As on 31st March, 2018 an amount of Rs. 62,566.35 lakhs and Rs. 22983.92 lakhs was due to Secured and Unsecured Creditors respectively of the Transferee Company. The Transferee Company shall repay the Secured and Unsecured Creditors in normal course of business.

(j) In as much as the Transferor Company is a wholly owned subsidiary of the Transferee Company,the shares held by the Transferee Company in the share capital of the Transferor Company will be cancelled under the Scheme and there will not be any issuance of shares under the Scheme. As such, valuation report is not required under the provisions of the SEBI Circulars read with other applicable provisions.

20. The details of the promoters of the Transferor Company are as under:

Sl. No	Promoters of Transferor Company	Address
1.	Himadri Speciality Chemical Ltd (Formerly known as Himadri Chemicals & Industries Limited)	23A Netaji Subhas Road 8th Floor, Suite No 15 Kolkata- 700 001
2.	Mr. Bankey Lal Choudhary (Nominee of Himadri Speciality Chemical Ltd)	400, Block “G”, New Alipore Kolkata- 700 053

21. The details of the promoters of the Transferee Company are as under:

Sl. No	Promoters of Transferee Company	Address
1	Mr. Damodar Prasad Choudhary	400, Block –“G” New Alipore, Kolkata- 700 053
2	Mr. Shyam Sundar Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
3	Mr. Bankey Lal Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
4	Mr. Vijay Kumar Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
5	Mrs. Sushila Devi Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
6	Mrs. Saroj Devi Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
7	Mrs. Sheela Devi Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
8	Mrs. Kanta Devi Choudhary	400, Block –“G” New Alipore, Kolkata - 700 053
9	Himadri Dyes & Intermediates Ltd	23A, Netaji Subhas Road, 8th Floor, Kolkata- 700001
10	Himadri Credit & Finance Limited	23A, Netaji Subhas Road, 8th Floor, Kolkata- 700001
11	Himadri Coke and Petro Limited	23A, Netaji Subhas Road, 8th Floor, Kolkata- 700001
12	Himadri Industries Limited	23A, Netaji Subhas Road, 8th Floor, Kolkata- 700001

22. The details of the shareholding of the present Directors and the Key Managerial Personnel (KMP) of the Transferor Company and their respective shareholdings in Transferor and Transferee Company are as follows:

Sl. No	Name of director/KMP	Address	Shareholding in Transferor Company	Shareholding in Transferee Company
Directors				
1	Mr. Swapan Bhadra	Chakchandul, Mahestala, South 24 Paraganas, Kolkata- 700140	NIL	1000
2	Mr. Gajendra Bansal	20, P. C. Lahiri Sarani, PO - Sinthee Baranagar (M) North 24 Paraganas, Kolkata - 700050	NIL	NIL
Key Managerial Personnel				
	NIL	NIL	NIL	NIL

The Transferor Company is a wholly owned subsidiary of the Transferee Company, however for maintaining minimum number of member’s requirement, 100 Shares are held by Mr. Bankey Lal Choudhary as nominee of the Company. One of the Director of the Transferor Company Mr. Swapan Bhadra, holds 1000 shares in the Transferee Company.

23. The details of the shareholding of the present Directors and the Key Managerial Personnel (KMP) of the Transferee Company and their respective shareholdings in Transferee and Transferor Company are as follows:

Sl. No	Name of director/KMP	Address	Shareholding in Transferee Company	Shareholding in Transferor Company
Directors				
1	Mr. Bankey Lal Choudhary	400, Block "G" New Alipore Kolkata- 700053	14,84,280	100 (as nominee of Transferee Company)
2	Mr. Shyam Sundar Choudhary	400, Block "G" New Alipore Kolkata- 700 053	32,34,280	NIL
3	Mr. Vijay Kumar Choudhary	400, Block "G" New Alipore Kolkata- 700 053	32,66,640	NIL
4	Mr. Sakti Kumar Banerjee	A4/6, KMDA, PANCH SAYAR, Baitalik Co-Operative Housing Society, E-M Bypass, Highland Park, Flat No. 6, Kolkata- 700 094	NIL	NIL
5	Mr. Santimoy Dey	Vill & Post: KAIKALA, PS- Haripal, Dist- Hooghly – 712405 (WB)	NIL	NIL
6	Mr. Hanuman Mal Choraria	14/2, Old China Bazar Street, 4th Floor, Room No; 401, Kolkata- 700001	NIL	NIL
7	Mr. Hardip Singh Mann	F-108, Sector- 56, NOIDA- 20130, UP	NIL	NIL
8	Smt Rita Bhattacharya	Building 5B, F1/F2, Models Millenium Vistas, Caranzalem, GOA- 403002	NIL	NIL
9	Mr. Santosh Kumar Agrawala	Ganges Garden, A-1& B-8, 3rd Floor, 106, K C Singha Road, Shibpur, Howrah- 711102	NIL	NIL
10	Mr. Suryakant Balkrishna Mainak	B-1503, Oberoi Woods Mohan, Gokhale Marg, Off Western Express Highway, Goregaon (East), Mumbai- 400063	NIL	NIL
Key Managerial Personnel				
1.	Mr. Anurag Choudhary- CEO	400, Block "G" New Alipore, Kolkata- 700 053	NIL	NIL
2.	Mr. Amit Choudhary- President, Projects	400, Block "G" New Alipore, Kolkata- 700 053	NIL	NIL
3.	Mr. Tushar Choudhary President, Operations	400, Block "G" New Alipore, Kolkata- 700 053	NIL	NIL
4.	Mr. Kamlesh Kumar Agarwal- CFO	Habitat Greens, 240 NSC Bose Road, Flat 1E , Kolkata – 700 040	NIL	NIL
5.	Mr. Bajrang Lal Sharma- Company Secretary	117/4, Andul Road, Flat No 2A, Floor-2 Howrah- 711103 (WB)	NIL	NIL

Sl. No	Name of director/KMP	Address	Shareholding in Transferee Company	Shareholding in Transferor Company
Key Managerial Personnel				
6.	Dr. Soumen Chakraborty – President, Carbon Black Division	Space Town, Block-4, Flat-F 5, Raghunathpur, North 24 Parganas, West Bengal - 700 052	NIL	NIL
7.	Mr. Monojit Mukherjee – Business Head, Carbon Black Division	18, Kailash, 12 Earle Street, PO - Kalighat, Kolkata - 700026	NIL	NIL
8.	Mr. Somesh Satnalika – Vice President, Strategy & Business Development	Flat 19H, Tower 4, South City Residency, 375, Prince Anwar Shah Road, Kolkata - 700 068	NIL	NIL
9.	Mr. Santanu Chatterjee - Senior Vice President, HR and Administration	20A Ballygunge Station Rd Uttaran Appartment, 2nd Floor, Flat No 3, Kolkata 700019 W.B	NIL	NIL

Since the Transferor Company is a wholly owned subsidiary of the Transferee Company, none of the Directors and Key Managerial Personnel of the Transferee Company hold any shares in the Transferor Company except that one of the Director of Transferee Company, Mr. Bankey Lal Choudhary, holds 100 shares in Transferor Company as a nominee of the holding company just to comply with the requirement of minimum number of members.

24. The Transferor Company is a wholly owned subsidiary of the Transferee Company and no shares will be issued by the Transferee Company. There will be no change in the paid up capital and shareholding pattern of the Transferee Company post amalgamation.

25. Upon the Scheme coming into effect and pursuant to Section 232(3) of the Companies Act 2013, the Authorised Share Capital of the Transferor Company shall be deemed to be added to that of the Transferee Company without any further act, instrument or deed on the part of the Transferee Company. Provided however that pursuant to this Scheme only such amount of Authorised Capital of the Transferor Company would be added to the Authorised Share Capital of the Transferee Company as can be raised by the Transferee Company by utilising the fees paid by the Transferor Company on its Authorised Share Capital which is available for set-off against any fees payable by the Transferee Company for increase of Authorised Share Capital.

26. On the Scheme being approved by the requisite majority of Equity Shareholders of the Transferee Company and Secured Creditors and Unsecured Creditors of the Transferee Company, the Applicant Companies shall file a joint petition with the National Company Law Tribunal at Kolkata for sanction of the Scheme under Sections 230 to 232 of the Companies Act, 2013.

27. The Scheme is not prejudicial to the interest of the members of the Applicant Companies.

28. The following documents will be open for inspection by the unsecured Creditors of the Transferee Company on all working days except Saturdays, Sundays and public holidays between 10.00 A.M. to 01.00 P.M. upto 13th day of February, 2019 at its registered office;

(a) Resolution passed by the Board of Directors of the Transferor and Transferee Company approving the Scheme of Amalgamation.

(b) Copy of letters issued to the Stock Exchanges and SEBI for forwarding the Scheme of Amalgamation.

(c) Scheme of Amalgamation.

(d) Papers and proceedings in CA (CAA) No. 1008/KB/2018 including Certified Copy of the Order of the National Company Law Tribunal at Kolkata in the said Company Application directing the convening and holding of the meeting of the Equity Shareholders and meetings of the Secured Creditors and Unsecured Creditors of the Transferee Company.

(e) Memorandum and Articles of Association of Transferee Company and the Transferor company.

(f) Audited financial statements of the Transferee Company and Transferor Company for the financial year ended 31.03.2018.

(g) Provisional balance sheet and profit and loss account of the Transferor Company as on 30th June, 2018 and Un-audited financial results for the quarter ended 30th June, 2018 of the Transferee Company.

(h) Register of Directors' shareholdings of the Transferee Company and Transferor Company.

Sd/-

Mohan Ram Goenka

Chairman appointed for the meeting

Place: Kolkata

Date: 2nd January, 2019

Registered Office:

Himadri Speciality Chemical Limited

CIN: L27106WB1987PLC042756

23A, Netaji Subhas Road, Kolkata700001

Email: *blsharma@himadri.com*

Website: *www.himadri.com*

SCHEME OF AMALGAMATION

UNDER SECTION 230 -232 OF THE COMPANIES ACT, 2013

BETWEEN

EQUAL COMMODEAL PRIVATE LIMITED

(TRANSFEROR COMPANY)

AND

HIMADRI SPECIALITY CHEMICAL LIMITED

(TRANSFEREE COMPANY)

Certified True Copy
For Himadri Speciality Chemical Ltd
Company Secretary
FCS: 8148
17/9/2018

KOLKATA
Himadri Speciality Chemical Ltd

PART I: PREAMBLE

1.1. This Scheme of Merger (hereinafter referred to as the "**Scheme**") is presented under sections 230 – 232 of the Companies Act, 2013 **("the Act")** and such other provisions of law as may be applicable **and** provides for the merger of Equal Commodeal Private Limited **("ECPL")** hereinafter referred to as the **"Transferor Company"**with Himadri Speciality Chemical Limited **("HSCL" or the "Transferee Company").**

1.2. ECPL ("**Transferor Company**") is an unlisted Private Company incorporated under the provisions of the Companies Act, 1956 on March 09, 2011 having CIN:U51909WB2011PTC160507in the State of West Bengal having its Registered Office at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal.

1.3. ECPL is a Wholly Owned Subsidiary (WOS) of HSCL. The main objects as its stated in its memorandum are as follows:

a..To carry on, ****whether directly or through its subsidiary or joint venture companies, the*** *business of trader, buyers, sellers retails, suppliers, commission agents, broker merchants, sub-agents, wholesaler's retailer's, indenting agents, stockists, distributors, dealers, buying, selling, marketing net marketing, whole selling consignor, supplying distributor, dealer of all types of readymade garments, lifestyle products, furnishings and to operate retail stores and also act as C&F agents, broker, franchisee for all types of business including readymade garments, forum and lifestyle products, homecare products and dealing in herbs, herbal products and natural derivates' for a enhancing mental power and physical strength, Preferable electronics & electrical goods, consumer goods, household goods Industrial Goods, Engineering goods, Electrical and Electronics products, Food articles, Sugar, Spices, Pulses, Agricultural products and its by products, non-conventional energy products. Hardware and stores, Plant and machinery, stores, spare parts and accessories commercials, natural and man-made fibre, clothes and fabrics, garments, synthetic and polythene products, laminated cloth jute and jute goods, packing materials, paper and paper products, plastics and plastic products, polythene and polythene products, Granules, Petro-Chemicals and petroleum products,* ****Coke tar, tar by-products, any kind of by-products based on Coal Tar distillation including Naphthalene, SNF, battery Cell, Carbon Black and all types of advanced carbon materials,*** *leather and leather products, Footwear rubber and rubber products, Carpets, plantation crops i.e. tea, cotton coffee, tobacco, vegetables and other eatables, milk and milk products, confectionaries, Ice-cream, dairy products, spices, pickles, kirana food products, marine products, sea foods, paper, sugar & molasses, medicines, drugs, pharmaceuticals, cosmetics goods, all kinds of cements, steels, zinc &alloys, scraps, minerals & materials, ore, petroleum products, industrial and other gases, alcohol, edible and non-edible oils & oil seeds, fats, soap, detergents, adhesive, Paint & varnishes, dyes &chemical fertilizers, manures, drugs & pesticides, acids, wood & wood Products, furnishing materials, building automobile parts & devices, electronic goods, Computers, Computer software & hardware, watches, novelties, bullion, precious stones, work of art, antiques, curious, jewelry.*

b. To carry on the business or businesses of a holding and investment company, and to buy, underwrite and to invest in and acquire and hold shares, stocks, debentures, debenture stock, bonds, obligation or securities of companies or partnership firms or body corporates or any other entities whether in India or elsewhere either singly or jointly with any other person(s), body corporate or partnership firm or any other entity carrying out or proposing to carry out any activity whether in India or elsewhere in any manner.

c. To lend and advance money and assets of all kinds or give credit on any terms or mode and with **or** *without security to any individual, firm, body corporate or any other entity (including without prejudice to the generality of the foregoing any holding*

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company, subsidiary or associate company of, or any other company whether or not associated in any way with, the company), to enter into guarantees, contracts of indemnity and suretyship of all kinds, to receive money on deposits or loan upon any terms, and to secure or guarantee in any manner and upon any terms the payment of any sum of money or the performance of any obligation by any person, firm or company (including without prejudice to the generality of the foregoing any holding company, subsidiary or associate company of, or any other company associated in any way with, the company).

1.4. HSCL is a public limited company listed with the stock exchanges, incorporated on July 28, 1987 under the provisions of the Companies Act, 1956 having CIN: L27106WB1987PLC042756 and having its registered office at 23A, Netaji Subhas Road, Kolkata – 700001, West Bengal.

1.5. HSCL is a manufacturer of carbon chemical and its by-products since its inception. HSCL is engaged in the distillation of Coal tar to manufacture Naphthalene, battery cell, carbon black and all types of advanced carbon materials etc. The main objects to be pursued by the Company on its incorporation as stated in the memorandum *inter-alia* are as follows:

a. To carry on the business of Manufacturers and processors of dealers in, exporters and importers of all grades, types, qualities, shapes, categories and description of alloy, tool and special steels, Including alloy constructional steel In carbon, manganese, nickel, chromium, nickel-chromium (NiCr), nickel-chromium molybdenum (Nicrmb), chromium molybdenum corrosion resisting steels, stainless and heat resisting steels, free cutting steels, silicon manganese steels, spring steels, carbon and alloy tool and die steels, high speed steels, cold and hot working steels, amour steels, magnet steels, electrical steels, hot rolled and cold rolled grunion oriented electrical steels, all types of alloying materials required for manufacture of alloy, tool and special steels such as Ferro-silicon, Ferro-manganese, Ferro-vanadium, Ferro molybdenum, Ferro-tungsten, Ferrochrome, silicon-manganese, Ferro-vanadium, Ferromolybdenum, Ferro-tungsten, ferrochrome, silicon-manganese, silicon-calcium, nickel, copper, cobalt aluminum, baronatianium niobium, pig Iron, cast iron, scrap Iron, wrought Iron, mild steel castings and steel forgings in all the categories of steel described herein above, all types of refectory bricks and materials coke tar, and tar byproducts, ferrous and non-ferrous metals and products thereof, Ingots, Slabs, billets, sheets, sections angles, wires strips flats, rounds and as processor of metal, ferrous and non-ferrous, Into castings, forgings, rolling, re-roiling, galvanizing, drawing, extruding Including of finished or semi-finished goods. Agricultural equipment's, Automobile parts, Machine tools, other hand tools, jigs, fixtures, tine blades, tubes, pipes and to act as metal workers machines, iron & steel worker, smiths, metallurgists & buyers and sellers of all Items mentioned above and Hard wares and allied products.

b. To carry on the business of iron founders, Civil and mechanical engineers, consulting engineers, project engineers, technical consultants, and manufacturers of agricultural, industrial, and other machinery, and tool bits, machine tool-makers, brass founders metal workers, boiler-maker, makers of locomotive and engines of every description, mill-Wright, machinists, iron and steel converters, smiths, woodworkers, builders, painters, chemists, metallurgists, electrical engineers, water supply engineers, gas makers, farmers, printers carriers and to buy, sale, design, specify, manufacture, fabricate, expel, repair convert, alter, let on hire and deal in machinery, implements, plants tool, tackles, instruments, rolling stock and hardware of all kinds, general fittings, accessories and appliances of all descriptions made from metal, alloy, glass or any other materials and any parts of such accessories or fittings and generally to carry on business as merchants, importers and exporters and to transact and carry on all kinds of agency business of the aforesaid products.

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c. *To carry on the business as dealers, owner's promoters, underwriters, developers, consultants, advisers, brokers, agents, lessors' contractors, investors, financiers, guarantors and nominators in any real or personal state including lands, mines, business, building, factories, mill, houses, cottages, shops, depots, warehouses, multistoried complexes, flats, roof rights, nomination rights, machinery, plant, stock-in-trade, mineral rights, concessions. Privileges, licenses, easement or interest in or with respect to any property for which purpose to acquire and purchase, take on lease tenancy or in exchange, hire or by other means obtained ownership and/or options over any freehold or other property for the said estate or Interest thereof any rights, privileges or easements over or in respect of any property, land or any building and to turn Into account, develop the same and dispose of or maintain the same and to build township, markets or other buildings or convenience thereon and to equip and maintain the same or any part thereof with all or any amenities or conveniences, drainage facility, electric, air-conditioning telegraphic, telephonic, television installations and to provide for the conveniences commonly provided in flats, suites and residential and business quarters, and to deal with the same in any manner whatsoever, and to build, take on lease and/or rent, purchase or acquire in any manner whatsoever and departments houses, flats, room, floors, huts, shops, roof rights or other accommodation and to let, lease out, assign nominate or dispose of the same on installment basis, hire purchase basis or by outright safe whether by private treaty or by auction in or any other mode of disposition all or any integral part thereof and for the purpose to lend or advance money with or without security and to arrange, negotiate or guarantee loan and to lend money to and guarantee the performance of contracts and obligations by any person or company and to the payment of interest thereon.*

d. *To carry on the business of rendering services arid development of software packages for Industrial, Commercial, Public Utility, Entertainment, Personal, Domestic, Training, Education, Medical, Defense and all other purpose and to establish and run Data Processing Centers, Computers, Hardware and Software Centre, Multimedia, Computer-graphic, Architectural designs, CAD/CAM and Geographical information System Centre, E-commerce centers, website design, cyber network and all such activities relating to Information Technology (IT) that are normally offered by such center to commercial, industrial, business, public utilities, advertisements, artistic, cultural, medical and other types to end users In India or any part of the world and to act as producers, assemblers, repairs, maintenance agents, Importers, Exporters, Trades, Buyers, Sellers, Commission Agents, Stockiest, Hirers, Designers, Royalty holders, Contractors for design, services, Public Distribution and dealers in all types of software, Hardware, Computer Products and allied accessories and services connected therewith including website designing Information technology having development of Software packages and programs.*

e. *To promote, generate acquire by purchase in bulk, develop distribute and accumulate Power by wind, solar, hydro, thermal atomic, gas, ocean energy geo thermal or any other form of energy both conventional and non-conventional, and to produce transmit, distribute, sell and supply power for captive consumption and / or for other uses and to own, acquire and operate coal mines in India or abroad and to construct, establish and setting of power stations and power projects.*

f. *To start forward and backward integration projects for manufacturing any kind of by-Products based on Coal tar and distillation including Naphthalene, battery cell, carbon black and all types of advanced carbon materials.*

1.6. This Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and the consequent treatment of assets and liabilities of respective companies in the manner provided for in the Scheme.

1.7. As on 31 March 2018, the entire issued, subscribed and paid up capital of the Transferor Company is held by the Transferee Company.

1.8. The Transferee Company as the parent would like to integrate and consolidate its subsidiary. The circumstances that justify the proposed scheme and its main benefits are *inter-alia,* summarised as under:

1.8.1. The Transferee Company would be able to operate more effectively with a larger asset base available resulting into better turnover and profits which if not merged, would remain idle with the Transferor Company which is not able to carry on any business effectively.

1.8.2. To achieve greater integration and greater financial strength and flexibility, to maximise overall shareholder value.

1.8.3. To achieve cost savings from more focused operational efforts, rationalization, standardization and simplification of business processes, productivity improvements and rationalization of administrative expenses.

1.8.4. Some facilities such as manpower, office space and other infrastructure could be better utilized by the Transferee Company and duplication of facilities could be avoided resulting in economic, efficient and optimum use of facilities to the advantage of the Transferee Company and achieve cost savings from more focussed operational efforts, rationalisation, standardisation and simplification of business processes.

1.8.5. The merger will result in significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried on by the Transferor Company and the Transferee Company.

1.8.6. The merger will result in economies of scale, reduction in overheads including administrative, managerial and other expenditure, organisational efficiency and optimal utilisation of resources.

1.8.7. AAT Global Limited, currently a step-down subsidiary of HSCL, will become direct subsidiary, leading to improvement in corporate governance and control over the said Company.

1.8.8. The banks, creditors and financial institutions, if any, are in no manner affected adversely by the proposed merger as their security and asset cover will be maintained.

1.9. The merger of the Transferor Company with the Transferee Company, pursuant to and in accordance with this Scheme, shall take place with effect from the Appointed Date *(as defined herein below).*

1.10. The Scheme is divided into the following parts:

(a) Part I is the Preamble;
(b) Part II, which contains the definitions;
(c) Part III, which deals with the share capital of the Transferee Company and the Transferor Company;
(d) Part IV, which deals with the transfer and vesting of the undertakings of the Transferor Company with the Transferee Company;

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(e) Part V, which deals with accounting treatment of merger in the books of the Transferee Company;
(f) Part VI, which deals with the dissolution of the Transferor Companyand general terms and conditions that would be applicable to the Scheme.

The Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

PART II: DEFINITIONS

2.1. Definitions

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

(a) "**Act**" - shall mean (a) the Companies Act, 1956, as amended from time to time, for the time being in force; and/ or (b) the Companies Act, 2013, as the case may be including any statutory modification or re-enactment thereof for the time being in force; the terms "Act" and "Section" shall be construed accordingly.

(b) "**Applicable Law**" means the Act, and as appropriate, includes any statute, law, listing agreement, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other Governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any Governmental authority having jurisdiction over the matter in question, or mandatory standards as may be applicable from time to time.

(c) "**Appointed Date**" means the date from which this Scheme becomes operative, viz., April 1, 2018or such other date as the NCLT or such other authority having powers to sanction the Scheme under the Applicable law, may direct.

(d) "**Board of Directors** "in relation to the Transferor Companyand/or the Transferee Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a Committee of Directors or any person authorized by the Board of Directors or such Committee of Directors.

(e) **"Clause"** means a clause in this Scheme.

(f) **"Closing Date/Effective Date"** means the date or the dates on which the certified copy of the order of the NCLT sanctioning the Scheme is filed with the Registrar of Companies by the Transferor and the Transferee Company, as may be applicable.

(g) Reference in this Scheme of the date of 'coming into effect of this Scheme' or 'this Scheme becoming effective' or 'upon this Scheme becoming effective' or 'effectiveness of this Scheme' shall mean the Closing/Effective Date.

(h) "**Governmental Authority**" means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India.

(i) "**NCLT**" or "**Tribunal**" means the Hon'ble National Company Law Tribunal under the Companies Act, 2013

(j) "**Part**" means a part of this Scheme.

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(k) "**Party**" means a party to this Schemeand "**Parties**" shall be construed accordingly.

(l) "**Scheme of Merger**" or "**This Scheme**" or "**The Scheme**" or "**Scheme**"means this scheme of merger, in its present form or with any modification(s) as approved or imposed by the NCLT or any other authority as may be authorized for approval of the Scheme.

(m) "**Transferee Company**" means Himadri Speciality Chemical Limited, a company incorporated on 28th day of July 1987 under the provisions of the Companies Act, 1956 having CIN: L27106WB1987PLC042756 and having its registered office at 23A, Netaji Subhas Road, 8th Floor, Kolkata- 700 001, West Bengal.

(n) "**Transferor Company**" meansEqual Commodeal Private Limited,a company incorporated under the provisions of the Companies Act, 1956on March 9, 2011 having CIN: U51909WB2011PTC160507 in the State of West Bengal having its Registered Office at 72/4, Shambhunath Pandit Street, Kolkata – 700026, West Bengal.

(o) **"Undertaking of Transferor Company"**or **"Undertaking** "shall include (without limitation) their entire business and:

(i) any and all their assets, whether movable or immovable, whether present or future, whether tangible or intangible, all rights, title, interests, covenants, undertakings, including continuing rights, title and interests in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

(ii) any and all investments (including shares and other securities), income by whatever name called, loans and advances, including accrued interest thereon;

(iii) any and all permits, quotas, rights, entitlements, industrial and other licenses, approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses, certificates, tenancies, trade names, trademarks, service marks, copyrights, domain names, sales tax credits, income tax credits, applications for trade names, trademarks, service marks, copyrights, privileges and benefits of all contracts, agreements, applications and all other rights including lease rights, licenses and registrations, powers and facilities of every kind and description whatsoever, pertaining to the Transferor Company;

(iv) any and all debts, liabilities, contingent liabilities, duties and obligations, present or future, whether secured or unsecured, of the Transferor Company;

(v) all contracts including but not restricted to leave & licence agreements, term sheets, lease deeds, memorandum of understandings, business/asset purchase agreements, memoranda of agreement, memoranda of agreed points, letters of agreed points, arrangements, undertakings whether written or otherwise, lease rights, deeds, bonds, other agreements, applications and instruments of whatsoever nature to which any of the Transferor Company is a party and having effect immediately before the Effective Date, shall remain in full force and effect in favour of and/ or against the Transferee Company and may be enforced fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto;

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(vi) any and all employees, who are on the pay roll of the Transferor Company, including those engaged at their respective offices and branches, if any, at their current terms and conditions;

(vii) any pending suit/appeal or other proceedings of whatsoever nature relating to the Transferor Company, whether by or against any of the Transferor Company, shall not abate, be discontinued or in any way prejudicially affected by reason of the amalgamation of the Transferor Company or because of the provisions contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and/or enforced by or against the Transferor Company, if this Scheme had not been made;

(viii) all the tax liabilities under the applicable laws/ regulations dealing with taxes/duties /levies **("Tax Laws")** allocable or related to the business of the Transferor Company shall be transferred to the Transferee Company; and

(ix) any refunds/ credits/ claims under the Tax Laws due to the Transferor Company (including but not limited to advance tax, self-assessment tax, regular assessment tax and service tax credits) shall also belong to and be availed of or received by the Transferee Company.

(x) since each of the permissions, approvals, consents, sanctions, remissions, special reservations, holidays, incentives, concessions and other authorizations, shall stand vested by the order of sanction of the NCLT or any other authority as may be authorized for approval of the Scheme in the Transferee Company, the Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts.

(xi) all necessary records, files, papers, computer programmes, websites, domain names, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Transferor Company;

(xii) any and all advance monies, earnest monies and/or security deposits, payment against warrants or other entitlements, in connection with or relating to the Transferor Company;

Without prejudice to the generality of the foregoing mentioned hereinabove, the term "Undertaking of Transferor Company" shall include the entire business which is being carried out under the name and style of the Transferor Company as the case may be, and shall include the advantages of whatsoever nature, agreements, allotments, approvals, arrangements, authorizations, benefits, capital work-in-progress, concessions, rights and assets, industrial and intellectual property rights of any nature whatsoever and licenses in respect thereof, intangibles, investments, leasehold rights, liberties, patents, permits, powers of every kind, nature and description whatsoever, privileges, provision funds, quota rights, registration, reserves, and all properties, movable and immovable, real, corporeal or incorporeal, wheresoever situated, right to use and avail of telephones, telexes, facsimile, connections, installations and other communication facilities and equipment's, tenancy rights, titles, trademarks, trade names, all other utilities held by Transferor

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Company or to which Transferor Company is entitled to on the Appointed Date and cash and bank balances, all earnest moneys and/or deposits including security deposits paid by Transferor Company and all other interest wheresoever situated, belonging to or in the ownership, power or possession of or in the control of or vested in or granted in favor of or enjoyed by or arising to Transferor Company.

2.2. The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning as prescribed to them under the Act and other applicable laws, rules, regulations, by-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time.

2.3. Any statutory modification or amendment to the Act or Applicable Law to the Scheme shall not have any effect unless retroactive application of such modification or amendment can be established or is explicit in the Act itself.

2.4. For the purpose, of representing and sanctioning of the Scheme the applicable authority shall be the NCLT, or such other authority as may have powers to sanction the Scheme under the Applicable Law.

PART III: SHARE CAPITAL

3.1. The Share Capital of the Transferee Companyas on March 31, 2018, is as under:

	In Rs.
Authorized Share Capital	**700,000,000**
700,00,000 Equity Shares of Re.1 /- each	700,000,000
Issued, Subscribed and Paid-up Share Capital	**418,407,867**
418,407,867Equity Shares of Re.1 /- each	418,407,867

3.2. The Share Capital of the Transferor Company as on March 31, 2018, is as under:

	In Rs
Authorised Share Capital	**1,00,000**
10,000 Equity shares of Rs.10 /- each	1,00,000
Issued, Subscribed and Paid-up Capital, in cash	**1,00,000**
10,000 Equity shares of Rs.10 /- each	1,00,000

Since Transferor Company is a wholly owned subsidiary of the Transferee Company, the entire issued share capital of the Transferor Company held by the Transferee Company and/or its nominees shall stand cancelled on the Scheme being effective on the Closing Date, however, with effect from the Appointed date.

PART IV: AMALGAMATION, TRANSFER AND VESTING OF UNDERTAKING OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4.1. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and the whole of the undertaking(s), properties and liabilities of the Transferor Company, in terms of Section 230-232 and applicable provisions, if any, of the Companies Act 2013, and pursuant to the orders of the NCLT, Kolkata or other appropriate authority or forum, if any, sanctioning the Scheme, without any further act, instrument, deed, matter or

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thing, stand transferred and vested in and/ or deemed to be transferred to and vested in Transferee Company as a going concern so as to become the undertaking(s), properties and liabilities of Transferee Company.

4.2. With effect from the Appointed Date and upon the Scheme becoming effective, the entire business and undertaking of Transferor Company shall stand transferred to and be vested in Transferee Company without any further deed or act, together with all their properties, assets, rights, benefits and interest therein, subject to existing charges thereon in favour of banks and financial institutions, as the case may be, in the following manner:

4.3. Transfer of Assets

(i) With effect from the Appointed Date upon the Scheme becoming effective all memberships, licenses, franchises, rights, privileges, permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, trade mark licenses including application for registration of trade mark, patents, copyrights and their right to use available to Transferor Company as on appointed date or any which may be taken after the appointed date but till the effective date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(ii) With effect from the Appointed Date upon the Scheme becoming effective, all Certificate of Registrations as available with Transferor Company as on Appointed Date or any which may be taken by Transferor Company after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(iii) With effect from the appointed date and upon the scheme becoming effective all the assets of the Transferor Company as are movable in nature including, but not limited to, stock of goods, raw materials available in the market/ depots/ Godowns/ factories, sundry debtors investments, plants and equipments, outstanding loans and advances, insurance claims, advance tax, Minimum Alternate Tax (MAT) set-off rights, pre-paid taxes, levies/ liabilities, CEBVAT/ VAT credits/ GST credits, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons or any other assets otherwise capable of transfer by physical delivery would get transferred by physical delivery only and all other assets would get transferred by endorsement and delivery by vesting and recordable pursuant to this Scheme, shall stand vested in Transferee Company, and shall become the property and an integral part of Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(iv) With effect from the Appointed Date and upon the Scheme becoming effective, all incorporeal properties of Transferor Company as on Appointed Date or any which may be taken after the Appointed Date but till the Effective Date, shall get transferred to Transferee Company without any further instrument, deed or act or payment of any further fee, charge or securities.

(v) With effect from the Appointed Date and upon the Scheme becoming effective, all immovable properties including but not limited to land and buildings or any other immovable properties of Transferor Company, whether freehold or leasehold, and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any further instrument, deed or act or

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payment of any further fee, charge or securities either by the Transferor Company or Transferee Company.

(vi) With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation/substitution of the title to the immovable properties shall be made and duly recorded in the name of Transferee Company by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms thereof.

(vii) With effect from the Appointed Date and upon the Scheme becoming effective, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to Transferor Company to which the Transferor Company is the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect against or in favor of Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Company, Transferee Company has been a party or beneficiary or oblige thereto.

(viii) With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licenses, including those relating to trademarks, tenancies, patents, copyrights, privileges software, power, facilities of every kind and description of whatsoever nature in relation to Transferor Company to which the Transferor Company is are the party or to the benefit of which Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be enforceable as fully and effectually as if, instead of Transferor Company, Transferee Company has been a party or beneficiary or oblige thereto.

(ix) With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, no-objection certificates, permissions or approvals or consents required to carry on operations of Transferor Company or granted to Transferor Company shall stand vested in or transferred to Transferee Company without further act or deed, and shall be appropriately transferred or assigned by the statutory authorities concerned therewith in favour of Transferee Company upon the vesting of Transferor Company business and undertakings pursuant to this scheme. The benefit of all statutory and regulatory permissions, licenses, approvals, and consents, including the statutory licenses, permissions or approvals or consents required to carry on the operations of Transferor Company shall vest in and become available to Transferee Company pursuant to this scheme.

(x) With effect from the Appointed Date and upon the Scheme becoming effective, all motor vehicles of any description whatsoever of Transferor Company shall stand transferred to and be vested in the Transferee Company, and the appropriate Governmental and Registration Authorities shall substitute the name of Transferee Company in place of Transferor Company, without any further instrument, deed or act or any further payment of fee, charge or securities.

4.4. Transfer of Liabilities

(i) With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not in the books of accounts or disclosed in the balance sheet of Transferor Company, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of Transferee Company.

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(ii) Without prejudice to the generality of the provisions contained herein, all loans raised after the Appointed Date but till the Effective Date and liabilities incurred by Transferor Company after the Appointed Date but till the Effective Date for their operations shall be deemed to be of Transferee Company.

(iii) The transfer and vesting of the entire business and undertaking of Transferor Company as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting, over or in respect of the property and assets or nay part thereof of Transferor Company as the case may be.

Provided that the securities, charges and mortgages (if any subsisting) over and in respect of the part thereof, of Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of Transferor Company vested in Transferee Company pursuant to the scheme. Provided always that this scheme shall not operate to enlarge the security for any loan, deposit or facility created by Transferor Company which shall vest in Transferee Company by virtue of the amalgamation of Transferor Company with Transferee Company and Transferee Company shall not be obliged to create any further or additional security there for after the amalgamation has become operative.

(iv) Transferee Company will, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangements in relation to Transferor Company to which Transferor Company is parties, in order to give formal effect to the above provisions. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of Transferor Company and to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

(v) Loans or other obligations, if any, due either between Transferee Company and Transferor Company shall stand discharged and there shall be no liability in that behalf. In so far as any securities, debentures or notes issued by the Transferor Company and held by the Transferee Company and vice versa are concerned, the same shall, unless sold or transferred by holder of such securities, at any time prior to the Effective Date, stand cancelled and shall have no further effect.

4.5. Legal Proceedings

(i) With effect from the Appointed Date, Transferee Company shall bear the burden and the benefits of any legal or other proceedings initiated by or against Transferor Company. Provided however, all legal, administrative and other proceedings of whatsoever nature by or against Transferor Company pending in any court or before any authority, judicial, quasi-judicial or administrative, any adjudicating authority and/or arising after the Appointed date and relating to Transferor Company or its respective property, assets, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against Transferor Company; and from the Effective Date, shall be continued and enforced by or against Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Company.

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(ii) If any suit, appeal or other proceedings of whatever nature by or against Transferor Company be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the transfer of the Transferor Company's business and undertakings or of anything contained in this scheme but the proceedings may be continued, prosecuted and enforced by or against Transferee Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against Transferor Company as if this Scheme had not been made.

4.6. Employee Matters

On occurrence of the Effective Date, all persons that were employed by Transferor Company immediately before such date shall become employees of Transferee Company with the benefit of continuity of service on same terms and conditions as were applicable to such employees of Transferor Company immediately prior to such transfer and without any break or interruption of service. Transferee Company undertakes to continue to abide by agreement/settlement, if any, entered into by Transferor Company with any union/employee thereof. With regard to Provident fund, Gratuity fund, Superannuation fund or any other fund or obligation created or existing for the benefit of such employees of Transferor Company upon occurrence of the Effective Date, Transferee Company shall stand substituted for Transferor Company shall stand substituted for Transferor Company, for all purposes whatsoever relating to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing Provident fund, Gratuity fund, Superannuation fund or obligations, if any, created by Transferor Company for their employees shall be continued for the benefit of such employees on the same terms and conditions. With effect from the effective date, Transferee Company will make the necessary contributions for such transferred employees of Transferor Company and deposit the same in Provident fund, Gratuity fund, Superannuation fund or obligations, where applicable. It is the aim and intent of the scheme that all rights, duties, powers and obligations of Transferor Company in relation to such schemes or funds shall become those of Transferee Company.

4.7. Taxation and Other Matters

(i) With effect from the Appointed Date, all the profits or income accruing or arising to Transferor Company, and all expenditure or losses arising or incurred by Transferor Company shall, for all purposes, be treated (including all taxes, if any, paid or accruing in respect of any profits and income) and be deemed to be and accrue as the profits or income or as the case may be, expenditure or losses (including taxes) of Transferee Company. Moreover, Transferee Company shall be entitled to revise its statutory returns relating to indirect taxes like sales tax/ service tax/ excise, etc. and to claim refund/ credits/ and/ or set off all amounts under the relevant laws towards the transactions entered into by Transferee Company and Transferor Company which may occur between the Appointed Date and the Effective Date. The rights to make such revisions in the sales tax returns and to claim refunds/ credits are expressly reserved in favor of Transferee Company.

(ii) Upon the Scheme becoming effective, the Transferor Company and the Transferee Company shall be entitled, wherever necessary and pursuant to the provisions of this Scheme, to file or revise their financial statements, tax returns, tax deduction at source certificates, tax deduction at source returns, and other statutory returns, and shall have the right to claim refunds, advance tax credits, tax credits, credit for Minimum Alternate Tax, carry forward of losses and unabsorbed depreciation, deductions, tax holiday benefits, deductions or any other credits and/ or set off of all amounts paid by the Transferor Company or the Transferee Company under the relevant laws relating to Income Tax, Value Added Tax, Service Tax, Central Sales Tax, Goods and Service

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Tax or any other tax, as may be required consequent to the implementation of the Scheme.

(iii) Transferee Company shall be entitled to revise its all Statutory returns relating to Direct taxes like Income Tax and Wealth Tax and to claim refunds/ advance tax credits and/ or set off the tax liabilities of Transferor Company under the relevant laws and its rights to make such revisions in the statutory returns and to claim refunds, advances tax credits and/ or set off the tax liabilities is expressly granted.

(iv) It is expressly clarified that with effect from the Appointed Date, all taxes payable by Transferor Company including all or any refunds of the claims/ TDS Certificates shall be treated as the tax liability or refunds, advance tax credits and/ or set off the tax liabilities is expressly granted.

(v) From the Effective Date and till such time as the name of the Transferee Company would get entered as the account holder in respect of all the bank accounts and demat accounts of Transferor Company in the relevant bank's/ DP's books and records, the Transferee Company shall be entitled to operate the bank/ demat accounts of Transferor Company in their existing names.

(vi) Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of Transferor Company shall stand transferred by the order of the NCLT to Transferee Company, Transferee Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning NCLT.

4.8. Conduct of Business:

(i) With effect from the Appointed Date and till the scheme come into effect:

(a) Transferor Company shall be deemed to carry on all their businesses and activities and stand possessed of their properties and assets for and on account of and in trust for Transferee Company; and all the profits accruing to Transferor Company and all taxes thereon or gains or losses arising or incurred by them shall, for all purposes, be treated as and deemed to be the profits or losses, as the case may be, of Transferee Company.

(b) Transferor Company shall carry on their businesses with reasonable diligence and in the same manner as they had been doing hitherto, and Transferor Company shall not alter or substantially expand their businesses except with the occurrence of Transferee Company.

(c) Transferor Company shall not, without the written occurrence of Transferee Company, alienate charge or encumber any of their properties except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the scheme by the Board of Directors of Transferee Company, as the case may be.

(d) Transferor Company shall not vary or later, except in the ordinary course of business or pursuant to any pre-existing obligations undertaken prior to the date of acceptance of the scheme by the Board of Directors of Transferee Company the terms and conditions of employment of any of its employees, nor shall it conclude settlement with any union or its employees except with the written occurrence of Transferee Company.

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(e) With effect from the Appointed Date, all debts, liabilities, duties and obligations of Transferor Company as on the close of business on the ate preceding the Appointed Date, whether or not provided in their books and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

(ii) Upon the scheme coming into effect, Transferee Company shall commence and carry on and shall be authorized to carry on the businesses carried on by the Transferor Company.

(iii) For all purpose of giving effect to the vesting order passed under Section 232of the Companies Act, 2013 and the applicable Rules thereunder in respect of this Scheme by the NCLT, Transferee Company shall, at any time pursuant to the orders on this Scheme be entitled to get the record of the change in the legal rights upon the vesting of the Transferor Company's businesses and undertakings in accordance with the provisions of Section 230-232of the Companies Act, 2013. Transferee Company shall be authorized to execute any pleading; applications, forms, etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this scheme.

4.9. Creditors

(i) The Scheme does not involve any compromise or composition with the creditors of the Transferor Company or the Transferee Company and the rights of the creditors of the Transferor Company and the Transferee Company are not be affected in any manner.

(ii) The charge and/or security of the secured creditors of the Transferor Company and the Transferee Company shall remain unaffected by this Scheme

PART V: CONSIDERATION & ACCOUNTING TREATMENT

5.1. Consideration

(i) Upon the scheme coming into effect, all equity shares of the Transferor Company held by the Transferee Company (either directly or through nominees) shall stand cancelled without any further application, act or deed. It is clarified that no new shares shall be issued, or payment made in cash whatsoever by the Transferee Company in lieu of shares of the Transferor Company.

(ii) Upon coming into effect of this Scheme, the shares or the share certificates of the Transferor Company in relation to the shares held by the Transferee Company, as the case may be shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and be of no effect without any necessity of them being surrendered.

5.2. Increase in Authorized Share Capital and Amendment to the Memorandum of the Transferee Company

(i) Upon the scheme becoming effective, the Authorized share capital of the Transferor Company shall be deemed to be added to the Authorized share capital of the Transferee Company without any further act, deed or procedure, formalities or payment of any stamp duty and registration fees. The face value of equity shares shall remain same as of the Transferee Company after increase of the Authorized Capital.

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(ii) Upon coming into effect of the scheme, Clause V of the Memorandum of Association of the Transferee Company shall without any further act, deed or instrument shall stand amended to give effect to the relevant provisions of this Scheme and no further resolution(s) under sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Act, would be required to be separately passed and accordingly Clause V of the Memorandum of Association of the Transferee Company be substituted as:

"The Authorized Share capital of the company is Rs.70,01,00,000/-(Rupees Seventy Crores One lakh) divided into 70,01,00,000 (Seventy Crores One lakh) Equity shares of Re 1/- each with the right, privileges and attaching thereto as are provided by the Articles of the Company for the time being with power to increase or reduce the Capital in accordance with Company's regulation and the legislative provisions for the time being in force in this behalf and with power to divide the shares in the capital for the time being into equity shares capital and preference share capital, and to attach thereto respectively, and preferential, qualified or special right, privileges or conditions as may be determined by, or in accordance with the provisions of the Companies Act, 2013 and the regulations of the company and to vary or modify or abrogate and such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company."

(iii) On approval of the Scheme by the members of Transferee Company, it shall be deemed that the said members have also accorded all relevant consents under Sections 13, 14, 61 and other applicable provisions of Companies Act, 2013 as may be applicable for the purpose of amendment of the Memorandum of Association of the Transferee Company as above. It is clarified that there will be no need to pass a separate shareholders' resolution as required under Sec 13, 14 and 61 of the Act for amendment of the Memorandum of Association of the Transferee Company.

5.3. Accounting Treatment

(i) Notwithstanding anything to the contrary contained in any other clause in the Scheme, the Transferee Company shall give effect to the amalgamation in its books of accounts in accordance with Ind AS 103 Business Combinations and other accounting principles prescribed under the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) and on the date determined in accordance with Ind AS.

(ii) Upon the Scheme coming into effect, all the assets and liabilities of the Transferor Company shall be transferred to and vested in the Transferee Company and shall be recorded at their respective book values. No adjustment shall be made to the carrying amounts of assets and liabilities as reflected in the books of Transferor Company on the Appointed Date, to reflect fair values or recognize any new assets or liabilities including any new deferred tax assets or liabilities. All reserves of the Transferor Company are deemed to be carried forward and shall be recorded in the books of the Transferor Company as on the appointed Date. The carrying amount of the Transferee Company of its investment in its shares of the Transferor Company, which shall stand cancelled in terms of this scheme, and the aggregate face value of such shares shall, subject to other provisions contained herein, be adjusted and reflected in the Capital Reserves of Transferee Company.

(iii) To the extent there are inter-corporate loans or balances between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and

KOLKATA Himadri Speciality Chemical Ltd

records of the Transferee Company for the reduction of any assets or liabilities, as the case may be.

(iv) In so far as any securities, debentures or notes issued by the Transferor Company, and held by the Transferee Company and vice versa are concerned the same shall, unless sold or transferred by the Transferor Company or the Transferee Company, as the case may be, at any time prior to the effective date, stand cancelled as on the effective date, and shall have no effect and the Transferor Company or the Transferee Company, as the case may be, shall have no further obligation outstanding in that behalf.

(v) In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the accounting policies, as the case may be, directed by the Board of Directors of the Transferee Company will prevail and the difference till the Appointed Date will be quantified and adjusted in the Reserves to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

(vi) Upon the scheme coming into effect, the accounts of the Transferee Company, as on the Appointed Date shall be reconstructed with the terms of the Scheme.

5.4. Saving of Concluded Transactions

The transfer of properties and liabilities and the continuance of proceedings by or against Transferor Company as envisaged in above shall not affect any transactions or proceedings already concluded by Transferee Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferor Company accept and adopts all acts, deeds and thongs done and executed by Transferee Company in respect thereto as done and executed by Transferee Company in respect thereto as done and executed on behalf of itself. The difference between the amount recorded as share capital issued (plus any additional consideration in the form of cash or other assets) and the amount of share capital of the Transferor Company shall be adjusted in reserves.

5.5. Dissolution of Transferor Company

On occurrence of the Effective Date, Transferor Company shall without any further act or deed, shall stand dissolved without winding up.

PART VI: GENERAL TERMS AND CONDITIONS

6.1. Application to NCLT

(i) Transferor Company and Transferee Company shall jointly, with all reasonable dispatch, make application to the NCLT, Kolkata, under Section 230-232 and other applicable provisions of the Act read with the applicable provisions of the Companies (Compromise, Arrangement and Amalgamation) Rules, 2016, for sanctioning the Scheme with such modifications as may be approved by the NCLT.

(ii) It is hereby clarified that submissions of the Scheme to the Tribunal and to any authorities for their respective approvals is without prejudice to all rights, interest, titles and defenses that Transferor Company and Transferee Company has or may have under or pursuant to all applicable laws.

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6.2. Listing Agreement and SEBI Compliances

(i) Since the Transferee Company is a listed company, this Scheme is subject to the compliances of all the requirements under the Listing Regulations and all statutory directives of the Securities Exchange Board of India (SEBI) in so far as they relate to sanction and implementation of the scheme.

(ii) SEBI vide Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15th February 2017 has amended the Listing Regulations and relaxed the requirement of obtaining prior approval or no objection/ observation letter of the Stock Exchanges and SEBI in case of merger of wholly owned subsidiary with its holding company. The draft schemes shall be filed with the Stock Exchange for disclosure purpose in compliance with the above notification.

6.3. Conditionality of Scheme

The Scheme is conditional upon and subject to:

(i) The approval and agreement of the Scheme by the requisite majorities of Equity Shareholders and the Creditors of the Transferor Company and the Transferee Company, as may be directed by the NCLT, Kolkata Bench on the applications made for directions under Section 230 of the said Act for calling meeting and necessary resolutions being passed under the said Act;

(ii) The sanction of the NCLT under Sections 230 to 232 and other applicable provisions of the said Act in favour of the Transferor Company and the Transferee Company;

(iii) In view of the SEBI Notification No. SEBI/LAD/NRO/GN/2016-17/029 dated 15.02.2017 and in terms of Circular No. CFD/DIL3/CIR/2017/21 dated 10.03.2017, drafts scheme of Amalgamation of Wholly owned subsidiaries with their parent company shall be filled with the Stock Exchanges for the purpose of disclosures and Stock Exchanges shall disseminate the scheme documents on their website. No further compliance shall be required for Scheme of Amalgamation of a Wholly owned subsidiary with its parent company. The Transferee Company shall comply with the requirement of the above mentioned SEBI Notification/Circular.

(iv) The confirmation order sanctioning this Scheme being filed with the Registrar of Companies having jurisdiction;

(v) All other sanctions and approvals, as may be required by law, in respect of this Scheme being obtained.

6.4. Modification or Amendment of the Scheme and Revocation of the Scheme

(i) The Scheme shall be subject to such modifications as the NCLT while sanctioning the same may direct and which the Board of Transferor Company and Transferee Company may consent and agree to; .

(ii) The Transferor Company (by its Board of Directors) and the Transferee Company (by its Board of Directors) either by themselves or through a Committee appointed by them in this behalf, may in their full and absolute discretion, make and/or assent to

Himadri Speciality Chemical Ltd KOLKATA

any alteration, or modification to this Scheme, including but not limited to those which the NCLT and/or any other authority may deem fit approve or propose;

(iii) Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

(iv) In the event of any of the said sanctions/ approvals/ conditions referred herein above not being obtained and/ or complied with and/ or satisfied and/ or this Scheme not being sanctioned by the NCLT and/ or order or orders not being passed as aforesaid and/ or the Scheme failing to be made effective, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Transferor Company and the Transferee Company or their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto and contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, each company shall bear its own costs unless otherwise mutually agreed. Further, the Board of Directors of the Transferor Company and the Transferee Company shall be entitled to revoke, cancel and declare the scheme to be of no effect if such boards are of the view that the coming into effect of the Scheme in terms of the provisions of this Scheme or filing of the drawn-up orders with any authority could have adverse implication on all/ any of the companies.

6.5. Residual Provision

(i) Without prejudice to the provisions contained in this Scheme, with effect from the Appointed Date, all inter-party transactions between the Transferor Company and the Transferee Company shall be considered as intra-party transactions for all purposes

(ii) On the approval of the Scheme by the members of Transferee and Transferor Company pursuant to Section 230 of the Act, it shall be deemed that the said members have also accorded all relevant consents under various provisions of the Act to the extent the same may be considered applicable in respect of various actions required to be undertaken by the Transferee Company for implementation of this Scheme.

6.6. Costs

All costs, charges, fees, taxes, including duties (including the stamp duty), if any applicable in relation to this Scheme, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto shall be borne and paid by the Transferee Company. All such costs, charges, fees, taxes, stamp duties including duties (excluding the stamp duty, if any, paid on this scheme which shall be pro rata added to the value of the immovable properties), levies and all other expenses, shall be debited to the Profit and Loss Account of the Transferee Company.

Himadri Speciality Chemical Ltd
KOLKATA

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Certified True Copy
For Himadri Speciality Chemical Ltd
Company Secretary
FCS: 8148
1/9/2017

EQUAL COMMODEAL PRIVATE LIMITED

72/4, SHAMBHU NATH PANDIT STREET, KOLKATA - 700025
CIN: U51909WB2011PTC160507

REPORT OF THE BOARD OF DIRECTORS OF EQUAL COMMODEAL PRIVATE LIMITED ON THE EFFECT OF SCHEME OF AMALGAMATION OF EQUAL COMMODEAL PRIVATE LIMITED WITH HIMADRI SPECIALITY CHEMICAL LIMITED (FORMERLY KNOWN AS HIMADRI CHEMICALS & INDUSTRIES LIMITED) AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

1.1. The proposed Scheme of Amalgamation of Equal Commodeal Private Limited ('Transferor Company") with Himadri Speciality Chemical Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferor Company at its meeting held on 13 August 2018. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferor Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferor Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferor Company in their meeting held on 13 August 2018 is required to be circulated along with notice convening meeting of the shareholders and/or creditors, as the case may be.

1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.

1.3. The Scheme, duly initialed by Mr. Swapan Bhadra, the Director of the Transferor Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties:

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders) of the Transferor Company. The directors and KMPs of the Transferor Company will cease to be the directors and KMPs of the Transferor Company after its dissolution pursuant to the Scheme and the KMPs will be absorbed by the Transferee Company with effect from the effective date of the Scheme without having any adverse effect on them as per the provisions set out in the Scheme.

By order of the Board
For Equal Commodeal Private Limited

EQUAL COMMODEAL PVT. LTD.

Swapan Bhadra

Director

Place: Kolkata
Date: 13.08.2018

Swapan Bhadra
DIN: [01365650]

Himadri

REPORT OF THE BOARD OF DIRECTORS OF HIMADRI SPECIALITY CHEMICAL LIMITED (FORMERLY KNOWN AS HIMADRI CHEMICALS & INDUSTRIES LIMITED) ON THE EFFECT OF SCHEME OF AMALGAMATION OF EQUAL COMMODEAL PRIVATE LIMITED WITH HIMADRI SPECIALITY CHEMICAL LIMITED AND THEIR RESPECTIVE SHAREHOLDERS ("SCHEME") ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTER AND NON-PROMOTER SHAREHOLDERS, LAYING OUT IN PARTICULAR THE SHARE EXCHANGE RATIO

1. Background:

1.1. The proposed Scheme of Amalgamation of Equal Commodeal Private Limited ('Transferor Company") with Himadri Speciality Chemical Limited ("Transferee Company") and their respective shareholders ("Scheme ") was approved by the Board of Directors of the Transferee Company at its meeting held on 13th August, 2018. In accordance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Directors of the Transferee Company are required to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel (KMPs), promoter and non-promoter shareholders of the Transferee Company laying out in particular the share exchange ratio. The said report adopted by the Directors of the Transferee Company in their meeting held on 13th August, 2018 is required to be circulated along with notice convening meeting of the shareholders and/or creditors and/or debentureholders, as the case may be.

1.2. Having regard to the aforesaid provisions, this report is adopted by the Board in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.

1.3. The Scheme, duly initialed by the Mr. B. L. Sharma, Company Secretary of the Transferee Company for the purpose of identification, was considered by the Board of Directors for the purpose of issue of this report.

2. Effect of the Scheme on each class of shareholders, key managerial personnel, promoters and nonpromoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties:

The Transferor Company is a wholly owned subsidiary of the Transferee Company and therefore no shares will be issued by the Transferee Company, pursuant to the Scheme and hence Scheme of Amalgamation does not provide for any share exchange ratio and as no valuation is involved, there exist no special valuation difficulties. Further, the Scheme of Amalgamation has been proposed to consolidate and effectively manage the Transferor Company and the Transferee Company in a single entity, which will provide several benefits including synergy, economies of scale, attain efficiencies and cost competitiveness. Thus, there will be no adverse effect of the said Scheme on the Equity Shareholders (the only class of shareholders), Key Managerial Personnel, Promoter and Non-Promoter Shareholders of the Transferee Company.

By order of the Board
For Himadri Speciality Chemical Limited
For Himadri Speciality Chemical Ltd
B L Choudhary
Managing Director
DIN: 00173792

Place: Kolkata
Date: 13th August, 2018

Bankey Lal Choudhary
DIN: [00173732]

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

84/1A, Topsia Road (South)
Trinity Plaza
6th Floor, Room No. 6A, Kolkata - 700 046
Phone : 4003 5601
E-mail : sapd.associates2014@gmail.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EQUAL COMMODEAL PRIVATE LIMITED
Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Equal Commodeal Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

2. 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 balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

S A P D & ASSOCIATES
KOLKATA
CHARTERED ACCOUNTANTS

e. On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

g. With respect to the other matters to be included in the Auditor's 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 explanation given to us:

   i. The Company does not have any pending litigations which would impact its financial position;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S A P D & Associates**
Chartered Accountants
Firm's Registration No. **327271E**

Astha G.

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

(CA Astha Gupta)
Partner
Membership No. 309761
Date: The 24th day of May, 2018
Place: Kolkata

Annexure A -to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2018, we report that:

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of immovable property, as disclosed in note 5 to the Ind AS financial statements.

(b) As explained to us, investment property has been physically verified by the management at regular intervals during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its investment property.

(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 are held in the name of the Company.

ii. The nature of business of the Company does not require it to have any inventory. Hence, the requirement of paragraph 3 (ii) of the order is not applicable to the Company.

iii. 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. Hence, the requirement of paragraph 3 (iii) of the order is not applicable to the Company.

iv. The Company has not granted any loans or guarantees or securities to any party except to its wholly owned subsidiary, AAT Global Limited, Hongkong. Accordingly, section 185 and 186 of the Companies Act, 2013 is not applicable to the Company. Hence, the requirement of the paragraph 3(iv) of the order is not applicable to the Company.

v. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.

vi. The Company's nature of business does not require it to maintain Cost Records under Section 148(1) of the Companies Act, 2013.

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 provident fund, income-tax, sales tax, service tax, Goods and Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

SAPD & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

According to the information and explanations given to us, there are no undisputed amounts payable as on 31 March 2018 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 or sales tax or service tax or Goods and Service Tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.

viii. Based on our examination of the documents and records and according to the information and explanations given to us, the Company has not taken any loans or borrowings from any bank, government or financial institutions.

ix. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is 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 course of our audit.

xi. The Company has not paid/ provided for managerial remuneration during the year under report. Hence paragraph 3 (xi) of the Order is not applicable.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give 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. Hence paragraph 3 (xiv) of the Order is 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

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xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934. Accordingly, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **S A P D & Associates**
Chartered Accountants
Firm's Registration No. **327271E**

Astha G.

(CA Astha Gupta)
Partner
Membership No. 309761
Date: The 24th day of May, 2018
Place: Kolkata

Annexure - B to the Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Equal Commodeal Private Limited** ("the Company") as of 31st March 2018, in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 system over financial reporting.

S A P D & ASSOCIATES
KOLKATA
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting 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.

For **S A P D & Associates**
Chartered Accountants
Firm's Registration No. **327271E**

Astha G.

(CA Astha Gupta)
Partner
Membership No. 309761
Date: The 24th day of May, 2018
Place: Kolkata

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

EQUAL COMMODEAL PVT. LTD

COMPUTATION OF INCOME FOR THE YEAR ENDED 31st MARCH, 2018

BUSINESS INCOME	Amount (Rs.)	Amount (Rs.)
Net Profit/(Loss) for the year as per Profit & Loss Account		(33,92,736)
		(33,92,736)
Add: Items inadmissible		
Foreign Exchange Loss Added back (Capital Item)		85,26,318
Less:		
Gain on Sale of Investment in MF to be treated separately		(85,177)
BUSINESS INCOME		50,48,405
Less : B/F Loss Adjusted		(43,19,710)
		7,28,695
CAPITAL GAINS		
Short term capital gain		94,742
GROSS TOTAL INCOME		8,23,437
LESS: Deduction under Chapter VI A		-
NET TOTAL INCOME		8,23,437
Less: Unabsorbed Depreciation		-
TAXABLE INCOME		8,23,437
TAXABLE INCOME R/OFF		8,23,440
TAX PAYABLE (A)		2,12,036

TAX COMPUTATION U/S 115JB

Net Profit/(Loss) for the year as per Profit & Loss Account.	(33,92,736)
Add : 1/5 th of item added inretained earning	38,38,439
BOOK PROFIT	4,45,703
TAX PAYABLE (B)	84,929
TAX Payable- A or B, whichever is higher	2,12,036

Note :

B/F Business Loss

AY 2014-15	38,187	29-11-2014
AY 2015-16	20,61,758	30-11-2015
AY 2016-17	13,16,102	30-11-2016
AY 2017-18	9,03,663	
	43,19,710	
Less : Adjusted with AY 2018-19	(43,19,710)	
	-	

EQUAL COMMODEAL PVT. LTD.

Scrapan Bhadra

Director.

EQUAL COMMODEAL PVT. LTD.

Gajendra Bansal

Director.

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
BALANCE SHEET AS AT 31 MARCH 2018

(Amount in Rs.)

Particulars	Note No.	31st March, 2018	31st March, 2017
I. ASSETS			
1) Non-Current assets			
(a) Investment Property	5	2,45,66,268	-
(b) Financial assets			
(i) Investments	6	52,44,64,034	52,44,64,034
(ii) Loans	7	55,66,29,201	34,72,50,598
(c) Other Non Current Assets			
(i) Capital Advances		81,050	-
		1,10,57,40,553	87,17,14,632
2) Current assets			
(a) Financial assets			
(i) Investments	6	1,13,904	12,58,908
(ii) Cash and cash equivalents	8	43,83,144	2,58,613
(b) Other Current Assets			
(i) Other Receivables		39,849	-
		45,36,897	15,17,521
Total Assets		1,11,02,77,451	87,32,32,153
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	1,00,000	1,00,000
(b) Other equity	10	79,41,12,788	79,77,17,560
		79,42,12,788	79,78,17,560
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	30,47,25,464	6,25,84,294
(2) Current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	12	1,04,38,560	1,23,80,698
(b) Other current liabilities	13	6,88,603	4,49,601
(c) Provision for Income Tax		2,12,036	-
		1,13,39,199	1,28,30,299
Total Equity and Liabilities		1,11,02,77,451	87,32,32,153
Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached
For **S A P D & ASSOCIATES**
Chartered Accountants
Firm's Registration Number : 327271E

Astha G.

Astha Gupta
Partner
Membership No. 309761
Place : Kolkata
Dated : The 24th day of May, 2018

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Swapan Bhadra
SWAPAN BHADRA
Director
DIN :01365650

Gajendra Bansal
GAJENDRA BANSAL
Director
DIN :01999542

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rs.)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I. Revenue from Operations - Interest Income		2,48,88,147	1,63,02,187
II. Other Income	14	85,177	18,908
III. Total Income (I + II)		2,49,73,324	1,63,21,095
IV. Expenses			
Finance costs	15	1,96,88,523	1,69,69,539
Other expenses	16	86,77,537	1,74,01,112
Total expenses		2,83,66,060	3,43,70,651
V. Profit / (Loss) before tax (III - IV)		(33,92,736)	(1,80,49,556)
VI. Tax expense			
Current tax		2,12,036	-
VII. Profit / (Loss) for the year (V - VI)		(36,04,772)	(1,80,49,556)
VIII. Other Comprehensive Income			
A. (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income taxes on items that will not be reclassified to profit or loss		-	-
B. (i) Items that will be reclassified to profit or loss		-	-
(ii) Income taxes on items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income, net of taxes		-	-
IX. Total Comprehensive Income/ (Loss) for the year (VII + VIII)		(36,04,772)	(1,80,49,556)
X. Earnings per share (of Rs.10/- each):	17		
Basic		(360.48)	(1,804.96)
Diluted		(360.48)	(1,804.96)
Significant Accounting Policies	3		

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached
For S A P D & ASSOCIATES
Chartered Accountants
Firm's Registration Number : 327271E

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

Astha G.

Astha Gupta
Partner
Membership No. 309761
Place : Kolkata
Dated : The 24th day of May, 2018

For and on behalf of the Board of Directors

Swapan Bhadra Gajendra Bansal

SWAPAN BHADRA	**GAJENDRA BANSAL**
Director	**Director**
DIN :01365650	**DIN :01999542**

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. EQUITY SHARE CAPITAL

(Amount in Rs.)

Equity shares of Rs 10 each issued, subscribed and fully paid-up	Numbers	Amount
At 1April 2016	10,000	1,00,000
Issued during the year	-	-
As at 31 March 2017	10,000	1,00,000
Issued during the year	-	-
As at 31 March 2018	10,000	1,00,000

b. OTHER EQUITY

For the year ended 31 March 2017 (Amount in Rs.)

Particulars	Reserves and Surplus		
	Equity Component of Financial Instrument	Retained Earnings	Total
As at 1 April 2016	-	1,57,67,116	1,57,67,116
Profit /(Loss) for the year	-	(1,80,49,556)	(1,80,49,556)
Other Comprehensive Income	-	-	-
Total Comprehensive Income/ (Loss) for the year	-	(22,82,440)	(22,82,440)
Reclassification of debentures from financial liability to equity due to modification in terms of conversion	80,00,00,000	-	80,00,00,000
Balance as at 31 March 2017	**80,00,00,000**	**(22,82,440)**	**79,77,17,560**

For the year ended 31 March 2018 (Amount in Rs.)

Particulars	Reserves and Surplus		
	Equity Component of Financial Instrument	Retained Earnings	Total
Balance as at 1 April 2017	80,00,00,000	(22,82,440)	79,77,17,560
Profit /(Loss) for the year	-	(36,04,772)	(36,04,772)
Other Comprehensive Income	-	-	-
Total Comprehensive Income/ (Loss) for the year	**80,00,00,000**	**(58,87,212)**	**79,41,12,788**
Reclassification of debentures from financial liability to equity due to modification in terms of conversion	-	-	-
Balance as at 31 March 2018	**80,00,00,000**	**(58,87,212)**	**79,41,12,788**

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached
For S A P D & ASSOCIATES
Chartered Accountants
Firm's Registration Number : 327271E

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

Astha G.

Astha Gupta
Partner
Membership No. 309761
Place : Kolkata
Dated : The 24th day of May, 2018

For and on behalf of the Board of Directors

Swapan Bhadra

SWAPAN BHADRA
Director
DIN :01365650

Gajendra Bansal

GAJENDRA BANSAL
Director
DIN :01999542

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in Rs.)

	Year Ended 31st March, 2018		Year Ended 31st March, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit / (Loss) Before Tax		(33,92,736)		(1,80,49,556)
Adjustments to reconcile profit/(loss) before tax to net cash generated from operating activities:				
Fair value changes in mutual funds	(7,548)		(18,690)	
Profit on sale of investments	(77,629)		(218)	
(Gain)/Loss on foreign exchange fluctuation (net)	85,26,318		1,71,64,583	
Finance Costs	1,96,88,523		1,69,69,539	
		2,81,29,664		3,41,15,214
Changes in operating assets and liabilities		2,47,36,928		1,60,65,658
Loans	(21,80,26,697)		(1,63,02,187)	
Other financial liabilities	2,400		6,55,788	
Other current liabilities	2,39,002		41,969	
Other Current Assets	(39,849)		-	
		(21,78,25,144)		(1,56,04,430)
Cash generated from operations		(19,30,88,216)		4,61,228
Income taxes paid, net		-		-
Net cash generated from operating activities		(19,30,88,216)		4,61,228
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payments to acquire financial assets - mutual funds	(1,50,00,000)		(13,00,000)	
Proceeds from sale of financial assets - mutual fund	1,62,30,181		60,000	
Payments to acquire Investment Property	(2,45,66,268)			
Net cash flows used in investing activities		(2,33,36,088)		(12,40,000)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	24,21,41,170		1,54,44,757	
Interest paid	(2,15,92,335)		(1,69,69,539)	
Net cash flows used in financing activities		22,05,48,835		(15,24,782)
Net Increase/(Decrease) in cash and cash equivalents during the year (A+B+C)		41,24,532		(23,03,554)
Cash & Cash Equivalents at the beginning of the year		2,58,613		25,62,167
Cash & Cash Equivalents at the end of the year		43,83,144		2,58,613

The accompanying notes form an integral part of these financial statements

In terms of our report of even date attached
For S A P D & ASSOCIATES
Chartered Accountants
Firm's Registration Number : 327271E

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

Astha G.

Astha Gupta
Partner
Membership No. 309761
Place : Kolkata
Dated : The 24th day of May, 2018

For and on behalf of the Board of Directors

Swapan Bhadra
SWAPAN BHADRA
Director
DIN :01365650

Gajendra Bansal
GAJENDRA BANSAL
Director
DIN :01999542

1. Company Overview

Equal Commodeal Private Limited ("the Company") is a wholly owned subsidiary of Himadri Speciality Chemical Ltd. (Formerly known as Himadri Chemicals & Industries Limited) and operates as a Special Purpose Vehicle for making investments and/ or acquiring shares in other companies to expand the business of the holding company globally.

The Company is a private company domiciled and headquartered in India. It was incorporated on 9th March, 2011. The Company also has a wholly-owned subsidiary in the name of AAT Global Limited, incorporated in Hong Kong.

The address of registered office is 72/4 Shambhu Nath Pandit Street, Kolkata-700026.

2. Basis of preparation of financial statements

a) Statement of Compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective April 1,2016,the Company has adopted all the Ind AS standards and adoptions was carried out in accordance with Ind AS 101-First time adoption of Indian Accounting Standards with April 1,2015 as the transition date . The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing

b) Functional and presentation currency

The financial statements are presented in Indian Rupees ('Rs') which is Company's presentation currency. The functional currency of the Company is also in Indian Rupees ('Rs').

c) Use of judgments and estimates

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and appropriate assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. Significant accounting policies

A Current versus 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:
a) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
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 Company'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 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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating Cycle

For the purpose of current/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.

EQUAL COMMODEAL PVT. LTD.
Swapan Bhadra
Director

S A P D & ASSOCIATES
KOLKATA
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EQUAL COMMODEAL PVT. LTD.
Gopendra Bansal
Director

B Foreign Currency

Foreign currency transactions

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Rs at the closing exchange rates on that date. Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate on the date of transaction.

Exchange differences arising on the settlement or conversion of monetary assets and liabilities are recognised as income or as expense in the year in which they arise.

All foreign currency differences are generally recognized in the statement of profit or loss, except for non-monetary items denominated in foreign currency and measured based on historical cost, as they are not translated.

Net investment in a foreign operation

Net investment in a foreign operation includes monetary items payable or receivable to a foreign operation, like long-term receivables or loans, for which settlement is neither planned nor likely to occur in the foreseeable future.

Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation shall be recognised in profit or loss in the separate financial statements of the reporting entity.

C Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I. Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)

Financial assets at amortised cost

Financial assets are measured at amortised cost using the effective interest rate (EIR), if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows. And

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The EIR amortisation is included in finance income in the profit or loss.

Financial assets at FVTOCI

Financial assets are measured at the FVTOCI if both of the following conditions are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent solely payments of principal and interest on the principal amount outstanding (SPPI).

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included this category are measured at fair value with all changes recognized in the statement of profit and loss.

Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

EQUAL COMMODEAL PVT. LTD.
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Director

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Gajendra Beswal
Director

Impairment of financial assets

The Company recognizes 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 receivables with no significant financing component is measured at an amount equal to life time ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at life time 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 recognized as an impairment gain or loss in profit or loss.

II. Financial liability

Initial recognition and measurement

Financial liabilities are initially recognised at fair value plus any transaction cost that are attributable to the acquisition of the financial liabilities except financial liabilities at fair value through profit or loss which are intially measured at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in following categories:

- Financial liabilities through profit or loss (FVTPL)
- Financial liabilities at amortised cost

Financial liabilities through FVTPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on such instruments are recognised in the profit or loss.

Financial liabilities at amortised cost

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

III. Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Embedded derivative are accounted for as separate derivative and recorded at fair value with changes in fair value recognised in statement of profit or loss.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

v. Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorised as equity instruments at FVTOCI and financial assets or liabilities that are specifically designated at FVTPL. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be very infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification propectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

D Share Capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity, net of any tax effects.

E Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

EQUAL COMMODEAL PVT. LTD.
Director

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EQUAL COMMODEAL PVT. LTD.
Director

F Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Dividend income is recognised when the right to receive payment is established, which is generally when shareholders approve the dividend.

For all financial instruments measures at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that excatly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

G Employee Benefits

No provision is made for Gratuity and Leave Encashment as there are no employees in the company during the year.

H Income tax

Income tax expense comprises of current and deferred tax. Current tax and deferred tax is recognized in the statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

I. Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. 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 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.

II. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax base). Deferred tax is not recognized for:

• temporary differences 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;

• temporary differences related to investments in subsidiaries to the extent that the Company 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.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent it has become probable that future taxable profits will be available against which they can be used.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset tax assets against tax liabilities, and they relate to taxes levied by the same taxation authority.

I Borrowing costs

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those tangible fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are recognised as an expense at the effective interest rate and include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. 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.

J Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

K 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.

L 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.

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Sampan Bhadra
Director

KOLKATA
CHARTERED ACCOUNTANTS

EQUAL COMMODEAL PVT. LTD.
Gyaneih Banerji
Director

M Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

A financial instrument is an equity instrument rather than a financial liability, if, and only if, both conditions (a) and (b) below are met.

(a) The instrument includes no contractual obligation:

(i) to deliver cash or another financial asset to another entity; or

(ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the issuer.

(b) If the instrument will or may be settled in the issuer's own equity instruments, it is:

(i) a non-derivative that includes no contractual obligation for the issuer to deliver a variable number of its own equity instruments; or

(ii) a derivative that will be settled only by the issuer exchanging a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

4 Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

The Company has established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values. The team regularly reviews significant unobservable inputs and valuation adjustments.

Depending on the inputs used for determining fair value, financial instruments valued at fair value has been categorized into a three-level hierarchy as presented below:

• Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2: inputs other than quoted prices included within 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).

If the inputs used to measure the fair value of an asset or a liability falls into different level of hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characterstics and risks of the asset or liability and the level of fair value hierarchy as explained above.

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Director

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Director

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NOTES TO THE FINANCIAL STATEMENTS

	31 March 2018	(Amount in Rs.) 31 March 2017
Note 5 - Investment Property		
Freehold Land		
Carrying amount at the beginning of the year	-	-
Additions	2,45,66,268	-
Disposals	-	-
Depreciation and Impairment loss	-	-
Carrying amount at the end of the year	2,45,66,268	-
Note 6 - Investments		
Non-current investments:		
Trade investments - unquoted		
Investments in subsidiaries - carried at cost		
Investment in Equity Instruments		
7,07,83,680 (31 March 2017: 7,07,83,680, 1 April 2016: 7,07,83,680) equity shares of AAT Global Limited, a wholly-owned subsidiary (face value - 1 HK$, fully paid-up)	52,44,64,034	52,44,64,034
Total non-current investments	52,44,64,034	52,44,64,034
Current investments:		
Investments in Mutual funds- quoted- carried at fair value through profit or loss		
39.129 (31 March 2017: 463.159)units UTI-Floating Rate Fund - Direct- Growth	1,13,904	12,58,908
Total current investments	1,13,904	12,58,908
Total Investments	52,45,77,938	52,57,22,942
Aggregate book value of quoted investments	1,13,904	12,58,908
Aggregate market value of quoted investments	1,13,904	12,58,908
Aggregate book value of unquoted investments	52,44,64,034	52,44,64,034
Investments carried at cost	52,44,64,034	52,44,64,034
Investments carried at fair value through profit or loss	1,13,904	12,58,908
Note 7 - Loans		
(Unsecured, considered good)		
Non-Current		
Loan to subsidiary- AAT Global Ltd, Hongkong	55,66,29,201	34,72,50,598
	55,66,29,201	34,72,50,598
Note 8 - Cash and cash equivalents		
Cash on hand	1,62,301	1,76,801
Balances with Banks		
- In Current Accounts	42,20,843	81,812
	43,83,144	2,58,613
Note 9 - Share Capital		
Authorised		
10,000 (31 March 2017 10,000) Equity Shares of Rs.10/- each	1,00,000	1,00,000
Issued, subscribed and paid-up		
10,000 (31 March 2017 10,000) Equity shares of Rs.10/- each fully paid up	1,00,000	1,00,000
	1,00,000	1,00,000

a. **Reconciliation of shares outstanding at the beginning and at the end of the reporting year:**
Equity shares of Rs. 10 each issued and fully paid

Particulars	31-03-2018		31-03-2017	
	No. of Shares	Amount	No. of Shares	Amount
At the commencement of the year	10,000	1,00,000	10,000	1,00,000
Add: Issued during the year	-	-	-	-
At the end of the year	10,000	1,00,000	10,000	1,00,000

b. **Rights, preferences and restrictions attached to equity shares:**

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts.

EQUAL COMMODEAL PVT. LTD.
Sarupan Bhudra
Director

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KOLKATA

EQUAL COMMODEAL PVT. LTD.
Gayench Bmw
Director

(Amount in Rs.)

c. **Particulars of shareholders holding more than 5% of total number of shares issued by the Company :**

Name of Shareholder	As at 31-03-2018		As at 31-03-2017	
	No. of Shares held	% holding in that class of shares	No. of Shares held	% holding in that class of shares
Himadri Specialty Chemical Ltd. (Formerly known as Himadri Chemicals & Industries Limited)	10,000	100	10,000	100

The entire share capital is held by the holding company - Himadri Specialty Chemical Ltd. (Formerly known as Himadri Chemicals & Industries Limited)

Note 10 - Other Equity

Below are the other components of other equity: (Amount in Rs.)

Components	1 April 2017	Movement during the year	31 March 2018	1 April 2016	Movement during the year	31 March 2017
Equity Component of Financial Instrument - Fully Convertible Debentures	80,00,00,000	-	80,00,00,000	-	80,00,00,000	80,00,00,000
Retained Earnings	(22,82,440)	(36,04,772)	(58,87,212)	1,57,67,116	(1,80,49,556)	(22,82,440)
	79,77,17,560	(36,04,772)	79,41,12,788	1,57,67,116	78,19,50,444	79,77,17,560

a. **Equity Component of Financial Instrument - Fully Convertible Debentures**

The Company, on 31st March, 2014, had issued 800 1.50% Optionally Convertible Debentures ("OCDs") of face value of Rs 10,00,000 each to Himadri Speciality Chemicals Ltd, aggregating to Rs 800,000,000 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 the Company.

During the year ended 31st 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 31st March 2017, the above OCDs now stand as Fully Convertible Debentures (FCDs) into equity shares, at par, of full value of Rs 800,000,000, 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 at the discretion of the issuer company.

As per Ind AS 32, a non-derivative contract will qualify for equity classification only when it passes 'the fixed test' wherein there is no contractual obligation to deliver cash or another financial asset to another entity and also no contractual obligation for the issuer to deliver a variable number of its own equity instruments.

In the instant case, the Fully Convertible Debentures are classified as an equity instrument as the instrument passes the "fixed test". There is no contractual obligation to deliver cash or another financial asset to another entity and the instrument is settled in issuer's own equity instrument, wherein it is a non-derivative that includes a contractual obligation for the issuer to deliver a fixed number of its own equity instruments.

b. **Retained earnings**

It comprises of accumulated profit/ loss of the Company. Movement is on account of following:
- (Rs. 3,604,772) [31 March 2017: (Rs 18,049,556)] was on account of (loss)/ profit during the year.

Note 11 - Borrowings
(Unsecured)

Non - current borrowings		
Other Loans and advances		
- from a related party	30,47,25,464	6,25,84,294
	30,47,25,464	6,25,84,294

Other Loans and Advances

Other Loans and Advances from a related party - Himadri Specialty Chemical Ltd.- carries an interest rate of 9% p.a. compounded quarterly, payable on demand and the principal amount is repayable after the expiry of three years from the date of disbursement . During the year an supplement agreement was entered into whereby the principal amount is repayable by 2023. For repayment schedule, refer Note 23 below.

Note 12 - Other financial liabilities

Interest accrued but not due on borrowings	60,25,081	79,28,893
Other Payables	44,13,479	44,51,805
	1,04,38,560	1,23,80,698

Note 13 - Other current liabilities

Statutory Dues	6,88,603	4,49,601
	6,88,603	4,49,601

Note 14 - Other Income

Profit on sale of current investments - Mutual funds	77,629	218
Gain on investments carried at fair value through profit or loss	7,548	18,690
	85,177	18,908

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CHARTERED ACCOUNTANTS

EQUAL COMMODEAL PVT. LTD.
Gajendra Bansal
Director

(Amount in Rs.)

Note 15 - Finance costs

Interest expense	1,96,88,523	1,69,69,539
	1,96,88,523	1,69,69,539

Note 16 - Other expenses

Professional fees	39,275	1,19,114
Rates and taxes	15,350	24,286
Payment to the auditor as		
- a auditor (includes Nil (31 March 2017: Rs.23,000) for earlier years)	47,200	92,000
- for certification services	47,200	-
Bank charges	1,740	973
Interest on Tds payment	454	156
Loss on foreign exchange fluctuation (net)	85,26,318	1,71,64,583
	86,77,537	1,74,01,112

Note 17 - Earnings per share

	For the year ended 31 March	
Profit/ (Loss) attributable to ordinary shareholders (basic and diluted)	**2018**	**2017**
Profit/ (Loss) after Tax attributable to Equity Shareholders (Rs.)	(36,04,772)	(1,80,49,556)
Weighted average number of ordinary shares (basic and diluted)		
Weighted average number of equity shares	10,000	10,000
Earnings/ (Loss) per equity share of Rs. 10 each		
Basic	(360.48)	(1,804.96)
Diluted	(360.48)	(1,804.96)

Note 18 - Contingent liabilities and commitments

Contingent Liabilities not provided for are Rs. NIL (PY Nil)

Note 19 - Due to Micro, Small and Medium Enterprises

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2018. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identfied on the basis of information available with the Company.

Note 20

Additional information pursuant to the provisions of Schedule III to the Companies Act, 2013 are as under:
(i) There is no inventory during the year in the Company.
(ii) Other Information

(a) C.I.F. Value of Imports	Rs. NIL
(b) Expenditure in Foreign Currency	Rs. NIL
(c) Earnings in Foreign Currency	
- Interest on loan to subsidiary	Rs. 24,888,147

Note 21 - Related Party Transactions
List of related parties:

Particulars	Related Parties	Country of Incoporation	Holdings as at		
			31 March 2018	31 March 2017	31 March 2016
Holding Company	Himadri Specialty Chemical Ltd. (Formerly known as Himadri Chemicals & Industries Limited)	India	-	-	-
Subsidiaries	AAT Global Ltd.	HongKong	100%	100%	100%
	Shandong Dawn Himadri Chemical Industry Ltd.	China	94%	94%	94%

EQUAL COMMODEAL PVT. LTD.
Director

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EQUAL COMMODEAL PVT. LTD.
Director

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NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

ii List of key management personnel

KMP of the Reporting Entity	
Swapan Bharda	Non-Executive Director
Gajendra Bansal	Non-Executive Director
KMP of Parent of the Reporting Entity	
Mr. Bankey Lal Choudhary	Managing Director
Mr. Shyam Sundar Choudhary	Whole-time Director
Mr. Vijay Kumar Choudhary	Whole-time Director
Mr. Anurag Choudhary	Chief Executive Officer

iii Enterprises controlled by Key Manegerial Personnel or their relatives

Himadri Credit & Finance Limited
Himadri Coke & Petro Limited
Himadri Industries Limited
Sri Agro Himghar Limited
Himadri e-Carbon Limited

Transactions carried out with related parties referred to in above are as under:

Nature of transactions	Year Ended 31 March 2018	Year Ended 31 March 2017
Other Loans and advances (taken)		
Himadri Specialty Chemical Ltd.	24,21,41,170	1,54,44,757
Other Loans and advances (given)		
AAT Global Ltd	19,30,57,500	-
Interest received		
AAT Global Ltd	2,48,88,147	1,63,02,187
Interest paid		
Himadri Specialty Chemical Ltd.	1,96,88,523	1,69,69,539

Balances receivable/payable from / to related parties are as under:

Nature of transactions	As at 31 March 2018	As at 31 March 2017
Fully Convertible Debentures		
Himadri Specialty Chemical Ltd.	80,00,00,000	80,00,00,000
Interest Accrued on Debentures		
Himadri Specialty Chemical Ltd.	-	54,00,000
Other loans and advances		
Himadri Specialty Chemical Ltd.	30,47,25,464	6,25,84,294
Interest Accrued on loans and advances		
Himadri Specialty Chemical Ltd.	60,25,081	25,28,893
Other Payables		
AAT Global Ltd	43,27,079	43,67,805
Unsecured Loans given		
AAT Global Ltd	55,66,29,201	34,72,50,598
Investment held		
AAT Global Ltd	52,44,64,034	52,44,64,034

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash except for fully convertible debentures which shall be converted into equity shares. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

EQUAL COMMODEAL PVT. LTD.
Swapan Bhadra
Director

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Gajendra Bansal
Director

(Amount in Rs.)

Note 22 - Segment Reporting

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. The Company is a wholly owned subsidiary of Himadri Specialty Chemical Ltd. (Formerly known as Himadri Chemicals & Industries Limited) and operates as a Special Purpose Vehicle for making investments and/ or acquiring shares in other companies to expand the business of the holding company globally. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments. The Company therefore operates in a single reporting segment.

The revenue from transactions arises from a single customer, AAT Global Ltd, which accounts for 100% of the total revenue of the Company for each of the two years ended March 31, 2018 and March 31, 2017.

Note 23 - Financial Instruments

Financial risk management

Overview
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 minimize potential adverse effects of market risk on its financial performance. 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 analyze 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.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from outstanding receivables, cash and cash equivalents, foreign exchange transactions and other financial instruments. 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. The Company establishes an allowance impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Cash and cash equivalents and other investments
Credit risk on Cash and cash equivalents, investments carried at amortised cost and deposit with banks and financial institution is limited as the Company invests in deposits with banks and financial institution with high credit ratings assigned by credit agencies.

Liquidity risk
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Maturity profile of Company's financial liabilities including estimated interest payments based on contractual undiscounted payments as at 31 March 2018:

	Contractual cash flows					
	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Loans and borrowings	-	-	-	30,47,25,464	-	30,47,25,464
Other financial liabilities	1,04,38,560	-	-	-	-	1,04,38,560

Maturity profile of Company's financial liabilities including estimated interest payments based on contractual undiscounted payments as at 31 March 2017:

	Contractual cash flows					
	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Loans and borrowings	-	-	-	6,25,84,294	-	6,25,84,294
Other financial liabilities	1,23,80,698	-	-	-	-	1,23,80,698

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market changes that affect market risk-sensitive instruments. Market risk is attributable to all market risk- sensitive financial instruments including foreign currency receivables and payables and loans and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of its investments.

Currency risk
The Company's exposure in HKD denominated transactions give rise to exchange rate fluctuation risk.

The following table analyzes foreign currency risk as of 31 March 2018:

	HKD
Loans given (including interest)	6,93,18,705
Other Financial Liabilities	5,09,068
Net Position	6,88,09,637

The following table analyzes foreign currency risk as of 31 March 2017:

	HKD
Loans given (including interest)	4,28,17,583
Other Financial Liabilities	5,09,068
Net Position	4,23,08,515

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Gajendra Bansal
Director

(Amount in Rs.)

Sensitivity analysis

A strengthening (weakening) of the HKD against Rs at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Analysis for the year ended 31 March 2018

	Equity		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
HKD (10% movement)	68,80,964	(68,80,964)	68,80,964	(68,80,964)

Analysis for the year ended 31 March 2017

	Equity		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
HKD (10% movement)	42,30,851	(42,30,851)	42,30,851	(42,30,851)

Interest rate risk

Interest rate risk primarily arise from floating rate loans.

Profile

At the end of the reporting period the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	As at 31 March	
	2018	2017
Fixed rate instruments		
Financial liabilities - Borrowings	30,47,25,464	6,25,84,294
	30,47,25,464	6,25,84,294
Variable rate instruments		
Financial assets- Loans given (including interest)	55,66,29,201	34,72,50,598
	55,66,29,201	34,72,50,598

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the end of the reporting period would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

For 31 March 2018	Profit or (loss)		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments	55,66,292	(55,66,292)	55,66,292	(55,66,292)

For 31 March 2017	Profit or (loss)		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
Variable rate instruments	34,72,506	(34,72,506)	34,72,505	(34,72,505)

Capital management

The Board'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. Capital consists of total equity. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using an adjusted net debt to equity ratio, which is adjusted net debt divided by equity. For this purpose, adjusted net debt is defined as total liabilities (which includes interest bearing loans and borrowings) less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital.

	As at 31 March	
	2018	2017
Debt	30,47,25,464	6,25,84,294
Less: Cash and bank balances	(43,83,144)	(2,58,613)
Net debt	30,03,42,320	6,23,25,681
Equity	79,42,12,788	79,78,17,560
Net debt to Equity ratio	38%	8%

Accounting classifications and fair values

Fair values vs carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position of 31 March 2018 are as follows:

	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying amount	Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets							
Cash and cash equivalents	43,83,144	-	-	-	-	43,83,144	43,83,144
Investment	52,44,64,034	-	1,13,904	-	-	52,45,77,938	52,45,77,938
Loans	55,66,29,201					55,66,29,201	55,66,29,201
Financial Liabilities							
Borrowings	30,47,25,464	-		-	-	30,47,25,464	30,47,25,464
Other financial liabilities	1,04,38,560			-	-	1,04,38,560	1,04,38,560

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NOTES TO THE FINANCIAL STATEMENTS

(Amount in Rs.)

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, of 31 March 2017 are as follows

	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying amount	Fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Financial Assets							
Cash and cash equivalents	2,58,613	-	-	-	-	2,58,613	2,58,613
Investment	52,44,64,034	-	12,58,908			52,57,22,942	52,57,22,942
Loans	34,72,50,598	-	-	-	-	34,72,50,598	34,72,50,598
Financial Liabilities							
Borrowings	6,25,84,294		-	-	-	6,25,84,294	6,25,84,294
Other financial liabilities	1,23,80,698	-	-	-	-	1,23,80,698	1,23,80,698

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within 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).

For 31 March 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	1,13,904	-	-	1,13,904
Total assets	1,13,904	-	-	1,13,904
Total liabilities	-	-	-	-

For 31 March 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	12,58,908	-	-	12,58,908
Total assets	12,58,908	-	-	12,58,908
Total liabilities	-	-	-	-

In terms of our report of even date attached
For S A P D & ASSOCIATES
Chartered Accountants
Firm's Registration Number : 327271E

Astha G.
Astha Gupta
Partner
Membership No. 309761
Place : Kolkata
Dated : The 24th day of May, 2018

S A P D & ASSOCIATES KOLKATA CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

Swapan Bhadra
SWAPAN BHADRA
Director
DIN :01365650

Gajendra Bansal
GAJENDRA BANSAL
Director
DIN :01999542

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
PROVISIONAL BALANCE SHEET AS AT 30 JUNE 2018

(Amount in Rs.)

Particulars	30th June, 2018	31st March, 2018
I. ASSETS		
1) Non-Current assets		
(a) Investment Property	311,00,050	245,66,268
(b) Financial assets		
(i) Investments	5244,64,034	5244,64,034
(ii) Loans	5977,73,627	5566,29,201
(c) Other Non Current Assets		
(i) Capital Advances	1,00,899	81,050
	11534,38,610	**11057,40,553**
2) Current assets		
(a) Financial assets		
(i) Investments	1,15,796	1,13,904
(ii) Cash and cash equivalents	19,50,572	43,83,144
(b) Other Current Assets		
(i) Income Tax Payments	2,16,300	-
(ii) Other Receivables	-	39,849
	22,82,668	**45,36,897**
Total Assets	**11557,21,279**	**11102,77,451**
II. EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,00,000	1,00,000
(b) Other equity	8279,38,244	7941,12,788
	8280,38,244	**7942,12,788**
Liabilities		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	**3097,15,337**	**3047,25,464**
(2) Current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	170,01,188	104,38,560
(b) Other current liabilities	7,01,465	6,88,603
(c) Provision for Income Tax	2,65,045	2,12,036
	179,67,698	**113,39,199**
Total Equity and Liabilities	**11557,21,279**	**11102,77,451**

For and on behalf of the Board of Directors

Sd/-	Sd/-
SWAPAN BHADRA	**GAJENDRA BANSAL**
Director	**Director**
DIN :01365650	**DIN :01999542**

EQUAL COMMODEAL PVT. LTD
CIN: U51909WB2011PTC160507
PROVISIONAL STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30 JUNE 2018

(Amount in Rs.)

Particulars	Quarter ended 30th June, 2018	Year ended 31st March, 2018
I. Revenue from Operations - Interest Income	85,64,634	248,88,147
II. Other Income	323,32,240	85,177
III. Total Income (I + II)	**408,96,874**	**249,73,324**
IV. Expenses		
Finance costs	70,14,649	196,88,523
Other expenses	3,760	86,77,537
Total expenses	**70,18,409**	**283,66,060**
V. Profit / (Loss) before tax (III - IV)	338,78,465	(33,92,736)
VI. Tax expense		
Current tax	53,009	2,12,036
VII. Profit / (Loss) for the year (V - VI)	**338,25,456**	**(36,04,772)**
VIII. Other Comprehensive Income		
A. (i) Items that will not be reclassified to profit or loss	-	-
(ii) Income taxes on items that will not be reclassified to profit or loss	-	-
B. (i) Items that will be reclassified to profit or loss	-	-
(ii) Income taxes on items that will be reclassified to profit or loss	-	-
Total Other Comprehensive Income, net of taxes	-	-
IX. Total Comprehensive Income/ (Loss) for the year (VII + VIII)	**338,25,456**	**(36,04,772)**
X. Earnings per share (of Rs.10/- each):		
Basic	3,382.55	(360.48)
Diluted	3,382.55	(360.48)

For and on behalf of the Board of Directors

Sd/-	Sd/-
SWAPAN BHADRA	**GAJENDRA BANSAL**
Director	**Director**
DIN :01365650	**DIN :01999542**

Himadri Speciality Chemical Limited

(Formerly known as Himadri Chemical & Industries Limited)

STANDALONE FINANCIAL STATEMENT

For the year ended 31 March 2018

B S R & Co. LLP
Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4295

INDEPENDENT AUDITOR'S REPORT

To the Members of Himadri Speciality Chemical Limited
(formerly known as Himadri Chemicals & Industries Limited)

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) ("the Company") which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit 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) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing these standalone Ind AS financial statements, management is 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.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

B S R & Co. LLP Kolkata Chartered Accountants

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

   d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

   e. On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   f. With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

   g. With respect to the other matters to be included in the Auditor's 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 explanation given to us:

      i The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note 8, 16, 24 and 35(a) to the standalone Ind AS financial statements;

B S R & Co. LLP Chartered Accountants Kolkata

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

Report on Other Legal and Regulatory Requirements *(Continued)*

ii The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts - Refer note 21 to the standalone Ind AS 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 Ind AS 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 since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

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

B S R & Co. LLP
Kolkata
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 29 May 2018

Himadri Speciality Chemical Limited

Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Himadri Speciality Chemical Limited- 31 March 2018

(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 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 as disclosed in note 4 to the standalone Ind AS financial statements, are held in the name of the Company.

(ii) The inventory, except stock lying with third parties and goods in transit, have been physically verified by the management 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 goods receipts 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, 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 are not applicable to the Company. The Company has complied with the provisions of Section 186 of the Act with respect to investments made, loans given and guarantee provided. The Company has not provided any 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.

Himadri Speciality Chemical Limited

Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Himadri Speciality Chemical Limited- 31 March 2018 (Continued)

(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 Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax, Goods and service tax, Service tax, Duty of customs, Duty of excise, Cess and any other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Value added tax, Goods and Service Tax, Service tax, Duty of customs, Duty of excise, Cess and any other material statutory dues were in arrears as at 31 March 2018, 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, Goods and Service Tax, Service 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 (Rs in Lakhs)	Total amount paid under protest (Rs in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	840.59	65.39	2005 to 2013	Appellate and Revision Board
		30.45	7.61	2005-2006	Sales Tax Appellate Tribunal
		1,733.58	85.03	2013-2015	Additional Commissioner
		0.89	0.42	2010-2011	Deputy Commissioner
West Bengal Value Added Tax Act, 2003	Value added tax	36.85	-	2008-2009	West Bengal Taxation Tribunal
		1,404.22	-	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

Himadri Speciality Chemical Limited

Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Himadri Speciality Chemical Limited- 31 March 2018 (Continued)

Name of the statute	Nature of the dues	Total amount under dispute (Rs in Lakhs)	Total amount paid under protest (Rs 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
		437.16	0.37	2006 to 2008, 2012 to 2016	Custom Excise and Service Tax Appellate Tribunal
		353.54	2.47	2004 to 2007, 2011 to 2017	Commissioner (Appeals) of Central Excise
The Custom Act, 1962	Custom duty	491.76	37.72	2000-2001, 2011-2016	Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	41.00	-	2010-2011	Custom Excise and Service Tax Appellate Tribunal
		67.92	4.97	2010-2016	Commissioner of Central Excise
Chhattisgarh Entry Tax Act, 1976	Entry tax	465.71	248.38	2012-2017	Hon'ble High Court of Judicature Chhatisgarh at Bilaspur
The West Bengal Tax on entry of Goods into Local Areas, Act, 2012	Entry tax	2,147.44	-	2012-2013, 2015-2017	Hon'ble High Court of Calcutta
		2,710.45	-	2013-14 to 2014-15	West Bengal Taxation Tribunal

B S R & Co. LLP Kolkata Chartered Accountants

Himadri Speciality Chemical Limited

Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Himadri Speciality Chemical Limited- 31 March 2018 (Continued)

(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, government or dues to debenture holders 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). Term loans raised were applied during the year for the purpose for which it was obtained.

(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 and 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 Ind AS 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.

B S R & Co. LLP Kolkata Chartered Accountants

Himadri Speciality Chemical Limited

Annexure A to the Independent Auditor's Report of even date on the Standalone Ind AS financial statements of Himadri Speciality Chemical Limited- 31 March 2018 (Continued)

(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

B S R & Co. LLP Kolkata Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 29 May 2018

Annexure B to the Independent Auditor's Report
(Referred to in our report of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls with reference to financial statements

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control 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 ("ICAI"). 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 Act.

Auditor's 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 on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 was 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 system 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 internal financial controls with reference to financial statements, 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 Ind AS 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 system with reference to financial statements.

B S R & Co. LLP Kolkata Chartered Accountants

Annexure B to the Independent Auditor's Report (Continued)
(Referred to in our report of even date)

Meaning of Internal financial controls with reference to financial statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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 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 control 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.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

B S R & Co. LLP
Kolkata
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 29 May 2018

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
Standalone Balance Sheet as at 31 March 2018

Amount in Rupees Lakhs

	Note	31 March 2018	31 March 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	**109,680.58**	110,297.38
(b) Capital work-in-progress	5	**1,768.01**	936.45
(c) Intangible assets	6	**236.14**	-
(d) Financial assets			
(i) Investments	7	**35,324.03**	16,658.38
(ii) Trade receivables	8	**798.79**	798.79
(iii) Loans	11	**4,718.29**	2,499.95
(iv) Other financial assets	12	**3.04**	6.71
(e) Deferred tax assets	33	**15,462.90**	7,853.02
(f) Non-current tax assets (net)	13	**486.68**	409.72
(g) Other non-current assets	14	**5,317.03**	2,716.25
Total Non-current assets		**173,795.49**	142,176.65
(2) Current assets			
(a) Inventories	15	**41,519.79**	39,207.05
(b) Financial assets			
(i) Investments	7	**-**	25.08
(ii) Trade receivables	8	**26,988.68**	21,561.06
(iii) Cash and cash equivalents	9	**1,718.04**	1,132.72
(iv) Bank balances other than (iii) above	10	**1,431.07**	2,466.06
(v) Loans	11	**268.23**	418.56
(vi) Other financial assets	12	**812.40**	1,062.26
(c) Other current assets	16	**10,226.76**	9,381.04
Total Current assets		**82,964.97**	75,253.83
TOTAL ASSETS		**256,760.46**	217,430.48
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17	**4,184.08**	4,184.08
(b) Other equity	18	**141,448.47**	103,625.68
Total Equity		**145,632.55**	107,809.76
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**23,119.18**	38,703.12
(ii) Derivatives	21	**583.65**	882.32
(iii) Other financial liabilities	22	**25.77**	25.77
(b) Provisions	24	**255.22**	178.86
(c) Deferred tax liabilities (net)	33	**25,173.74**	8,974.27
Total Non-current liabilities		**49,157.56**	48,764.34
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	**36,422.53**	33,868.94
(ii) Trade payables	20	**11,826.22**	14,931.38
(iii) Derivatives	21	**185.91**	4,594.40
(iv) Other financial liabilities	22	**7,659.55**	3,966.78
(b) Other current liabilities	23	**5,757.31**	3,167.68
(c) Provisions	24	**40.24**	18.19
(d) Current tax liabilities (net)	25	**78.59**	309.01
Total Current liabilities		**61,970.35**	60,856.38
TOTAL EQUITY AND LIABILITIES		**256,760.46**	217,430.48
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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 29 May 2018

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Kamlesh Kumar Agarwal
Chief Financial Officer

Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 29 May 2018

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
Standalone Statement of Profit and Loss for the year ended 31 March 2018

Amount in Rupees Lakhs

	Note	Year ended 31 March 2018	Year ended 31 March 2017
I. Revenue from operations	26	**202,152.30**	147,125.42
II. Other income	27	**776.73**	789.87
III. Total income (I + II)		**202,929.03**	147,915.29
IV. Expenses			
Cost of materials consumed	28	**133,249.40**	88,052.80
Changes in inventories of finished goods and work-in-progress	29	**(771.63)**	645.87
Excise duty		**5,034.56**	14,708.21
Employee benefits expense	30	**4,663.10**	3,585.39
Finance costs	31	**7,042.98**	8,047.45
Depreciation and amortisation expense	4 and 6	**3,141.42**	3,097.36
Other expenses	32	**14,976.70**	17,438.08
Total expenses		**167,336.53**	135,575.16
V. Profit before tax (III-IV)		**35,592.50**	12,340.13
VI. Tax expenses	33		
Current tax		**7,609.88**	2,644.45
Deferred tax		**3,725.16**	1,578.31
VII. Profit for the year (V-VI)		**24,257.46**	8,117.37
VIII. Other comprehensive income (net of tax)			
A. Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of defined benefit liability/ (asset)		**(13.58)**	(11.69)
(b) Equity instruments through other comprehensive income - net change in fair value		**13,794.02**	5,509.67
Net other comprehensive income not to be reclassified subsequently to profit or loss		**13,780.44**	5,497.98
B. Items that will be reclassified subsequently to profit or loss			
(a) Effective portion of gains/(losses) on hedging instruments in cash flow hedges		**3,882.61**	168.36
(b) Effective portion of gains/(losses) on hedging instruments in cash flow hedges reclassified to profit and loss		**(3,774.56)**	-
Net other comprehensive income to be reclassified subsequently to profit or loss		**108.05**	168.36
Other comprehensive income for the year, net of tax		**13,888.49**	5,666.34
IX. Total comprehensive income for the year (VII+VIII)		**38,145.95**	13,783.71
X. Earnings per equity share	34		
[Face value of equity share **Re 1** each (previous year Re 1 each)]			
- Basic		**5.80**	1.94
- Diluted		**5.80**	1.94
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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 29 May 2018

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Kamlesh Kumar Agarwal
Chief Financial Officer

Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 29 May 2018

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
Standalone Statement of Changes in Equity for the year ended 31 March 2018

Amount in Rupees Lakhs

A. Equity share capital

Particulars	Note	Number	Amount
Balance as at 1 April 2016		418,407,867	4,184.08
Changes in equity share capital during 2016-17	17	-	-
Balance as at 31 March 2017		418,407,867	4,184.08
Changes in equity share capital during 2017-18	17	-	-
Balance as at 31 March 2018		**418,407,867**	**4,184.08**

B. Other equity

Particulars	Note	Reserves and surplus						Items of OCI		Total
		Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Effective portion of cash flow hedge	Equity instruments through other comprehensive income	
Balance at 1 April 2016		1,280.50	45,365.53	3,535.71	13,669.94	-	26,330.73	(2,511.28)	239.00	87,910.13
Total comprehensive income for the year ended 31 March 2017										
Profit or Loss		-	-	-	-	-	8,117.37	-	-	8,117.37
Other comprehensive income (net of tax)		-	-	-	-	-	(11.69)	168.36	5,509.67	5,666.34
Total comprehensive income		-	-	-	-	-	8,105.68	168.36	5,509.67	13,783.71
Dividends (including corporate dividend tax)	49	-	-	-	-	-	(251.79)	-	-	(251.79)
Fair value changes on derivatives designated as cash flow hedge	43 (d)	-	-	-	-	-	-	2,158.23	-	2,158.23
Share based payments- Equity settled	39	-	-	-	-	25.40	-	-	-	25.40
Transfer to debenture redemption reserve		-	-	678.56	-	-	(678.56)	-	-	-
Balance at 31 March 2017		1,280.50	45,365.53	4,214.27	13,669.94	25.40	33,506.06	(184.69)	5,748.67	103,625.68

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
B L Choudhary
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
S S Choudhary
Executive Director

For Himadri Speciality Chemical Ltd
Agarwal
Chief Financial Officer

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
Standalone Statement of Changes in Equity for the year ended 31 March 2018 (Continued)

Amount in Rupees Lakhs

Particulars	Note	Reserves and surplus						Items of OCI		Total
		Capital reserve	Securities premium reserve	Debenture redemption reserve	General reserve	Share option outstanding reserve	Retained earnings	Effective portion of cash flow hedge	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	33,506.06	(184.69)	5,748.67	103,625.68
Total comprehensive income for the year ended 31 March 2018										
Profit or Loss		-	-	-	-	-	24,257.46	-	-	24,257.46
Other comprehensive income (net of tax)		-	-	-	-	-	(13.58)	108.05	13,794.02	13,888.49
Total comprehensive income		-	-	-	-	-	24,243.88	108.05	13,794.02	38,145.95
Dividends (including corporate dividend tax)	49	-	-	-	-	-	(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		-	-	(1,750.00)	1,750.00	-	-	-	-	-
Transfer to debenture redemption reserve		-	-	428.56	-	-	(428.56)	-	-	-
Balance at 31 March 2018		1,280.50	45,365.53	2,892.83	15,419.94	129.19	56,817.79	-	19,542.69	141,448.47

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

Jayanta Mukhopadhyay
Partner
Membership No. 055757

B S R & Co. LLP
Kolkata
Chartered Accountants

Place: Kolkata
Date: 29 May 2018

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

B L Choudhary

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Kamlesh Kumar Agarwal
Chief Financial Officer

Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 29 May 2018

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
Standalone Statement of Cash Flows for the year ended 31 March 2018

Amount in Rupees Lakhs

	Year ended 31 March 2018		Year ended 31 March 2017	
A. Cash flows from operating activities				
Net profit before tax		**35,592.50**		12,340.13
Adjustments for:				
Depreciation and amortisation expense	**3,141.42**		3,097.36	
Share based payments	**103.79**		25.40	
Finance costs	**7,042.98**		8,047.45	
Interest income	**(298.71)**		(360.69)	
Unwinding of discount on security deposits and others	**(227.27)**		(166.63)	
Gain of fair valuation of investments through profit or loss	**(0.63)**		(65.56)	
Dividend income on equity instruments	**(0.08)**		(0.22)	
Guarantee fee	**(7.28)**		(36.76)	
Gain on sale of current investments (mutual funds)	**(11.35)**		(29.57)	
Foreign exchange fluctuation (net)	**781.12**		1,873.62	
Net gain on sale of property, plant and equipment	-		(39.21)	
		10,523.99		12,345.19
Operating cash flows before working capital changes		**46,116.49**		24,685.32
Working capital adjustments:				
(Increase) in inventories	**(2,312.74)**		(7,705.71)	
(Increase) in trade receivables	**(5,405.93)**		(1,593.90)	
(Increase) in financial and other assets	**(979.81)**		(730.68)	
Increase/ (decrease) in trade payables	**(3,111.35)**		6,269.77	
Increase/ (decrease) in financial, other liabilities and provisions	**(1,721.75)**		1,899.70	
		(13,531.58)		(1,860.82)
Cash generated from operating activities		**32,584.91**		22,824.50
Income tax paid (net)		**(7,922.68)**		(2,338.44)
Net cash from operating activities (A)		**24,662.23**		20,486.06
B. Cash flows from investing activities				
Acquisition of property, plant and equipments	**(5,205.17)**		(1,153.49)	
Proceeds from sale of property, plant and equipments	-		44.61	
Interest income received	**372.50**		334.29	
Dividends received	**0.08**		0.22	
Guarantee fee received	**125.29**		1.89	
Loan to a subsidiary	**(2,421.41)**		(154.44)	
Proceeds from sale of investments	**6,237.05**		2,802.66	
Purchase of investments	**(6,200.00)**		-	
(Investment)/ redemption in fixed deposits with banks (having maturity of more than 3 months)	**1,038.63**		(781.27)	
Net cash provided/ (used) in investing activities (B)		**(6,053.03)**		1,094.47
C. Cash flows from financing activities				
Repayment of non convertible debentures	**(10,000.00)**		-	
Proceeds from non-current borrowings	**13,122.63**		5,053.04	
Repayment of non-current borrowings	**(15,223.53)**		(10,974.60)	
Increase/ (decrease) in current borrowings	**1,959.35**		(4,941.89)	
Interest paid	**(6,460.46)**		(10,255.11)	
Net proceeds/ (outflow) on settlement of derivative contracts	**(917.54)**		(896.99)	
Dividend paid (including dividend distribution tax)	**(503.59)**		(251.79)	
Net cash provided by/ (used in) financing activities (C)		**(18,023.14)**		(22,267.34)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**586.06**		(686.81)
Cash and cash equivalents at 1 April (refer note 9 to the Standalone financial statements)		**1,132.72**		1,819.97
Effect of exchange rate fluctuations on cash held in foreign currency (EEFC accounts)		**(0.74)**		(0.44)
Cash and cash equivalents at 31 March (refer note 9 to the Standalone financial statements)		**1,718.04**		1,132.72

For Himadri Speciality Chemical Ltd
B Choudhary
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
S S Choudhary
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
K Agarwal
Chief Financial Officer

Amount in Rupees Lakhs

Notes:

1. Standalone Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 specified under Section 133 of the Companies Act, 2013.
2. Acquisition 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

	1 April 2017	Cash flow (net)	Foreign exchange movement	Fair Value Changes	31 March 2018
Borrowing (including current maturities of long-term debt) - 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

As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number. 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

B S R & Co. LLP Kolkata Chartered Accountants

Place: Kolkata
Date: 29 May 2018

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Bankey Lal Choudhary
Managing Director
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Executive Director
DIN: 00173732

Kamlesh Kumar Agarwal
Chief Financial Officer

Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 29 May 2018

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 and corporate office situated at 8, India Exchange Place, 2nd floor, Kolkata -700 001. The Company was incorporated on 28 July 1987 and its 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 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 ('Act') 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 are authorised for issue by the Board of Directors of the Company at their meeting held on 29 May 2018.

The details of the Company's accounting policies are included in note 3.

(b) Functional and presentation currency

These Standalone financial statements are presented in Indian Rupees (Rs), 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) Assets held for sale-measured at the lower of its carrying amount and fair value less costs to sell;
(iv) Employee's defined benefit plan as per actuarial valuation, and
(v) Share-based payments

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.

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

(d) Use of 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 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. 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 markets 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, credit risk and volatility. 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 valuations 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) 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 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.

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

(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.

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 43.

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

For the purpose of current/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 respective functional currency of the Company at the exchange rates prevailing at the dates of the transactions.

B S R & Co. LLP Kolkata Chartered Accountants

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 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 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.

(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 Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

Financial assets at 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 OCI (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 objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
(b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI 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).

Financial assets at 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.

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 Statement of Profit and 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 Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in 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 Statement of Profit and 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 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 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 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 maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

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Financial guarantee liability

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value net off transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

(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 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.

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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 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*" issued by the Institute of Chartered Accountants of India. 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.

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.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For 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 Statement of Profit and Loss in the same period or periods as the hedged expected future cash flows affect 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 Statement of Profit and Loss.

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(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Embedded derivative are accounted for as separate derivative and recorded at fair value with changes in fair value recognised in 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.

A fixed asset 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 Statement of Profit and Loss. Property, plant and equipment under construction 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'.

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.

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(iii) Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the 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 equipments 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. Depreciation methods, 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

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation report obtained from an independent valuer, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of Plant and equipment and Building were revised w.e.f 1 April 2016.

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/ discard).

(e) Intangible Assets

(i) Recognition and measurement

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.

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(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) Amortisation

Amortisation in respect to all the intangible assets is provided on straight line method over the useful lives of assets based on the evaluation. The useful life of such intangible assets for Computer software is 5 years

(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 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, 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 Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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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.

An impairment loss in respect of other 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) 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 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.

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(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 (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 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. The Company recognises all actuarial gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss.

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 and other expenses related to defined benefit plans are recognised in Statement of Profit and 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 Statement of Profit and 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 Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

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(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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

(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. Excise duty liability is included in the valuation of closing inventory of the finished goods.

In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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Raw materials, components and other supplies 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

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and quantity discounts and exclusive of Sales tax and Value added tax (VAT) and Goods and Service Tax (GST) xand is inclusive of excise duty. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale. Export incentives (duty drawback) are recognised on accrual basis against goods exported.

Earning from sale of power is accounted for on tariff rates agreed with respective Electricity Board and are net of discounts for prompt payment of bills.

(k) Government Grants

Government grants are recognised in the 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 that are receivable towards capital investments under State Incentive Scheme are recognised in the 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.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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Chief Financial Officer

(l) Recognition of dividend income, interest income or expense

Dividend income is recognised in 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 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 of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. 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 Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet. Payments made under operating leases are recognised in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

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(iii) Lease payments

Payments made under operating leases are generally recognised in 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. Current tax and deferred tax is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

(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. 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. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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 in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (tax base). 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, associates and joint arrangements to the extent that the Company 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.

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For Himadri Speciality Chemical Ltd

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

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. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

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.

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.

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, 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.

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 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.

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Kolkata
Chartered Accountants

Chief Financial Officer

(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 is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period 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) 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.

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For Himadri Speciality Chemical Ltd

(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 if the effect of discounting is immaterial. 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

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).

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For Himadri Speciality Chemical Ltd

3A. Recent accounting pronouncements- Standard issued but not yet effective

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

(i) Revenue from contracts with customers- Ind AS 115

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard permits two possible methods of transition:

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach). The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

(ii) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

4. Property, plant and equipment

See accounting policies in note 3(d) and (f)

Reconciliation of carrying amount

	Freehold Land	Leasehold Land	Buildings	Plant and equipment	Furniture and fittings	Vehicles	Office equipment	Total
Cost or deemed cost (Gross carrying amount)								
Balance at 1 April 2016	3,600.94	304.35	7,227.14	135,053.13	736.16	833.43	1,556.00	149,311.15
Additions	69.86	29.81	144.58	2,885.28	0.72	65.81	104.44	3,300.50
Disposals/ discard	(3.65)	-	-	-	-	(5.59)	-	(9.24)
Effect of movement in foreign exchange rates	-	-	-	15.36	-	-	-	15.36
Balance at 31 March 2017	3,667.15	334.16	7,371.72	137,953.77	736.88	893.65	1,660.44	152,617.77
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	**40.00**	-	**202.56**	**1,986.56**	**25.88**	**80.29**	**100.74**	**2,436.03**
Disposals/ discard	-	-	-	-	-	-	-	-
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**
Accumulated depreciation and amortisation								
Balance at 1 April 2016	-	-	1,842.39	35,003.89	415.06	538.84	1,426.70	39,226.88
Depreciation/ amortisation for the year	-	13.75	197.01	2,684.43	71.25	84.70	46.22	3,097.36
Adjustments/ disposals	-	-	-	-	-	(3.85)	-	(3.85)
Balance at 31 March 2017	-	13.75	2,039.40	37,688.32	486.31	619.69	1,472.92	42,320.39
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**
Adjustments/ disposals	-	-	-	-	-	-	-	-
Balance at 31 March 2018	-	**27.50**	**2,238.03**	**40,437.65**	**554.81**	**691.95**	**1,511.74**	**45,461.68**
Carrying amounts (net)								
At 31 March 2017	3,667.15	320.41	5,332.32	100,265.45	250.57	273.96	187.52	110,297.38
At 31 March 2018	**3,707.15**	**306.66**	**5,336.25**	**99,591.14**	**207.95**	**281.99**	**249.44**	**109,680.58**

Notes:

(a) As at 31 March 2018, Property, plant and equipment with carrying amount of **Rs 106,036.35 lakhs** (31 March 2017: Rs 106,423.43 lakhs) are subject to first charge to secure borrowings (refer note 19).

(b) Closing gross carrying amount includes Research and development assets (Building, Plant and equipment, Furniture and fittings and Office equipment) of **Rs 1,446.01 lakhs** (31 March 2017: Rs 1,254.12 lakhs) and Net Block of **Rs 916.29 lakhs** (31 March 2017: Rs 815.95 lakhs). Additions for the Research and development assets during the year 2017-18 is **Rs 191.89 lakhs.**

(c) During the previous year ended 31 March 2017, on the basis of technical report obtained from an independent valuer, the management had reassessed estimated useful life of Plant and equipment and Buildings with effect from 1 April 2016. As a result, the depreciation charge for the previous year ended 31 March 2017 was lower by Rs 2,859.93 lakhs and profit before tax for the previous year ended 31 March 2017 was higher by Rs 2,859.93 lakhs.

For Himadri Speciality Chemical Ltd
B L Choudhary
Managing Director
DIN: 00173792

Chemical Ltd
Executive Director

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

5. Capital work-in-progress

See accounting policy in note 3(d)

	31 March 2018	31 March 2017
At the beginning of the year	**936.45**	2,732.70
Additions during the year	**3,275.96**	1,376.99
Capitalised during the year	**(2,444.40)**	(3,173.24)
At the end of the year	**1,768.01**	936.45

Capital work-in-progress includes:

Expenditure incurred during construction period on substantial expansion / new manufacturing facility of the Company, given below:

	31 March 2018	31 March 2017
At the beginning of the year	**17.46**	198.84
Additions during the year:		
Employee benefits expense	**48.50**	11.68
Power and fuel	**-**	1.66
Rates and taxes	**50.00**	7.80
Repairs	**-**	1.05
Rent	**-**	3.73
Miscellaneous expenses (includes consultancy charges, inspection charges, testing charges, etc.)	**108.39**	52.53
	206.89	78.45
Less: Capitalised during the year	**-**	259.83
At the end of the year	**224.35**	17.46

6. Intangible assets

See accounting policies in note 3(e) and (f)

Reconciliation of carrying amount

	Computer Software	Total
Cost or deemed cost (Gross carrying amount)		
Balance at 1 April 2016	-	-
Additions	-	-
Disposals/ Discard	-	-
Balance at 31 March 2017	-	-
Balance at 1 April 2017	-	-
Additions*	**236.27**	**236.27**
Disposals/ Discard	-	-
Balance at 31 March 2018	**236.27**	**236.27**
Accumulated amortisation		
Balance at 1 April 2016	-	-
Amortisation for the year	-	-
Adjustments/ Disposals	-	-
Balance at 31 March 2017	-	-
Balance at 1 April 2017	-	-
Amortisation for the year	**0.13**	**0.13**
Adjustments/ Disposals	-	-
Balance at 31 March 2018	**0.13**	**0.13**
Carrying amounts (net)		
At 31 March 2017	-	-
At 31 March 2018	**236.14**	**236.14**

* Capitalised on 31 March 2018

For Himadri Speciality Chemical Ltd

Executive Director

For Himadri Speciality Chemical Ltd

Managing Director
DIN: 00173792

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

7. Investments

See accounting policies in note 3(c)(i) - (ii), (c)(v) and (f)(i)

A. Non-current investments

	31 March 2018	31 March 2017
Investments in subsidiaries carried at cost		
Equity instruments		
10,000 (31 March 2017: 10,000) equity shares of Equal Commodeal Private Limited, a wholly-owned subsidiary (face value - Rs 10 each, fully paid-up)	**1.00**	1.00
Debentures or bonds		
800 (31 March 2017: 800) 1.50% Fully Convertible Debentures in Equal Commodeal Private Limited, a wholly-owned subsidiary (face value - Rs 1,000,000 each, fully paid-up)	**8,000.00**	8,000.00
	8,001.00	8,001.00
Equity instruments carried at fair value through other comprehensive income (FVOCI)		
Quoted		
334,900 (31 March 2017: 334,900) equity shares of Himadri Credit & Finance Limited (face value - Rs 10 each)	**5,790.09**	1,796.07
8,000 (31 March 2017: 8,000) equity shares of Transchem Limited (face value - Rs 10 each)	**2.60**	1.80
	5,792.69	1,797.87
Unquoted		
720,000 (31 March 2017: 720,000) equity shares of Himadri Dyes & Intermediates Limited (face value - Rs 10 each)	**12,109.68**	3,755.52
17,000 (31 March 2017: 17,000) equity shares of Himadri e-Carbon Limited (face value - Rs 10 each)	**1.52**	1.56
493,300 (31 March 2017: 493,300) equity shares of Himadri Industries Limited (face value - Rs 10 each)	**9,419.07**	3,102.36
	21,530.27	6,859.44
Government securities (unquoted) carried at amortised cost		
Kisan Vikas Patra (Deposited with sales tax authorities)	**0.07**	0.07
Total	**35,324.03**	16,658.38
Aggregate book value of quoted investments	**5,792.69**	1,797.87
Aggregate market value of quoted investments	**5,792.69**	1,797.87
Aggregate value of unquoted investments	**29,531.34**	14,860.51

The Company, on 31 March 2014, invested in 800, 1.50% Optionally Convertible Debentures ("OCDs") of face value of Rs 1,000,000 each of Equal Commodeal Private Limited, aggregating to Rs 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 Equal Commodeal Private Limited.

During the previous 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 stand as Fully Convertible Debentures (FCD) into equity shares, at par, of full value of Rs 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.

For Himadri Speciality Chemical Ltd
B L Choudhary
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
S S Choudhary
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
K Agarwal
Chief Financial Officer

Amount in Rupees Lakhs

B. Current investments

	31 March 2018	31 March 2017
Mutual funds (quoted) carried at fair value through profit or loss		
Nil (31 March 2017: 187,180) units of UTI Banking & PSU Debt Fund - Direct Plan - Growth	-	25.08
	-	25.08
Aggregate book value of quoted investments	-	22.76
Aggregate market value of quoted investments	-	25.08

Investments in mutual funds amounting to **Rs Nil** (31 March 2017: Rs 25.08 lakhs) are pledged with banks against various credit facilities availed by the Company.

Information about the Company's exposure to fair value measurement, credit and market risk and are included in note 42 and note 43.

C. Equity shares designated at fair value though other comprehensive income (FVOCI)

As at 1 April 2016, the Company designated the investments shown below as equity instruments at FVOCI because these equity instruments represent investments that the Company intends to hold for long-term for strategic purposes.

	Fair value as at	Dividend income recognised during	Fair value as at	Dividend income recognised during	Fair value as at
	31 March 2018	2017-18	31 March 2017	2016-17	31 March 2016
Investment in ACC Limited	-	0.08	-	0.22	17.60
Investment in Himadri Credit & Finance Limited	5,790.09	-	1,796.07	-	496.99
Investment in New Delhi Television Limited	-	-	-	-	1.49
Investment in Transchem Limited	2.60	-	1.80	-	1.40
Investment in Himadri Dyes & Intermediates Limited	12,109.68	-	3,755.52	-	1,437.84
Investment in Himadri e-Carbon Limited	1.52	-	1.56	-	1.56
Investment in Himadri Industries Limited	9,419.07	-	3,102.36	-	1,210.07
	27,322.96	0.08	8,657.31	0.22	3,166.95

Equity shares of ACC Limited and New Delhi Television Limited were sold for **Rs Nil** (31 March 2017: Rs 19.31 lakhs).

8. Trade receivables

	31 March 2018	31 March 2017
Secured		
- Considered good	885.25	294.01
Unsecured		
- Considered good	26,902.22	22,065.84
- Considered doubtful	417.01	417.01
	27,319.23	22,482.85
Less: Loss for allowances		
- Provision for doubtful debts	417.01	417.01
	26,902.22	22,065.84
Non-current	798.79	798.79
Current	26,988.68	21,561.06
	27,787.47	22,359.85

(a) For receivables secured against borrowings, refer note 19.

(b) Non-current trade receivables include an amount of **Rs 798.79 lakhs** (31 March 2017: Rs 798.79 lakhs) due from a customer which is currently under arbitration. Based on the merits of the case, the management believes that the outcome of the said proceedings would be in favour of the Company.

(c) 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.

(d) Information about the Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 43.

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

9. Cash and cash equivalents

See accounting policy in note 3(r)

	31 March 2018	31 March 2017
Cash on hand	15.49	13.20
Balances with banks		
- On current accounts	1,184.52	430.18
- On EEFC accounts	78.02	582.52
- On deposit account (with original maturities up to 3 months)	440.01	106.82
	1,718.04	1,132.72

10. Bank balances other than cash and cash equivalents

	31 March 2018	31 March 2017
Bank deposits due to mature after 3 months of original maturities but within 12 months of the reporting date	1,401.03	2,436.67
Fixed deposits held as margin money	0.27	0.27
Earmarked balances with banks for unpaid dividend accounts	29.77	29.12
	1,431.07	2,466.06

Details of balance with banks on deposit accounts

	31 March 2018	31 March 2017
Deposits due to mature within 3 months of the reporting date included under 'Cash and cash equivalents' (refer note 9)	440.01	106.82
Deposits due to mature after 3 months of original maturities but within 12 months of the reporting date included under 'Other bank balances' (refer note 10)	1,401.03	2,436.67
Deposits due to mature after 12 months of the reporting date included under 'Other financial assets - non-current' (refer note 12)	2.99	5.98
	1,844.03	2,549.47

Bank deposits **Rs 1,844.03 lakhs** (31 March 2017: Rs 2,549.47 lakhs) have been pledged with the banks against various credit facilities availed by the Company.

11. Loans

(Unsecured, considered good)

	31 March 2018	31 March 2017
Non-current		
Security and other deposits	1,641.04	1,874.11
Loan to employees	30.00	-
To related party - wholly owned subsidiary		
Loan given to Equal Commodeal Private Limited (refer note 40)	3,047.25	625.84
	4,718.29	2,499.95
Current		
Security and other deposits	153.35	304.04
Loan to employees	114.88	114.52
	268.23	418.56
	4,986.52	2,918.51

12. Other financial assets

	31 March 2018	31 March 2017
Non-current		
Bank deposits due to mature after 12 months of the reporting date	2.99	5.98
Interest accrued on fixed deposits	0.05	0.73
	3.04	6.71
Current		
To parties other than related parties		
Interest accrued on fixed deposits	35.96	90.03
Insurance claim receivable	126.13	173.94
Income tax refundable	11.50	6.08
Export incentive receivable	20.42	36.48
Government grants receivable	557.06	557.06
Other receivables	1.08	0.67
To related parties		
Interest receivable from a subsidiary - Equal Commodeal Private Limited (refer note 40)	60.25	79.29
Guarantee fee receivable from a subsidiary - AAT Global Limited	-	118.71
	812.40	1,062.26
	815.44	1,068.97

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For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173...

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

13. Non-current tax assets (net)

	31 March 2018	31 March 2017
Advance income tax [net of provision for income tax **Rs 7,370.43 lakhs** (31 March 2017: Rs 4,725.98 lakhs)]	**486.68**	409.72
	486.68	409.72

14. Other non-current assets
(Unsecured, considered good)

	31 March 2018	31 March 2017
Capital advances	**1,947.13**	124.57
Advances other than capital advances		
- Deposit against demands in dispute	**768.24**	343.95
Other advances		
- Prepaid expenses	**2,601.66**	2,247.73
	5,317.03	2,716.25

15. Inventories
(Valued at the lower of cost and net realisable value)

See accounting policy in note 3(i)

	31 March 2018	31 March 2017
Raw materials [including goods-in-transit **Rs 2,483.64 lakhs** (31 March 2017: Rs 3,433.52 lakhs)]	**16,327.70**	15,321.01
Work-in-progress	**8,811.51**	8,213.90
Finished goods	**13,846.80**	13,672.78
Packing materials	**236.45**	214.02
Stores and spares	**2,297.33**	1,785.34
	41,519.79	39,207.05

Carrying amount of inventories pledged as securities for borrowings, refer note 19.

16. Other current assets
(Unsecured considered good unless otherwise stated)

	31 March 2018	31 March 2017
To parties other than related parties		
Advances for supplies		
Unsecured, considered good	**7,077.08**	6,053.24
Unsecured, considered doubtful	**46.76**	46.76
	7,123.84	6,100.00
Less: Provision for doubtful advances	**46.76**	46.76
	7,077.08	6,053.24
Others		
Balance with goods and service tax authorities	**1,941.18**	-
Balance with excise authorities	**-**	2,013.52
Sales tax deposit and VAT receivable	**-**	465.08
Other receivables	**434.87**	560.53
To related party		
Advance for supplies: AAT Global Limited (refer note 40)	**773.63**	288.67
	10,226.76	9,381.04

Advances for supplies includes **Rs 1,086.76 lakhs** (31 March 2017: Rs 833.93 lakhs) as advance given in earlier years against supply of raw materials which is currently under arbitration. Based on the merits of the case, the management believes that the outcome of the said proceedings would be in favour of the Company.

Other receivables includes prepaid expenses and advance for expenses.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

17. Equity share capital

See accounting policy in note 3(p)

	31 March 2018	31 March 2017
Authorised		
700,000,000 (31 March 2017: 700,000,000) equity shares of Re 1 each	**7,000.00**	7,000.00
Issued, subscribed and fully paid-up		
418,407,867 (31 March 2017: 418,407,867) equity shares of Re 1 each	**4,184.08**	4,184.08
	4,184.08	4,184.08

A. Reconciliation of equity shares (ordinary shares) outstanding at the beginning and at the end of the reporting year

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
At the commencement of the year	**418,407,867**	**4,184.08**	418,407,867	4,184.08
Add: Issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	**418,407,867**	**4,184.08**	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 Re 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. Employee stock option

See accounting policy in note 3(g)(ii).

The terms attached to stock options granted to employees are described in note 39 regarding share based payment.

D. Shares held by upstream associates (shareholders of the Company) having significant influence over the Company

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
BC India Investments	**103,178,860**	**1,031.79**	103,178,860	1,031.79
Himadri Dyes & Intermediates Limited	**98,284,310**	**982.84**	98,284,310	982.84

E. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2018		31 March 2017	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of Re 1 each fully paid up held by:				
BC India Investments	**103,178,860**	**24.66%**	103,178,860	24.66%
Himadri Dyes & Intermediates Limited	**98,284,310**	**23.49%**	98,284,310	23.49%
Himadri Industries Limited	**46,140,000**	**11.03%**	46,140,000	11.03%
Himadri Coke & Petro Limited	**38,175,297**	**9.12%**	38,175,297	9.12%

F. Shares reserved for issue under options

	31 March 2018		31 March 2017	
	Number	Amount	Number	Amount
Under Employee Stock Option Plan, 2016 (ESOP 2016): **1,281,100** (31 March 2017: 1,304,600) equity shares of Re 1 each, at an exercise price of Rs 19 per share (see note 39)	**1,281,100**	**12.81**	1,304,600	13.05

G. 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 Re 1 each have been allotted as fully paid up pursuant to conversion of Deep Discount Debentures (DDD) into 32,675,297 equity shares of Re 1 each at a price of Rs 19 per equity share (including a premium of Rs 18 per equity share) on 25 March 2016 to Himadri Coke & Petro Limited, a related party, on preferential basis for consideration other than cash.

For Himadri Speciality Chemical Ltd

B L Choudhary

Managing Director

For Himadri Speciality Chemical Ltd

S S Choudhary

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

18. Other equity

Components	Note	1 April 2017	Movement during the year (net)	31 March 2018	1 April 2016	Movement during the year (net)	31 March 2017
Capital reserve	a	**1,280.50**	**-**	**1,280.50**	1,280.50	-	1,280.50
Security premium reserve	b	**45,365.53**	**-**	**45,365.53**	45,365.53	-	45,365.53
Debenture redemption reserve	c	**4,214.27**	**(1,321.44)**	**2,892.83**	3,535.71	678.56	4,214.27
General reserve	d	**13,669.94**	**1,750.00**	**15,419.94**	13,669.94	-	13,669.94
Share option outstanding reserve	e	**25.40**	**103.79**	**129.19**	-	25.40	25.40
Retained earnings	f	**33,506.06**	**23,311.73**	**56,817.79**	26,330.73	7,175.33	33,506.06
Effective portion of cash flow hedge	g	**(184.69)**	**184.69**	**-**	(2,511.28)	2,326.59	(184.69)
Equity instruments through OCI	h	**5,748.67**	**13,794.02**	**19,542.69**	239.00	5,509.67	5,748.67
		103,625.68	**37,822.79**	**141,448.47**	87,910.13	15,715.55	103,625.68

The description, nature and purpose of each reserve within equity are as follows:

(a) Capital reserve: Capital reserve represents profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments.

(b) Security premium reserve: Security premium reserve 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.

(c) Debenture redemption reserve (DRR): The Company has 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.

The movement is on account of following:
(i) On redemption of 9.6% redeemable non-convertible debentures, **Rs 1,750 lakhs** (31 March 2017: Rs Nil) lying in DRR was transferred to General reserve. The Company has complied with requisite provisions of the Act, as applicable.
(ii) **Rs 428.56 lakhs** (31 March 2017: Rs 678.56 lakhs) was transferred from Retained earnings to DRR for the purpose of redemption of debentures.

(d) General reserve: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.
On redemption of 9.6% redeemable non-convertible debentures, **Rs 1,750 lakhs** (31 March 2017: Rs Nil) lying in Debenture redemption reserve was transferred to General reserve.

(e) 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.

(f) Retained earnings

It comprise of accumulated profit/ (loss) of the Company. The movement is on account of following:
(i) **Rs 24,257.46 lakhs** (31 March 2017: Rs 8,117.37 lakhs) was on account of profit made by the Company.
(ii) **Rs 428.56 lakhs** (31 March 2017: Rs 678.56 lakhs) was transferred to debenture redemption reserve for the purpose of redemption of debentures.
(iii) **Rs 13.58 lakhs** (31 March 2017: Rs 11.69 lakhs) was on account of remeasurement of defined benefit liability/asset.
(iv) **Rs 503.59 lakhs** (31 March 2017: Rs 251.79) was on account of dividend distribution (inclusive of dividend distribution tax).

(g) 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.

(h) Equity instruments through OCI: The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. 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 securities are derecognised.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

19. Borrowings

See accounting policy in note 3(b) and (c)(i) - (ii)

	Interest	Maturity	31 March 2018	31 March 2017
Non-current borrowings				
500 (31 March 2017: 500) 12.50% Redeemable non-convertible debentures of Rs 1,000,000 each (secured)	12.50%	2020-2021	**5,000.00**	5,000.00
2,500,000 (31 March 2017: 2,500,000) 10% Redeemable non-convertible debentures of Rs 400 each (secured)	10.00%	2020-2021	**10,000.00**	10,000.00
Nil (31 March 2017: 1,000) 9.60% Redeemable non-convertible debentures of Rs 1,000,000 each (secured)			**-**	9,990.43
			15,000.00	24,990.43
Term loans				
Rupee term loan (secured)	refer note (b) below			
From banks			**13,106.76**	12,017.61
Foreign currency loans (secured)	refer note (b) below			
From banks			**1,324.37**	1,733.04
From others			**-**	2,640.66
			14,431.13	16,391.31
Loan against vehicles and equipment (secured)	8.3%-11%	2017-2020	**161.77**	100.16
Deferred payment liabilities				
Sales tax deferment (unsecured)			**-**	61.42
			29,592.90	41,543.32
Less: Current maturities of long-term debt (refer note 22)			**6,473.72**	2,840.20
			23,119.18	38,703.12

	31 March 2018	31 March 2017
Current borrowings		
Secured		
From banks (Repayable on demand)		
Rupee loans	**3,554.62**	10,389.48
Foreign currency loans	**19,402.29**	17,539.28
	22,956.91	27,928.76
From others		
Rupee loan	**1,500.00**	1,666.88
Unsecured		
From banks (Repayable on demand)		
Rupee loans	**9,587.02**	2,626.95
Foreign currency loans	**2,378.60**	-
From others (Rupee loan repayable on demand)	**-**	1,646.35
	36,422.53	33,868.94

Information about the Company's exposure to interest rate, currency and liquidity risks related to borrowings is disclosed in note 43.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

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Kolkata
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For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

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 Rs 1,000,000 each aggregating Rs 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 Rs 400 each aggregating Rs 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.

(iii) The Company, on 28 June 2010, had issued 1,000 9.60% Redeemable non-convertible debentures of face value of Rs 1,000,000 each aggregating Rs 10,000 lakhs to be redeemed at par at the end of 10 years from the date of allotment on private placement basis to ICICI Bank Limited. These debentures can be redeemed at par on or after 7 years from the date of allotment, at the option of the either party. During the current year, the debenture holder has exercised its put option of redemption and accordingly these Non-convertible debentures were redeemed on 28 June 2017.

(b) Term loans

Name of the lender	Interest	Repayment schedule	31 March 2018	31 March 2017
(i) Rupee term loans				
Axis Bank Limited [**Rs 1,950.00 lakhs** (31 March 2017: Rs 7,050.00 lakhs)]	6 Month MCLR + 1.70%	Repayable in April 2018	**1,950.00**	7,050.00
Axis Bank Limited [**Rs 8,334.00 lakhs** (31 March 2017: Rs Nil)]	6 Month MCLR + 0.35%	Repayable at quarterly rest: 8 of Rs 833.00 10 of Rs 167.00	**8,311.16**	-
IDFC Bank [**Rs 2,850.00 lakhs** (31 March 2017: Rs Nil)]	12 Month MCLR + 0.15%	Repayable at quarterly rest: 19 of Rs 150.00	**2,845.60**	-
State Bank of India [**Rs Nil** (31 March 2017: Rs 4,967.61)]			-	4,967.61

Name of the lender	Interest	Repayment schedule	31 March 2018	31 March 2017
(ii) Foreign currency term loans				
ICICI Bank Limited [**JPY 2,152.78 lakhs** (31 March 2017: JPY 3,013.89 lakhs)]	6 Month JPY Libor + 2.00%	JPY 430.56 - repayable in 5 half yearly rest	**1,324.82**	1,733.04
International Finance Corporation [**USD Nil** (31 March 2017: USD 15.00 lakhs)]			-	971.09
DEG- Deutsche Investitionsund Entwicklungsgesellschaft MBH [**USD Nil** (31 March 2017: USD 26.25 lakhs)]			-	1,669.57

(iii) The Company had been granted sales tax deferment by the Government of Andhra Pradesh under the "Target 2000 - New Industrial Policy". The same is repayable from the end of the 14th year without payment of interest during the period from August 2014 to October 2017. During the current year, the Company has made repayment of **Rs 61.42 lakhs** (31 March 2017: Rs 102.46 lakhs).

(iv) Loans against vehicles and equipments are for a period of three to five years and repayable by way of equated monthly instalments.

For Himadri Speciality Chemical Ltd.
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

B. Details of security

(i) 12.50% and 10% Redeemable non-convertible debentures issued to Life Insurance Corporation of India, aggregating to Rs 15,000 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.

Further rupee term loan from State Bank of India being personally guaranteed by the promoter directors of the Company.

(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 equipment are secured by way of hypothecation of the underlying asset financed.

(v) Working capital loans from banks aggregating to **Rs 24,456.91 lakhs** (31 March 2017: Rs 29,595.64 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 **Rs 12,848.15 lakhs** (31 March 2017: Rs 2,655.47 lakhs) is also secured by subservient charge on moveable property, plant and equipment of the Company. These loans include **Rs 1.90 lakhs** (31 March 2017: Rs 1,038.19 lakhs), being personally guaranteed by the promoter directors of the Company.

20. Trade payables

	31 March 2018	31 March 2017
Dues to micro enterprises and small enterprises (to the extent identified with available information) (refer note 48)	**200.58**	187.69
Trade payables (other than micro enterprises and small enterprises)	**11,625.64**	14,743.69
	11,826.22	14,931.38
Non-current	-	-
Current	**11,826.22**	14,931.38
	11,826.22	14,931.38

Informaton about the Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 43.

21. Derivatives

See accounting policy in note 3(c)(v)

	31 March 2018	31 March 2017
Foreign exchange forward/ interest rate swap contracts used for hedging	-	184.69
Other foreign exchange forward/ interest rate swap/ option contracts	**769.56**	5,292.03
	769.56	5,476.72
Non-current	**583.65**	882.32
Current	**185.91**	4,594.40
	769.56	5,476.72

Information about the Company's exposure to interest rate and currency risks related to derivatives is disclosed in note 43.

B S R & Co. LLP
Kolkata
Chartered Accountants

B K Choudhary
Managing Director

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

22. Other financial liabilities

	31 March 2018	31 March 2017
Non-current		
Other payables	**25.77**	25.77
	25.77	25.77
Current		
Current maturities of long-term debts (refer note 19)	**6,473.72**	2,840.20
Interest accrued	**699.06**	598.76
Unclaimed dividend	**29.77**	29.12
Liability for capital goods	**260.58**	139.33
Financial guarantee liability	**-**	0.70
Other payables	**196.42**	358.67
	7,659.55	3,966.78

(a) There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2018.

(b) Other payables includes amount due towards Employee benefits expense and Security deposits.

(c) Information about the Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 43.

23. Other current liabilities

	31 March 2018	31 March 2017
Statutory dues	**1,921.58**	2,533.37
Advance from customers	**3,835.73**	634.31
	5,757.31	3,167.68

24. Provisions

See accounting policies in note 3(g) and (h)

	31 March 2018	31 March 2017
Provisions for employee benefits		
Net defined benefit liability - Gratuity (refer note 38)	**176.80**	100.44
Liability for compensated absences	**40.24**	18.19
Total provisions for employee benefits (A)	**217.04**	118.63
Other provisions		
Provision for litigation		
Balance at the beginning of the year	**78.42**	78.42
Provisions made during the year	**-**	-
Provision reversed/ utilised	**-**	-
Balance at the end of the year	**78.42**	78.42
Total other provisions (B)	**78.42**	78.42
Total provisions (A+B)	**295.46**	197.05
Non-current	**255.22**	178.86
Current	**40.24**	18.19
	295.46	197.05

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 Rs 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. The carrying amount at the beginning of the year was Rs 78.42 lakhs, provision of **Rs Nil** made during the year and the closing amount of **Rs 78.42 lakhs** is carried forward at the end of the year and neither the amount has been used nor the used amount reversed during the year under audit.

25. Current tax liabilities (net)

	31 March 2018	31 March 2017
Income tax liabilities [net of advance tax **Rs 7,531.30 lakhs** (31 March 2017: Rs 2,335.44 lakhs)]	**78.59**	309.01
	78.59	309.01

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd

Managing Director

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

26. Revenue from operations

See accounting policies in note 3(j) and (k)

	Year ended 31 March 2018	Year ended 31 March 2017
Sale of products (including excise duty) (A) *	**202,105.25**	146,557.40
Other operating revenue		
- Government grants (refer note 46)	-	557.06
- Export incentives	**47.05**	10.96
Total other operating revenue (B)	**47.05**	568.02
Total revenue from operations (A+B)	**202,152.30**	147,125.42

* Upto 30 June 2017, Revenue from operations are gross of excise duty. Effective 1 July 2017, Revenue from operations are disclosed net of Goods and Service Tax. Accordingly, the figures for the previous year is not comparable.

27. Other income

	Year ended 31 March 2018	Year ended 31 March 2017
Interest Income under the effective interest method on:		
- Interest on fixed deposits with banks	**101.82**	190.99
- Income from a related party:		
- On loan given to a wholly owned subsidiary	**196.89**	49.70
- On FCD to a wholly owned subsidiary	-	120.00
- On guarantee provided to a subsidiary	**7.28**	36.76
- Unwinding of discount on security deposits and others	**227.27**	166.63
Dividend income on equity securities at FVOCI	**0.08**	0.22
Gain on sale of current investments at FVTPL	**11.35**	29.57
Insurance claims	**112.46**	27.94
Net foreign exchange gain	**27.79**	-
Net gain on sale of property, plant and equipment	-	39.21
Gain on fair valuation of investments at FVTPL	**0.63**	65.56
Miscellaneous income	**91.16**	63.29
	776.73	789.87

28. Cost of materials consumed

	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of raw materials at the beginning of the year	**15,321.01**	7,042.72
Add: Purchases	**134,256.09**	96,331.09
	149,577.10	103,373.81
Less: Inventory of raw materials at the end of the year	**16,327.70**	15,321.01
Cost of materials consumed	**133,249.40**	88,052.80

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

29. Change in inventories of finished goods and work-in-progress

See accounting policy in note 3(i)

	Year ended 31 March 2018	Year ended 31 March 2017
Opening inventories		
Finished goods	13,672.78	13,805.83
Work-in-progress	8,213.90	8,726.72
	21,886.68	22,532.55
Closing inventories		
Finished goods	13,846.80	13,672.78
Work-in-progress	8,811.51	8,213.90
	22,658.31	21,886.68
	(771.63)	645.87

30. Employee benefits expense

See accounting policy in note 3(g)

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages and bonus	3,902.39	3,073.81
Contribution to provident and other funds	195.70	140.60
Gratuity (refer note 38)	85.59	28.80
Share based payments- Equity settled (refer note 39)	103.79	25.40
Staff welfare expenses	375.63	316.78
	4,663.10	3,585.39

Salaries, wages and bonus includes **Rs 267.00 lakhs** (31 March 2017: Rs 256.35 lakhs) relating to outsource manpower cost.

31. Finance costs

See accounting policy in note 3(o)

	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost	6,184.75	7,410.05
Exchange difference regarded as an adjustment to borrowing costs	420.20	75.05
Other borrowing costs	438.03	562.35
	7,042.98	8,047.45

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Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

32. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spares	334.90	357.31
Power and fuel * [refer note (a) below]	1,192.92	1,125.89
Excise duty related to increase/ (decrease) in inventory of finished goods	(1,827.07)	(166.99)
Rent	423.33	443.44
Rates and taxes	106.17	539.78
Repairs to *:		
- Building	51.98	63.23
- Plant and equipment	1,546.26	1,457.59
- Others	468.19	379.69
Payment to auditor's [refer note (b) below]	69.29	50.91
Rebates and discounts	275.41	238.80
Insurance	139.99	173.76
Packing expenses	1,496.35	1,372.07
Freight and forwarding expenses	6,215.94	5,803.91
Commission on sales	1,030.86	934.55
Net foreign exchange loss	-	2,002.89
Expenditure on corporate social responsibility [refer note (c) below]	33.03	14.70
Miscellaneous expenses	3,419.15	2,646.55
	14,976.70	17,438.08
* includes stores and spares consumed.	1,766.12	1,275.79

(a) Power and fuel includes expenses incurred on operation of the power plant

	Year ended 31 March 2018	Year ended 31 March 2017
Consumption of stores and spares	151.52	96.96
Repairs	179.68	126.06
Other operational expenses	15.13	16.15
	346.33	239.17

(b) Payment to auditor's

	Year ended 31 March 2018	Year ended 31 March 2017
As auditor's:		
- Statutory audit	40.50	30.50
- Tax audit	-	-
- Limited review of quarterly results	4.50	6.00
In other capacity:		
- Other services	18.86	10.38
Reimbursement of expenses	5.43	4.03
	69.29	50.91

(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 as per the Act.

	Year ended 31 March 2018	Year ended 31 March 2017
(a) Amount required to be spent by the Company during the year	57.34	-
(b) Amount spent during the year (in cash)		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	33.03	14.70
	33.03	14.70

B S R & Co. LLP Chartered Accountants Kolkata

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For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

33. Income tax

See accounting policy in note 3(n)

A. Amount recognised in profit or loss

		31 March 2018	31 March 2017
Current tax			
Current period		7,609.88	2,644.45
	(a)	7,609.88	2,644.45
Deferred tax charge			
Attributable to-			
Origination and reversal of temporary differences		3,725.16	1,578.31
	(b)	3,725.16	1,578.31
Tax expense reported in the Standalone Statement of Profit and Loss [(a)+(b)]		11,335.04	4,222.76

B. Income tax recognised in OCI

	31 March 2018	31 March 2017
Deferred tax related to items recognised in OCI during the year		
Tax income on net loss on remeasurements of defined benefit plans	(7.20)	(6.19)
Tax income on net gain on change in fair value of equity instruments	4,871.63	-
Tax expense reported in the Standalone Statement of Profit and Loss	4,864.43	(6.19)

C. Reconciliation of effective tax rate for the year ended 31 March 2018

	Percentage	Amount
Profit before tax		35,592.50
Tax using the Indian tax rate	34.61%	12,317.85
Effects of the amount which are not deductible in calculating taxable income		
Non - deductible expenses for tax purposes	0.29%	102.34
Tax exempt income/ additional deduction as per income tax	(3.05%)	(1,085.15)
Effective tax rate	31.85%	11,335.04

Reconciliation of effective tax rate for the year ended 31 March 2017

	Percentage	Amount
Profit before tax		12,340.13
Tax using the Indian tax rate	34.61%	4,270.67
Effects of the amount which are not deductible in calculating taxable income		
Non - deductible expenses for tax purposes	0.64%	79.06
Tax exempt income / additional deduction as per income tax	(1.03%)	(126.97)
Effective tax rate	34.22%	4,222.76

For Himadri Speciality Chemical Ltd

Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd

Executive Director

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

D. Recognised deferred tax assets and liabilities

	Balance as on 1 April 2017	(Charged) / credited to profit or loss	Charged / (credited) to OCI	Balance as on 31 March 2018
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 entitlement	**(7,853.02)**	**(7,609.88)**	**-**	**(15,462.90)**
Fair valuation of Investments	**-**	**-**	**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**
Disclosed as				
Deferred tax assets	**(7,853.02)**			**(15,462.90)**
Deferred tax liabilities (net)	**8,974.27**			**25,173.74**
	1,121.25			**9,710.84**

	Balance as on 1 April 2016	(Charged) / credited to profit or loss	Charged / (credited) to OCI	Balance as on 31 March 2017
Property, plant and equipment	18,736.42	1,778.01	-	20,514.43
Trade receivables	(147.81)	3.73	-	(144.08)
Loans	(49.51)	(29.29)	-	(78.80)
Other assets	(16.18)	-	-	(16.18)
Borrowings	(215.56)	11.80	-	(203.76)
Other financial liabilities	(2,032.22)	73.23	-	(1,958.99)
Share based payments- Equity settled	-	-	-	-
Provisions	(29.12)	-	(6.19)	(35.31)
MAT credit entitlements	(5,208.57)	(2,644.45)	-	(7,853.02)
Fair valuation of Investments	-	-	-	-
Tax losses carried forward	(11,488.32)	2,385.28	-	(9,103.04)
Net deferred tax liabilities	(450.87)	1,578.31	(6.19)	1,121.25
Disclosed as				
Deferred tax assets	(5,208.57)			(7,853.02)
Deferred tax liabilities (net)	4,757.70			8,974.27
	(450.87)			1,121.25

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

34. Earnings per share (EPS)
See accounting policy in note 3(t)

A. Basic earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

(i) Profit attributable to equity shareholders (basic)

	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year, attributable to the equity holders	**24,257.46**	8,117.37
(ii) Weighted average number of equity shares (basic)		
At the beginning of the year	**418,407,867**	418,407,867
Impact of new issue of equity shares	-	-
Weighted average number of equity shares (basic) for the year	**418,407,867**	418,407,867
Basic earnings per share [(i)/ (ii)]	**5.80**	1.94

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)

	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year, attributable to the equity shareholders (diluted)	**24,257.46**	8,117.37
(ii) Weighted average number of equity shares (diluted)		
Weighted average number of equity shares (basic)	**418,407,867**	418,407,867
Effect of Potential equity shares to be issued	-	-
Weighted average number of equity shares (diluted) for the year	**418,407,867**	418,407,867
Diluted earnings per share [(i)/ (ii)]	**5.80**	1.94

1,281,100 (31 March 2017: 1,304,600) number of employee stock options has an anti dilutive effect.

35. Contingent liability and commitments
(to the extent not provided for)

	31 March 2018	31 March 2017
a) Claim against the Company not acknowledged as debt		
(i) Sales tax/VAT matters in dispute/ under appeal	**4,230.80**	3,100.36
(ii) Excise/ Service Tax matters in dispute/under appeal	**2,960.91**	1,228.00
(iii) Custom duty matter in dispute/ under appeal	**491.76**	28.83
(iv) Entry tax in dispute/ under appeal - West Bengal	**4,317.89**	3,427.55
(v) Entry tax in dispute/ under appeal - Chhattisgarh	**465.71**	426.65
(vi) Income tax in dispute/ under appeal	**633.81**	633.81
(vii) Others	**266.71**	-

For Himadri Speciality Chemical Ltd
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DIN: 00173792

B S R & Co. LLP Kolkata Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

	31 March 2018	31 March 2017
b) Capital and other commitments		
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	**24,573.37**	1,092.40
(ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods Scheme (EPCG)	**6,768.62**	4,371.37
c) Guarantee outstanding		
Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary	-	1,945.16

Note:

(i) Cash outflows for the above are determinable only on receipt of 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 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.

(iii) The Company had issued corporate guarantee in favour of banker on behalf of its one step down subsidiary - AAT Global Limited for the purpose of availing working capital loan. This corporate guarantee was issued in USD.

(iv) A search u/s 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 previous 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. Notice has been received by the Company on 20 April 2017 and the Company 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). The management as per internal assessment and based on independent legal opinion, does not foresee any material financial liability on this account.

36. Operating leases

See accounting policy in note 3(m)

(a) 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:

	31 March 2018	31 March 2017
Not later than one year	**9.22**	1.92
Later than one year and not later than five years	**36.86**	7.68
More than five years	**86.18**	16.96

(b) 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 **Rs 167.50 lakhs** (31 March 2017: Rs 187.34 lakhs) has been included as rent in note 32 'Other expenses'.

37. Research and development expenses

See accounting policy in note 3(e)

Research and development expenses aggregating to **Rs 326.22 lakhs** (31 March 2017: Rs 257.44 lakhs) in the nature of revenue expenditure and **Rs 191.89 lakhs** (31 March 2017: Rs 94.56 lakhs) in the nature of capital expenditure have been included under the relevant account heads.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Company Secretary

38. Assets and Liabilities relating to employee benefits

See accounting policy in note 3(g)

Statement of Assets and Liabilities for defined benefit obligation

	31 March 2018	31 March 2017
Net defined benefit asset - Gratuity Plan	**159.78**	127.02
Net defined benefit obligation - Gratuity Plan	**(336.58)**	(227.46)
Total employee benefit liabilities	**(176.80)**	(100.44)
Non-current	**(176.80)**	(100.44)
Current	-	-

For details about the related employee benefit expenses, refer note 30.

Defined contribution

The expense for defined contribution plans amounted to **Rs 168.64 lakhs** (31 March 2017: Rs 133.39 lakhs). Out of these, **Rs 125.71 lakhs** (31 March 2017: Rs 103.30 lakhs) pertains to provident fund plan and **Rs 42.93 lakhs** (31 March 2017: Rs 30.09 lakhs) pertains to superannuation fund plan.

Defined benefits - Gratuity

The Company's gratuity benefit scheme for its employees in India is a defined benefit plan (funded).

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, demographic risk, salary inflation 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.

Reconciliation of the net defined benefit (asset)/ liability:

(i) Reconciliation of present value of defined benefit obligation

	31 March 2018	31 March 2017
(a) Balance at the beginning of the year	**227.46**	178.35
(b) Current service cost	**31.15**	23.63
(c) Past service cost - plan amendments	**48.21**	-
(d) Interest cost	**16.43**	13.99
(e) Actuarial (gains)/ losses recognised in other comprehensive income	**17.99**	18.46
(f) Benefits paid	**(4.66)**	(6.97)
Balance at the end of the year	**336.58**	227.46

(ii) Reconciliation of present value of plan assets

	31 March 2018	31 March 2017
(a) Balance at the beginning of the year	**127.02**	102.92
(b) Interest income	**10.20**	8.82
(c) Actual return on plan asset less interest on plan asset	**(2.78)**	0.58
(d) Contributions by the employer	**30.00**	21.67
(e) Benefits paid	**(4.66)**	(6.97)
Balance at the end of the year	**159.78**	127.02

For Himadri Speciality Chemical Ltd
Managing Director
DIN 00173792

For Himadri Speciality Chemical Ltd
Executive Director

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Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

(iii) Net asset/ (liability) recognised in the Standalone Balance Sheet

	31 March 2018	31 March 2017
(a) Present value of defined benefit obligation	**(336.58)**	(227.46)
(b) Fair value of plan assets	**159.78**	127.02
Net defined benefit obligations in the Standalone Balance Sheet	**(176.80)**	(100.44)

(iv) Expense recognised in Standalone Profit or Loss

	31 March 2018	31 March 2017
(a) Current service cost	**31.15**	23.63
(b) Past service cost - plan amendments	**48.21**	-
(c) Interest cost	**16.43**	13.99
(d) Expected return on plan assets	**(10.20)**	(8.82)
Amount charged to Standalone Profit or Loss	**85.59**	28.80

(v) Remeasurements recognised in Standalone OCI

	31 March 2018	31 March 2017
(a) Actuarial loss/ (gain) arising on defined benefit obligation from		
- financial assumptions	**(11.17)**	16.43
- experience adjustment	**29.16**	2.03
(b) Actual return on plan asset less interest on plan asset	**2.78**	(0.58)
Amount recognised in Standalone OCI	**20.77**	17.88

(vi) Sensitivity analysis

	31 March 2018	31 March 2017
Defined benefit obligation on discount rate plus 100 basis points (31 March 2017: 50 basis point)	**(28.33)**	(11.94)
Defined benefit obligation on salary growth rate plus 100 basis points (31 March 2017: 50 basis point)	**30.05**	11.92
Defined benefit obligation on discount rate minus 100 basis points (31 March 2017: 50 basis point)	**33.88**	13.10
Defined benefit obligation on salary growth rate minus 100 basis points (31 March 2017: 50 basis point)	**(25.71)**	(11.10)

(vii) Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages)

	31 March 2018	31 March 2017
Discount rate	**7.70%**	7.30%
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%

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

	31 March 2018	31 March 2017
Within next 12 months	**92.97**	36.18
1-2 year	**9.64**	10.97
2-3 year	**17.14**	8.37
3-4 year	**16.70**	16.04
4-5 year	**14.35**	17.29
Thereafter	**151.60**	114.24

	31 March 2018	31 March 2017
(ix) Weighted average duration of defined benefit obligation	**12 years**	13 years

(x) The Company expects to pay **Rs 176.80 lakhs** in contribution to its defined benefit plans during the year 2018-19.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

39. Share based payments

See accounting policy in note 3(g)(ii)

A. Description of share-based payment arrangement

At 31 March 2018, the Company has the following 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 Committee has granted 1,304,600 options to its employees on 5 January 2017 under the approved ESOP 2016 Plan to be exercised at a price of Rs 19 per share. The options are vested after 1 year but not later than 5 years from the the date of grant of options, and the said options can be exercised 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. The quantum of options to be vested periodically are specified in grant letters issued to each employees. The key terms and conditions related to the grants under this plan are as follows; all options are to be settled by the delivery of shares.

Grant date/ employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Option granted to certain eligible employees including certain key management personnel on 5 January 2017	1,304,600	Time basis, Company performance and individual performance as specified in the grant letter	5 years

B. Measurement of fair values

Equity-settled share based payment arrangements

The fair value of employee share options, see (A) above, has been measured using Black Scholes Merton Model.

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 (see A above)	
	31 March 2018	31 March 2017
Fair value at grant date	**Rs 24.94**	Rs 24.94
Share price at grant date	**Rs 36.70**	Rs 36.70
Exercise price	**Rs 19.00**	Rs 19.00
Expected volatility* (weighted average volatility)	**57.57%**	57.57%
Expected life (expected weighted average life)	**4.39 years**	4.39 years
Expected dividends**	**0.27%**	0.27%
Risk-free interest rate (based on government bonds)	**6.48%**	6.48%

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Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

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.

Weighted Average Fair value of the options granted during the year is **Rs Nil** (31 March 2017: Rs 325.40 lakhs).

* 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**	**Number of options**	Weighted average exercise price per option	Number of options
	31 March 2018	**31 March 2018**	31 March 2017	31 March 2017
Outstanding at 1 April	**19.00**	**1,304,600**	-	-
Granted during the period	**-**	**-**	19.00	1,304,600
Forfeited during the period	**19.00**	**23,500**	-	-
Exercised during the period	**-**	**-**	-	-
Outstanding at 31 March	**19.00**	**1,281,100**	19.00	1,304,600
Exercisable at 31 March	**-**	**-**	-	-

The options outstanding at 31 March 2018 have an exercise price of **Rs 19** (31 March 2017: Rs 19) per share and a weighted average remaining contractual life of **3.39 years** (31 March 2017: 4.39 years).

D. Expense recognised in Standalone Statement of Profit and Loss

During the year ended 31 March 2018, the Company has charged **Rs 103.79 lakhs** (31 March 2017: Rs 25.40 lakhs) as share based payment equity-settled expenses and the first vesting date is 31 August 2018, refer note 30.

E. Details of the Liabilities arising the share based payment were as follows:

Particulars	**31 March 2018**	31 March 2017
Total carrying amount	**129.19**	25.40

Managing Director
DIN: 00173792

Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

40. Related party disclosure

A. List of related parties where control exists

Name of the related party	Principal place of business	% Shareholding and voting power	
		31 March 2018	31 March 2017
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

B. Other related parties with whom transactions have taken place during the year

i) Key Management Personnel (KMP) and their relatives

Name of the related parties	**Relationship**
Mr. Bankey Lal Choudhary, Managing Director	Key Management Personnel (KMP)
Mr. Shyam Sundar Choudhary, Executive Director	Key Management Personnel (KMP)
Mr. Vijay Kumar Choudhary, Executive Director	Key Management Personnel (KMP)
Mr. Anurag Choudhary, Chief Executive Officer	Key Management Personnel (KMP)
Mr. Amit Choudhary, President - Projects	Key Management Personnel (KMP)
Mr. Tushar Choudhary, President - Operations	Key Management Personnel (KMP)
Mr. Kamlesh Kumar Agarwal - Chief Financial Officer	Key Management Personnel (KMP)
Mr. Bajrang Lal Sharma - Company Secretary	Key Management Personnel (KMP)
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 LICI
Mr. Santosh Kumar Agrawala, Non-Executive Independent Director
Mr. Suryakant Balkrishna Mainak, Non-Executive Independent Director

C. Enterprises controlled by the Key Managerial Personnel or their relatives

Himadri Credit & Finance Limited
Himadri Coke & Petro Limited
Himadri Industries Limited
Sri Agro Himghar Limited
Himadri e-Carbon Limited
Nanhey Lal Mohini Devi Foundation
Bharat Seva Nidhi

D. Entities with significant influence over the Company

BC India Investments
Himadri Dyes & Intermediates Limited

For Himadri Speciality Chemical Ltd

B K Choudhary

For Himadri Speciality Chemical Ltd

S S Choudhary

Executive Director

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd

K Agarwal

Chief Financial Officer

Amount in Rupees Lakhs

E. The following transactions were carried out with related parties in the ordinary course of business

Name of the related party	Nature of transaction	Year ended 31 March 2018	Year ended 31 March 2017
Equal Commodeal Private Limited	Loan given	**2,421.41**	154.45
	Reimbursement	**33.22**	-
	Interest on loan given	**196.89**	49.70
	Interest on FCD	**-**	120.00
AAT Global Limited	Purchases	**35,470.19**	20,577.01
	Payment for supplies	**35,854.63**	20,018.02
	Guarantee fee	**7.28**	36.76
Shandong Dawn Himadri Chemical Industry Limited	Reimbursement	**-**	1.68
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	**0.04**	0.04
Mr. Bankey Lal Choudhary	Remuneration	**94.68**	60.68
Mr. Shyam Sundar Choudhary	Remuneration	**90.68**	60.68
Mr. Vijay Kumar Choudhary	Remuneration	**90.68**	60.00
Mr. Anurag Choudhary	Remuneration	**109.13**	73.80
Mr. Amit Choudhary	Remuneration	**94.13**	73.80
Mr. Tushar Choudhary	Remuneration	**94.13**	73.80
Mr. Kamlesh Kumar Agarwal	Remuneration	**45.52**	35.16
Mr. Bajrang Lal Sharma	Remuneration	**16.08**	14.94
Mr. Sakti Kumar Banerjee	Sitting fees	**1.48**	1.56
Mr. Hardip Singh Mann	Sitting fees	**1.00**	1.00
Mr. Santimoy Dey	Sitting fees	**1.44**	1.56
Mr. Hanuman Mal Choraria	Sitting fees	**1.24**	1.32
Ms Rita Bhattacharya	Sitting fees	**1.00**	0.80
Mr. Santosh Kumar Agrawala	Sitting fees	**1.00**	0.40
Mr. Suryakant Balkrishna Mainak	Sitting fees	**0.60**	-
Nanhey Lal Mohini Devi Foundation	Donation/CSR	**70.00**	10.00
Bharat Seva Nidhi	Donation/CSR	**1.00**	-
BC India Investments	Dividend paid	**103.18**	51.59
Himadri Dyes & Intermediates Limited	Dividend paid	**98.29**	49.14
Himadri Industries Limited	Dividend paid	**46.14**	23.07
Himadri Credit & Finance Limited	Dividend paid	**9.48**	4.74
Himadri Coke & Petro Limited	Dividend paid	**38.18**	19.09
Mr. Vijay Kumar Choudhary	Dividend paid	**3.27**	1.63
Mr. Shyam Sundar Choudhary	Dividend paid	**3.23**	1.62
Mr. Bankey Lal Choudhary	Dividend paid	**1.48**	0.74
Mr. Damodar Prasad Choudhary	Dividend paid	**1.48**	0.74
Mrs.Sushila Devi Choudhary	Dividend paid	**0.85**	0.43
Mrs.Sheela Devi Choudhary	Dividend paid	**0.76**	0.38
Mrs.Saroj Devi Choudhary	Dividend paid	**0.82**	0.41
Mrs.Kanta Devi Choudhary	Dividend paid	**0.82**	0.41

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For Himadri Speciality Chemical Ltd
B L Choudhary
Managing Director
DIN: 00173792

For Himadri Speciality Chemical Ltd
S S Choudhary
Executive Director

For Himadri Speciality Chemical Ltd
K K Agarwal
Chief Financial Officer

Amount in Rupees Lakhs

F. Outstanding balances

Name of the related party	Nature of transaction	31 March 2018	31 March 2017
Equal Commodeal Private Limited	Loan given	3,047.25	625.84
	Interest receivable on FCD	-	54.00
	Interest receivable on loan	60.25	25.29
AAT Global Limited	Stand by letter of credit	-	1,945.16
	Advance for supplies (net)	773.63	288.67
	Guarantee fees receivable	-	118.71

G. Key Management Personnel Remuneration

Key management personnels remuneration comprised of the following:

Nature of transaction	Year ended 31 March 2018	Year ended 31 March 2017
Short-term employee benefits	631.22	449.04
Other long-term benefits	3.81	3.82
Total remuneration paid to key management personnel	635.03	452.86

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.

H. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013

a. Details of loan: 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.

c. Details of Corporate Guarantee/ stand by letter of credit given by the Company is as below:

Name of the Company	Date of undertaking	Purpose	31 March 2018	31 March 2017
AAT Global Limited	8 February 2012	Short-term loan facility	-	1,945.16

I. Terms and conditions of transactions with related parties

The purchase from a related parties is made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions with other vendors. Outstanding balances at the year-end is unsecured and settlement occurs in cash.

For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. 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. Information pursuant to Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

	31 March 2018	31 March 2017
Loans and advances in the nature of loan to a subsidiary company		
Equal Commodeal Private Limited		
Amount outstanding as at year ended	3,047.25	625.84
Maximum balance of loan outstanding during the year	3,047.25	625.84

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Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

42. Fair value measurement

See accounting policy in note 3(v)

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.

As on 31 March 2018	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)	-	-	21,531.27	21,531.27	-	-	21,531.27
Investment in equity instruments (Quoted)	-	-	5,792.69	5,792.69	2.60	-	5,790.09
Investment in mutual funds	-	-	-	-	-	-	-
Investment in government securities	0.07	-	-	0.07	-	-	-
Trade receivables	27,787.47	-	-	27,787.47	-	-	-
Cash and cash equivalents	1,718.04	-	-	1,718.04	-	-	-
Bank balances other than cash and cash equivalents	1,431.07	-	-	1,431.07	-	-	-
Loans	4,986.52	-	-	4,986.52	-	-	-
Other financial assets	815.44	-	-	815.44	-	-	-
Financial liabilities:							
Non convertible debentures	15,000.00	-	-	15,000.00	-	-	-
Term loans	14,592.90	-	-	14,592.90	-	-	-
Sale tax deferment	-	-	-	-	-	-	-
Current Borrowings	36,422.53	-	-	36,422.53	-	-	-
Trade payables	11,826.22	-	-	11,826.22	-	-	-
Derivatives	-	769.56	-	769.56	-	769.56	-
Other financial liabilities	1,211.60	-	-	1,211.60	-	-	-

As on 31 March 2017	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)	-	-	6,860.44	6,860.44	-	-	6,860.44
Investment in equity instruments (Quoted)	-	-	1,797.87	1,797.87	1.80	-	1,796.07
Investment in mutual funds	-	25.08	-	25.08	25.08	-	-
Investment in government securities	0.07	-	-	0.07	-	-	-
Trade receivables	22,359.85	-	-	22,359.85	-	-	-
Cash and cash equivalents	1,132.72	-	-	1,132.72	-	-	-
Bank balances other than cash and cash equivalents	2,466.06	-	-	2,466.06	-	-	-
Loans	2,918.51	-	-	2,918.51	-	-	-
Other financial assets	1,068.97	-	-	1,068.97	-	-	-
Financial liabilities:							
Non convertible debentures	24,990.43	-	-	24,990.43	-	-	-
Term Loans	16,491.47	-	-	16,491.47	-	-	-
Sale Tax Deferment	61.42	-	-	61.42	-	-	-
Current Borrowings	33,868.94	-	-	33,868.94	-	-	-
Trade payables	14,931.38	-	-	14,931.38	-	-	-
Derivatives	-	5,292.03	184.69	5,476.72	-	5,476.72	-
Other financial liabilities	1,151.65	0.70	-	1,152.35	-	-	0.70

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Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

The management assessed that trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, trade payable and other financial assets and liabilities 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. Measurement of fair values

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 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/units of mutual fund schemes are based on market price/net asset value 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.

The significant observable inputs used in the fair value measurement of the fair value hierarchy of level 3 inputs like discounted cash flows, market multiple method, option pricing model etc.

There were no transfer of financial assets or liabilites measured at fair value between level 1 and level 2, or transfer into or out of level 3 during the year ended 31 March 2018 and 31 March 2017.

Reconciliation of level 3 fair value measurements

The following table shows a reconcilaition from opening balances to closing balances for level 3 for fair values on a recurring basis.

	31 March 2018	31 March 2017
Balance as at beginning of the year	**8,656.51**	3,147.46
Change in value of investment in equity instruments measured at FVTOCI (unrealised)	**18,664.85**	5,509.05
Balance as at end of the year	**27,321.36**	8,656.51

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.

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00170992

For Himadri Speciality Chemical Ltd
Executive Director

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For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

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. Foreign currency options contract are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate 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 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	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 ; Investment in debt scheme of mutual fund 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 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 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, mutual fund investments, investments in debt securities, foreign exchange transactions and financial guarantees. 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's standard payment and delivery terms and conditions are offered. The Company's export sales are backed by letters of credit . The Company bifurcates the Domestic Customers into Large Corporates, Distributors and others for Credit monitoring. The Company maintains adequate security deposits for sales made to its distributors. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

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 top customer and top five customers are stated below:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from a top customer	25%	14%
Revenue from top five customers	72%	44%

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173732

For Himadri Speciality Chemical Ltd
Executive Director

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Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

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 lossed on trade receivables using a provision matrix to mitigate the risk of default payments amd makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, 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:

	Year ended 31 March 2018	Year ended 31 March 2017
Balance at the beginning	**417.01**	417.01
Balance at the end	**417.01**	417.01

(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.

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 and other payables	**11,826.22**	-	-	-	-	**11,826.22**
Derivatives	**185.91**	**185.79**	**397.86**	-	-	**769.56**
Other financial liabilities	**486.77**	-	-	**25.77**	-	**512.54**

31 March 2017	Less than 1 year	1-2 years	2-3 years	3-5 years	> 5 years	Total
Borrowings (including estimated interest)	40,725.02	6,557.92	6,271.15	31,888.03	4,390.90	89,833.02
Trade and other payables	14,931.38	-	-	-	-	14,931.38
Derivatives	4,594.40	220.79	220.79	440.74	-	5,476.72
Other financial liabilities	527.82	-	-	25.77	-	553.59

(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.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the management. Generally, the Company seeks to apply hedge accounting to manage volatility in other comprehensive income.

(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 as USD and JPY. The Company manages currency exposures within prescribed limits, through use of forward exchange contracts. 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.

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

Exposure to currency risk

The Company's exposure to foreign currency are at the end of the reporting period are as follows:

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 long-term debt)	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)

31 March 2017	In original currency (USD)	In local currency	In original currency (JPY)	In local currency
Financial Assets				
Trade receivables	16.73	1,084.45	-	-
Cash and cash equivalents	8.98	582.52	-	-
Other financial assets	21.97	1,425.68	-	-
	47.68	3,092.65	-	-
Financial Liabilities				
Borrowings (including current maturities of long-term debt)	312.76	20,278.80	3,020.26	1,750.54
Trade payables	106.48	6,903.82	-	-
Derivatives	73.94	4,794.36	1,177.29	682.36
Other financial liabilities	0.03	1.82	-	-
Less:Forward contracts	(275.34)	(17,852.65)	-	-
	217.87	14,126.15	4,197.55	2,432.90
Net exposure in respect of recognised financial assets and liabilities	(170.19)	(11,033.50)	(4,197.55)	(2,432.90)

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.

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
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
31 March 2017				
USD (5% Movement)	(551.68)	551.68	(360.75)	360.75
JPY (10% Movement)	(243.29)	243.29	(159.09)	159.09

(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.

For Himadri Speciality Chemical Ltd

For Himadri Speciality Chemical Ltd

Executive Director

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

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:

	31 March 2018	31 March 2017
Fixed rate instruments		
Financial assets	4,891.55	3,175.58
Financial liabilities	(15,000.00)	(24,990.43)
	(10,108.45)	(21,814.85)
Effect of interest rate swaps	-	(2,674.59)
	(10,108.45)	(24,489.44)
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(51,015.43)	(50,360.41)
	(51,015.43)	(50,360.41)
Effect of interest rate swaps	-	2,674.59
	(51,015.43)	(47,685.82)

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:

	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Variable rate instruments	(510.15)	510.15	(333.60)	333.60
Interest rate swap	-	-	-	-
Cash flow sensitivity (net)	(510.15)	510.15	(333.60)	333.60
31 March 2017				
Variable rate instruments	(503.60)	503.60	(329.31)	329.31
Interest rate swap	26.75	(26.75)	17.49	(17.49)
Cash flow sensitivity (net)	(476.85)	476.85	(311.82)	311.82

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 of 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.

	Profit or loss		Equity, net of tax	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
NSE Nifty 50 - increase by 10% (31 March 2017: 10%)	0.27	0.27	0.18	0.18
NSE Nifty 50 - decrease by 10% (31 March 2017: 10%)	(0.27)	(0.27)	(0.18)	(0.18)

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

(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 Yens. 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 managemnet 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 transcations 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 is 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.

The following table gives details in respect of outstanding foreign currency forward, cross currency swaps, interest rate swaps and option contracts:

			31 March 2018		31 March 2017	
Particulars	**Currency pair**	**Position**	**Amount in foreign currency in lakhs**	**Amount in Rs in lakhs**	Amount in foreign currency in lakhs	Amount in Rs in lakhs
Forward contracts [1, (previous year 4)]	USD/INR	Buy	**1.07**	**69.60**	275.34	17,852.65
Currency swaps [Nil, (previous year 4)]	USD/INR	Sell	-	-	213.54	13,845.63
Currency swap [1, (previous year 1)]	USD/JPY	Sell	**2,152.78**	**1,324.82**	3,013.89	1,746.85
Option contracts [Nil, (previous year 5)]	USD/INR	Options	-	-	230.00	14,912.88
Interest rate swaps [3, (previous year 3)]	USD/INR	Notional Principal	**246.12**	**16,008.65**	246.12	15,958.08
Interest rate swaps [Nil, (previous year 2)]	USD-Floating to fixed	Notional Principal	-	-	41.25	2,674.59
Interest rate swap [1, (previous year 1)]	JPY to INR	Notional Principal	**4,733.69**	**2,913.11**	4,733.69	2,743.65

The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	31 March 2018	31 March 2017
Not later than one month	-	1.67
Later than one month and not later than three months	**0.12**	4,375.47
Later than three months and not later than one year	**185.79**	217.26
Later than one year	**583.65**	882.32
	769.56	5,476.72

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 **Rs (108.05) lakhs** [31 March 2017: Rs (168.36 lakhs)], being the effective portion of the contract designated as effective hedge for future cash flows has been recognised in the other comprehensive income.

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

The following table provides quantitative information about offsetting of derivative financial assets and derivative financial liabilities:

	31 March 2018		31 March 2017	
	Derivative financial asset	**Derivative financial liability**	Derivative financial asset	Derivative financial liability
Gross amount of recognised financial asset/ liability	**54.46**	**824.02**	114.40	5,591.12
Amount set-off	**(54.46)**	**(54.46)**	(114.40)	(114.40)
Net amount presented in balance sheet	**-**	**769.56**	-	5,476.72

Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2018

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**	-	-	

For the year ended 31 March 2017

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	(124.65)	-	2,158.23	
(ii) Interest rate risk	(43.71)	-	-	

Movements in cash flow hedging reserve

Risk category	**Foreign currency risks**	**Interest rate risk**	**Total**
Derivative instruments	**Foreign exchange forward contract**	**Interest rate swaps**	
Cash flow hedging reserve			
As at 1 April 2016	2,480.71	30.57	2,511.28
Add: Changes in discounted spot element of foreign exchange forward contracts	(124.65)	-	(124.65)
Add: Changes in fair value of interest rate swaps	-	(43.71)	(43.71)
Less: Amount reclassified to profit or loss	2,158.23	-	2,158.23
As at 31 March 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	-	-	-

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Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00175792

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

Impact of hedging activities

31 March 2018

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)

31 March 2017

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	-	USD 213.54 JPY 3,013.89	-	4,043.45	ICICI: 28 June 2017 (USD) 24 Aug 2020 (JPY)	1:1	US$ 1: INR 46.83 JPY 1: INR 0.7026	(121.27)	121.27
Interest rate risk									
- Interest rate swap	USD 41.25	-	13.13	-	DBS: 15 September 2020 HSBC: 17 September 2018	1:1	1.3%	(43.71)	43.71

B S R & Co. LLP
Kolkata
Chartered Accountants

For Himadri Speciality Chemical Ltd
Managing Director
DIN: 00173732

For Himadri Speciality Chemical Ltd
Executive Director

For Himadri Speciality Chemical Ltd
Chief Financial Officer

Amount in Rupees Lakhs

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 furture 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) to maximise shareholders value and provide benefits to other stakeholders and (b) maintain an optimal capital structure to reduce the cost of capital.

The Company monitors capital using debt-equity ratio, which is total debt less investments divided by total equity.

Particulars		31 March 2018	31 March 2017
Debt	A	**66,015.43**	75,412.26
Liquid investments including bank deposits	B	**1,718.04**	1,157.80
TOTAL	C = A-B	**64,297.39**	74,254.46
Equity	D	**145,632.55**	107,809.76
Debt to Equity	E = A / D	**0.45**	0.70
Debt to Equity (net)	F = C / D	**0.44**	0.69

For the purpose of the Company's capital management
(a) Debt is defined as non-current borrowings, current borrowings and current maturities of long-term debts 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. Segments information

See accounting policy in note 3(u)

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the Consolidated financial statements of the Company, and therefore, no separate disclosure on segment information is given in these standalone financial statements.

46. Government grant (Ind AS 20): Other operating revenues includes Incentives against capital investments, under State Investment Promotion Scheme of **Rs Nil** (31 March 2017: Rs 557.06 lakhs).

47. 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 financial statements, particularly on the amount of tax expense for the year and that of provision for taxation.

48. Due to Micro enterprises and small enterprises

	31 March 2018	31 March 2017
(a) The amounts remaining unpaid to Micro and Small suppliers as at the end of each accounting year:		
- Principal	**200.58**	187.69
- 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.	-	-

For Himadri Speciality Chemical Ltd

For Himadri Speciality Chemical Ltd

Chief Financial Officer

Amount in Rupees Lakhs

49. Distribution made and proposed dividend

	Year ended 31 March 2018	Year ended 31 March 2017
Cash dividend on equity shares declared and paid		
Final dividend for the year ended on 31 March 2017:		
Re 0.10 per share (31 March 2016: Re 0.05)	**418.41**	209.20
Dividend distribution tax on final dividend	**85.18**	42.59
Total dividend paid	**503.59**	251.79
Proposed dividend on Equity shares		
Final dividend for the year ended on 31 March 2018:		
Re 0.10 per share (31 March 2017: Re 0.10)	**418.41**	418.41
Dividend distribution tax on final dividend	**86.00**	85.18
Total dividend proposed	**504.41**	503.59

Proposed dividends on equity shares are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at 31 March 2018.

50. Disclosure on specified bank notes (SBNs)

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited standalone financial statements for the period ended 31 March 2017 have been disclosed.

	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	25.30	7.69	32.99
Add: Permitted receipts	-	59.36	59.36
Less: Permitted payments	-	55.11	55.11
Less: Amount deposited in banks	25.30	-	25.30
Closing cash in hand as on 30 December 2016	-	11.94	11.94

51. The Shareholders by way of special resolution dated 24 September 2016, at Annual General Meeting, have authorised the Nomination and Remuneration Committee ("the Committee") to grant options to the employees under the Himadri Employee Stock Option Plan 2016 ("ESOP 2016"). Accordingly, the Committee has further granted 26,95,000 (Twenty six lakhs ninety five thousand only) options as Grant II on 8 May 2018, to its eligible employees (with each such option conferring a right upon the employee to apply for one equity share of the Company) under the ESOP 2016. The face value of each equity share is Re.1/- and exercise price per option/equity share is Rs. 140 per share, and the options shall vest after 1 year but within 5 years from the date of such grant.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number. 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No. 055757

B S R & Co. LLP Kolkata Chartered Accountants

Place: Kolkata
Date: 29 May 2018

For and on behalf of the Board of Directors of
Himadri Speciality Chemical Limited
CIN: L27106WB1987PLC042756

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Shyam Sundar Choudhary
Executive Director
DIN: 00173732

Kamlesh Kumar Agarwal
Chief Financial Officer

Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 29 May 2018

B S R & Co. LLP
Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4295

Limited Review Report on Quarterly Unaudited Standalone Financial Results of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To The Board of Directors of Himadri Speciality Chemical Limited

We have reviewed the accompanying statement of unaudited standalone financial results ("the Statement") of Himadri Speciality Chemical Limited (formerly known as Himadri Chemicals & Industries Limited) ("the Company") for the quarter ended 30 June 2018 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Attention is drawn to the fact that the figures for the three months ended 31 March 2018 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity specified under Section 143(10) of the Companies Act, 2013. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

B S R & Co. LLP
Kolkata
Chartered Accountants

Jayanta Mukhopadhyay
Partner
Membership Number: 055757

Place: Kolkata
Date: 13 August 2018

Himadri

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

(Rs. in Crores)

Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2018

Sr. No.	Particulars	Three months ended 30.06.2018	Previous Three months ended 31.03.2018	Corresponding Three months ended 30.06.2017 in the previous year	Previous year ended 31.03.2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	**Income**				
	(a) Revenue from Operations	**604.73**	550.75	502.67	2,021.52
	(b) Other Income	**2.73**	2.71	1.18	7.77
	Total Income	**607.46**	553.46	503.85	2,029.29
2.	**Expenses**				
	(a) Cost of materials consumed	**423.75**	352.12	308.27	1,332.49
	(b) Changes in inventories of finished goods and work-in-progress	**(16.54)**	9.85	12.53	(7.72)
	(c) Excise duty	**-**	-	50.35	50.35
	(d) Employee benefits expense	**13.63**	13.75	9.84	46.63
	(e) Finance costs	**18.74**	18.92	18.59	70.43
	(f) Depreciation and amortisation expense	**7.90**	7.72	7.89	31.41
	(g) Other expenses	**48.13**	50.66	21.85	149.77
	Total Expenses	**495.61**	453.02	429.32	1,673.36
3.	**Profit before exceptional items and tax (1-2)**	**111.85**	100.44	74.53	355.93
4.	Exceptional Items	**-**	-	-	-
5.	**Profit before tax (3+4)**	**111.85**	100.44	74.53	355.93
6.	**Tax expense**				
	(a) Current tax	**24.06**	21.58	15.87	76.10
	(b) Deferred tax	**11.13**	7.61	8.63	37.25
	Total tax expense	**35.19**	29.19	24.50	113.35
7.	**Net Profit after tax (5-6)**	**76.66**	71.25	50.03	242.58
8.	**Other Comprehensive Income (net of tax)**				
	Items that will not be reclassified subsequently to profit or loss	**(32.02)**	(11.02)	35.77	137.80
	Items that will be reclassified subsequently to profit or loss	**-**	-	0.90	1.08
	Total Other Comprehensive Income (net of tax)	**(32.02)**	(11.02)	36.67	138.88
9.	**Total Comprehensive Income for the period (comprising Net Profit after tax and other comprehensive income for the period) (7+8)**	**44.64**	60.23	86.70	381.46
10.	Paid-up equity share capital (Face Value Re. 1 each)	**41.84**	41.84	41.84	41.84
11.	Other Equity				1,414.48
12.	**Earnings per equity share (of Re. 1 each) (refer note 7)**				
	(a) Basic (Rs.)	**1.83**	1.70	1.20	5.80
	(b) Diluted (Rs.)	**1.83**	1.70	1.20	5.80

KOLKATA Himadri Speciality Chemical Ltd

B S R & Co. LLP Chartered Accountants Kolkata

Himadri

HIMADRI SPECIALITY CHEMICAL LIMITED

(Formerly known as Himadri Chemicals & Industries Limited)
Registered Office: 23A Netaji Subhas Road
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Corporate Identity Number: L27106WB1987PLC042756
Phone: (033)2230-9953, Fax: (033)2230-9051
Email: info@himadri.com, Website: www.himadri.com

(Rs. in Crores)

Segment wise Revenue, Results, Assets and Liabilities

Sr. No.	Particulars	Standalone			
		Three months ended 30.06.2018	Previous Three months ended 31.03.2018	Corresponding Three months ended 30.06.2017 in the previous year	Previous year ended 31.03.2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	**Segment Revenue**				
	(a) Carbon materials and chemicals	**599.83**	546.36	497.78	2,002.42
	(b) Power	**15.60**	9.19	9.90	38.54
	Total segment revenue (a + b)	**615.43**	555.55	507.68	2,040.96
	Less: Inter segment revenue	**10.70**	4.80	5.01	19.44
	Total Revenue from Operations	**604.73**	550.75	502.67	2,021.52
2.	**Segment Results**				
	(a) Carbon materials and chemicals	**118.44**	111.69	83.93	386.91
	(b) Power	**14.10**	7.06	8.56	31.68
	Total segment profit before interest, tax and unallocable items (a + b)	**132.54**	118.75	92.49	418.59
	Less:				
	(a) Finance costs	**18.74**	18.92	18.59	70.43
	(b) Other unallocable expenses net of unallocable income *	**1.95**	(0.61)	(0.63)	(7.77)
	Total Profit before tax	**111.85**	100.44	74.53	355.93
3.	**Segment Assets**				
	(a) Carbon materials and chemicals	**1,968.60**	1,922.56	1,866.65	1,922.56
	(b) Power	**57.87**	56.86	56.67	56.86
	(c) Unallocated	**445.66**	433.55	260.00	433.55
	Total segment assets	**2,472.13**	2,412.97	2,183.32	2,412.97
4.	**Segment Liabilities**				
	(a) Carbon materials and chemicals	**156.42**	183.35	134.77	183.35
	(b) Power	**0.33**	0.27	0.20	0.27
	(c) Unallocated	**813.91**	773.03	883.98	773.03
	Total segment liabilities	**970.66**	956.65	1,018.95	956.65

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

Himadri Speciality Chemical Ltd
KOLKATA

B S R & Co. LLP
Kolkata
Chartered Accountants

Himadri

HIMADRI SPECIALITY CHEMICAL LIMITED
(Formerly known as Himadri Chemicals & Industries Limited)
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Corporate Identity Number: L27106WB1987PLC042756
Phone: (033)2230-9953, Fax: (033)2230-9051
Email: info@himadri.com, Website: www.himadri.com

NOTES:-

1) The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 August 2018. A Limited Review of these results for the quarter ended 30 June 2018 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.

2) Other expenses includes foreign exchange fluctuation loss (net) of Rs 4.68 crores for the quarter ended 30 June 2018, Rs 2.10 crores for the quarter ended 31 March 2018, Rs 0.55 crore for the quarter ended 30 June 2017 and other income includes foreign exchange fluctuation gain (net) of Rs 0.28 crore for the year ended 31 March 2018.

3) Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas excise duty formed part of expenses in corresponding previous period/year. Accordingly, the revenue from operations and expenses for the quarter ended 30 June 2018 are not comparable with the previous period/year presented in the results.

4) Based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity falls within two operating segments, namely:

(a) Carbon materials and chemicals, and
(b) Power

5) The 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 233 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 is in the process to initiate filing of the Scheme with the concerned authorities. Pending necessary regulatory approvals and other compliances, no adjustments have been made in the books of account and accompanying results.

6) The figures for quarter ended 31 March 2018 are the balancing figures between audited figures in respect of the full financial year ended 31 March 2018 and the published year to date reviewed figure upto the end of the third quarter ended 31 December 2017.

7) Earnings per share is not annualised for the quarter ended 30 June 2018, 31 March 2018 and 30 June 2017.

8) The figures of the previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter ended 30 June 2018.

B S R & Co. LLP * Chartered Accountants * Kolkata

KOLKATA Himadri Speciality Chemical Ltd

On behalf of the Board of Directors

B Choudhary

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Place: Kolkata
Date: 13 August 2018

Himadri

HIMADRI SPECIALITY CHEMICAL LIMITED

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Phone: (033)2230-9953, Fax: (033)2230-9051
Email: info@himadri.com, Website: www.himadri.com, CIN: L27106WB1987PLC042756

(Rs. in Crores)

Statement of Unaudited Standalone Financial Results for the Quarter Ended 30 June 2018

Sr. No.	Particulars	Three months ended 30.06.2018	Previous Three months ended 31.03.2018	Corresponding Three months ended 30.06.2017 in the previous year	Previous year ended 31.03.2018
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1.	Total income	607.46	553.46	503.85	2,029.29
2.	Net Profit for the period (before tax, Exceptional and/or Extraordinary items)	111.85	100.44	74.53	355.93
3.	Net Profit for the period before tax (after Exceptional and/or Extraordinary items)	111.85	100.44	74.53	355.93
4.	Net Profit for the period after tax (after Exceptional and/or Extraordinary items)	76.66	71.25	50.03	242.58
5.	Total Comprehensive Income for the period {comprising Profit for the period (after tax) and other comprehensive income (after tax)}	44.64	60.23	86.70	381.46
6.	Paid up Equity Share Capital	41.84	41.84	41.84	41.84
7.	Other Equity				1,414.48
8.	Earnings Per Equity Share (before and after extraordinary items) (of Re. 1 each) (refer note 4)				
	Basic (Re.)	1.83	1.70	1.20	5.80
	Diluted (Re.)	1.83	1.70	1.20	5.80

NOTES:-

1) The above unaudited standalone financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 13 August 2018. A Limited Review of these results for the quarter ended 30 June 2018 has been carried out by the Statutory Auditors, as required under Regulation 33 of SEBI (LODR) Regulations, 2015.

2) Post the applicability of Goods and Service Tax (GST) with effect from 1 July 2017, revenue from operations are disclosed net of GST, whereas excise duty formed part of expenses in corresponding previous period/year. Accordingly, the revenue from operations and expenses for the quarter ended 30 June 2018 are not comparable with the previous period/year presented in the results.

3) The figures for quarter ended 31 March 2018 are the balancing figures between audited figures in respect of the full financial year ended 31 March 2018 and the published year to date reviewed figure upto the end of the third quarter ended 31 December 2017.

4) Earnings per share is not annualised for the quarter ended 30 June 2018, 31 March 2018 and 30 June 2017.

5) The figures of the previous periods/year have been regrouped/reclassified, wherever necessary, to conform to the classification for the quarter ended 30 June 2018.

6) The above is an extract of the detailed format of Unaudited Standalone Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of the Unaudited Standalone Financial Results are available on the websites of Stock Exchanges at www.nseindia.com and www.bseindia.com and on the Company's website at www.himadri.com.

On behalf of the Board of Directors

Himadri Speciality Chemical Ltd
KOLKATA

B L Choudhary

Bankey Lal Choudhary
Managing Director
DIN: 00173792

Place: Kolkata
Date: 13 August 2018

Note:

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

Corp. Office: 8, India Exchange Place, Ruby House, 2nd Floor, Kolkata - 700 001

Ph: 033 22309953, e-mail: investors@himadri.com

Website: www.himadri.com

Before the National Company Law Tribunal
Kolkata Bench

CA (CAA) No. 1008/KB/2018

In the matter of the Companies Act, 2013

AND

In the matter of Section 230 to 232 read with other relevant provisions of the Companies Act, 2013

AND

In the matter of: Equal Commodeal Private Limited (CIN: U51909WB2011PTC160507) a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 72/4, Shambunath Pandit Street, Kolkata – 700025 ("Transferor Company")

AND

Himadri Speciality Chemical Limited

(CIN: L27106WB1987PLC042756) under the provisions of the Companies Act 1956, and having its registered office at 23A, Netaji Subhas Road 8th Floor, Suite No. 15, Kolkata-700001 ("Transferee Company") and their respective shareholders.

....Applicants

MEETING OF THE UNSECURED CREDITORS OF HIMADRI SPECIALITY CHEMICAL LIMITED ON 13 FEBRUARY, 2019 AT 10:30 A.M.

ATTENDANCE SLIP

I/We hereby record my/our presence at the meeting of the unsecured creditors of Himadri Speciality Chemical Limited, convened pursuant to the Order dated 1st January, 2019 of the Hon'ble National Company Law Tribunal, Kolkata Bench in C.A.(CAA) NO. 1008/KB/2018, at Kala-Kunj, 48, Shakespeare Sarani, Kolkata700017, on Wednesday, 13th February, 2019 at 10:30 A.M.

Serial No. ....

Name ....

Address ....

....

....

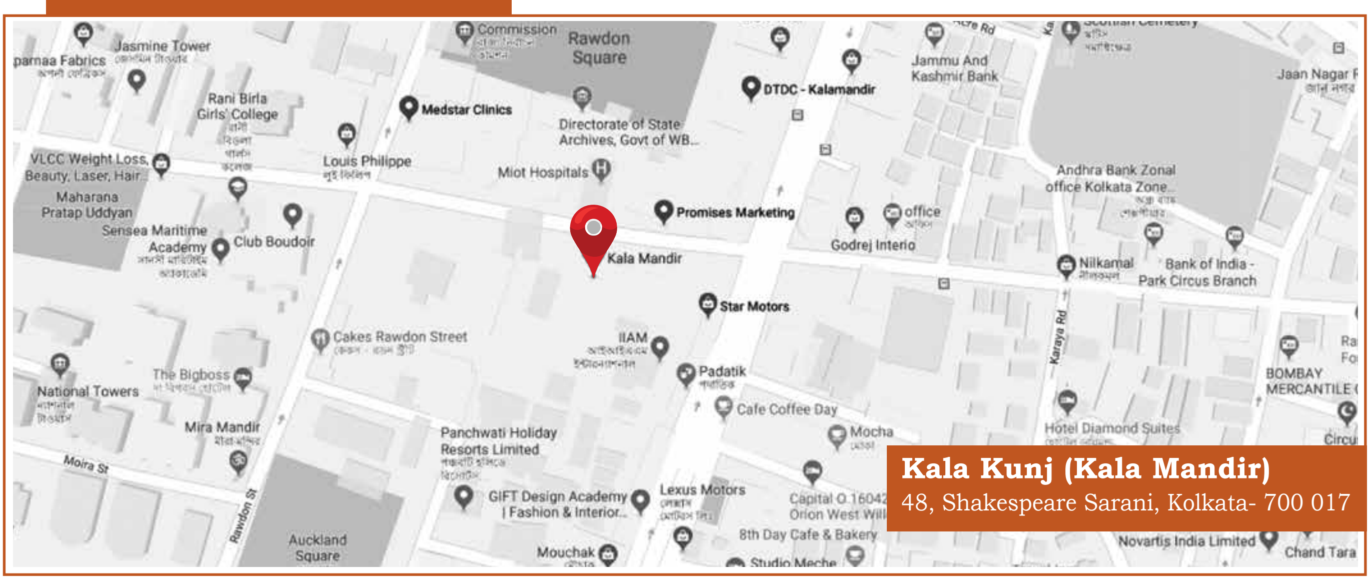
Signature of Unsecured Creditor(s)/Proxy Present

Name of Proxy (in BLOCK LETTERS)

Note:

Please cut here and bring the Attendance Slip duly signed, to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

Route-Map to AGM Venue



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In the matter of:

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(CIN:U51909WB2011PTC160507)

a company incorporated under the provisions of the Companies Act, 1956, having its registered office at 72/4, Shambunath Pandit Street, Kolkata – 700025 ("Transferor Company")

AND

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(CIN: L27106WB1987PLC042756) under the provisions of the Companies Act 1956, and having its registered office at 23A, Netaji Subhas Road 8th Floor, Suite No. 15, Kolkata-700001 ("Transferee Company") and their respective shareholders.

....Applicants

MGT 11

PROXY FORM

Name of the Unsecured Creditor: ....

Address: ....

....

I/ We ______________________ being the unsecured creditor of Himadri Speciality Chemical Limited, being the Transferee Company above named, do hereby appoint

1. Name:..

   Address: ....

   Email Id: ....

   Signature ....Or failing him

2. Name:..

   Address: ....

   Email Id: ....

   Signature ....Or failing him

as my/our proxy, to act for me/us at the meeting of the Unsecured Creditors Himadri Speciality Chemical Limited to be held at **“Kala-Kunj” 48, Shakespeare Sarani, Kolkata - 700017 on Wednesday the 13th February, 2019 at 10.30 A.M.** for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation between Equal Commodeal Private Limited (“Transferor Company”) and Himadri Speciality Chemical Limited (“Transferee Company”) and their respective shareholders and at such meeting, and at any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) ________________________________ (here, if ‘for’, insert ‘FOR’, if ‘against’, insert ‘AGAINST’, and in the latter case, strike out the words below after ‘the Scheme’) the said Scheme of Amalgamation, either with or without modification*, as my/our proxy may approve.

(*Strike out whatever is not applicable)

Signed this _______day of ______ 2019

Please affix Revenue Stamp of Re 1/-

....

Signature of Unsecured Creditor(s) Signature of Proxy Holder(s)

Notes:

1. The form of Proxy must be deposited at the registered office of Himadri Speciality Chemical Ltd, 23A Netaji Subhas road, 8th Floor, Suite No 15, Kolkata – 700 001, not later than 48 (Forty Eight) hours before the scheduled time of the commencement of the said Meeting.
2. If you are a body corporate, as the Unsecured creditor, a copy of the resolution of the Board of Directors or the Governing Body authorizing such a person to act as its representative/proxy at the Meeting and certified to be a true copy by a director, the manager, the secretary or any other authorised officer of such Body Corporate should be lodged with the Applicant Company at its registered office not later the 48 (Forty Eight) hours before the Meeting.
3. All alterations made in the form of proxy should be initialled.
4. Please affix appropriate revenue stamp before putting signatures.
5. In case of multiple proxies, the proxy later in time shall be accepted.
6. Proxy need not be Unsecured Creditor of Himadri Speciality Chemical Ltd.
7. No person shall be appointed as Proxy who is a minor.