



HIMADRI CHEMICALS & INDUSTRIES LIMITED

CIN: L27106WB1987PLC042756

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

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

Notice

NOTICE is hereby given that the 27th Annual General Meeting of Himadri Chemicals & Industries Limited will be held at "Kala Kunj Hall" 48, Shakespeare Sarani, Kolkata - 700017, on Tuesday the 22 September 2015 at 10.00 am to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31 March 2015 together with the report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Pavninder Singh (DIN: 03048302), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Bankey Lal Choudhary (DIN: 00173792), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, the following as an **Ordinary Resolution**:-

RESOLVED that pursuant to the provisions Section 139, 140, 141, 142 and all other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modifications(s) or re-enactment thereof, for the time being in force) **M/s S. Jaykishan**, Chartered Accountants (Firm Registration No. 309005E), **M/s B S R & Co. LLP**, Chartered Accountants (Firm Registration No. 101248W/ W-100022) be and are hereby re-appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the auditors, in addition to, service tax as may be applicable and

out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31 March 2016.

SPECIAL BUSINESS

5. **Appointment of Mr. Bankey Lal Choudhary as Managing Director and to consider, if thought fit, to pass the following as a Special Resolution:-**

"RESOLVED that pursuant to provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Bankey Lal Choudhary (DIN: 00173792), as Managing Director of the Company for a further period of 3 (Three) years with effect from 1 April 2016 on the terms, conditions including remuneration and perquisites as set out in the Explanatory Statement annexed to the notice convening this meeting.

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

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

6. Appointment of Mr. Shyam Sundar Choudhary as a Whole time Director and to consider, if thought fit to pass, the following as a Special Resolution:-

“RESOLVED that pursuant to provisions of Section 196, 197, 203 and all other applicable provisions, if any of the Companies Act, 2013 (the Act) read with Schedule V of the Act and the Companies (Appointment and Remunerations of Managerial Personnel) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof from time to time, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment of Mr. Shyam Sundar Choudhary (DIN: 00173732), as Whole time Director of the Company for a further period of 5 (five) years with effect from 1 April 2015 on the terms, conditions including remuneration and perquisites as set out in the Explanatory Statement annexed to the notice convening this meeting.

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

RESOLVED FURTHER that the Board be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

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

RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 40,000/- (Rupees Forty Thousand only) plus service tax as applicable and reimbursement of actual travel and out of pocket expenses, to be paid to Mr. Sambhu Banerjee, Cost Auditor (Membership No.9780) of the Company, for conducting the audit of the Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2015-16 as approved by the Board of Directors of the Company be and is hereby ratified and approved.

By Order of the Board of Directors
Sd/-

Place: Kolkata
Date: 12 August 2015

Bajrang Lal Sharma
Company Secretary

NOTES:

- 1. IN TERMS OF SECTION 105 OF THE COMPANIES ACT, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT A GENERAL MEETING IS ENTITLED TO APPOINT ANOTHER PERSON (WHETHER A MEMBER OR NOT) AS HIS/HER PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF BUT A PROXY SO APPOINTED SHALL NOT HAVE ANY RIGHT TO SPEAK AT THE MEETING. A PERSON APPOINTED, AS PROXY SHALL BE ENTITLED TO VOTE ONLY UPON A POLL.** Further, as per the provisions of Section 105 read with rule 19(2) of the Companies (Management and Administration) Rules, 2014, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights provided that a member holding more than ten percent, of the total

share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. A proxy form is enclosed to this notice. No instrument of proxy shall be valid unless:-

- (a) it is signed by the member or by his/her attorney duly authorised in writing or, in the case of joint holders, it is signed by the member first named in the register of members or his/her attorney duly authorised in writing or, in the case of body corporate, it is executed under its common seal, if any, or signed by its attorney duly authorised in writing; provided that an instrument of proxy shall be sufficiently signed by any member, who for any reason is unable to write his/her name, if his/her thumb impression is affixed thereto,

- and attested by a judge, magistrate, registrar or sub-registrar of assurances or other government gazetted officers or any officer of a nationalized bank.
- (b) it is duly stamped and deposited at the registered office of the Company not less than 48 hours before the time fixed for the meeting, together with the power of attorney or other authority (if any), under which it is signed or a copy of that power of attorney certified by a notary public or a magistrate unless such a power of attorney or the other authority is previously deposited and registered with the Company.
2. A member would be entitled to inspect the proxies lodged with the Company, during the period beginning from 24 hours before the time fixed to the commencement of the meeting and ending with the conclusion of the meeting, provided that not less than three days notice in writing is given to the Company by such member.
 3. Explanatory Statements under Section 102 of the Companies Act, 2013, in respect of Item No. 5 to 7 are annexed hereto and forms the part of this notice.
 4. The quorum for the Annual General Meeting, as provided in Section 103 of the Companies Act, 2013, is thirty members (including a duly authorized representative of a body corporate) personally present in the meeting at the commencement of business.
 5. The Register of Members and Share Transfer Books of the Company will remain closed from **the 16 September 2015 to the 22 September 2015** (both days inclusive) for the purpose of Annual General Meeting.
 6. Members are requested to intimate about change in their mailing address, if any, to the Company's Registrar & Share Transfer Agent **M/s S. K. Infosolutions Private Limited, 34/1A, Sudhir Chatterjee Street, Kolkata -700006** in case the shares are held in physical form and to the Depository Participant (D/P) in case of shares held in electronic form.
 7. The Company on 24 November 2014, has transferred the amount of unpaid / unclaimed dividend for the year 2006-07, aggregating to ₹ 24,70,690/- to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Companies Act, 2013.
 8. Shareholders desiring any information as regards the Annual Accounts of the Company are requested to write to the Company in advance so as to enable the management to keep the information readily available at the meeting.
 9. Members who have not yet en-cashed their dividend for the financial year 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 2012-13 and 2013-14 are requested to make their claims with the Company. All the monies towards unpaid / unclaimed dividend are lying in a separate bank account of the Company. Members hereby informed that upon expiry of seven years from the date of transfer to unpaid dividend account, such amount of unpaid/ unclaimed dividend, if any, will be transferred to the credit of the Investor Education and Protection Fund established by the Central Government in terms of 125(1) of the Companies Act, 2013. It may be noted by the members that the ***Unpaid / Unclaimed dividend for the financial year ended 31 March 2008, is due for transfer on or after 1 November 2015 to the credit of the Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Companies Act, 2013, therefore shareholders are requested to make their claim, if any, for Unpaid Dividend for the financial year 2007-08 before 1 November 2015.***
 10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained pursuant to Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
 11. The Register of contracts or arrangements in which directors are interested as maintained pursuant to Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.

12. Members are requested to intimate to the Company's Registrar and Share Transfer Agent about consolidation of folios, if shareholdings are in multiple folios and bring copies of the Annual Report and the attendance slips with them while attending the Annual General Meeting.
 13. Members are informed that it is advantageous to keep the physical shareholding in **joint names**, as upon death of a member, the survivor or survivors, where the member was a joint holder, and his legal representatives where he / she was a sole holder, shall be the only persons recognized by the Company as having any title to his/ her interest in the shares.
 14. Members holding shares in physical form may avail the facility of nomination in terms of Section 72 of the Companies Act, 2013, by submitting the **Form No. SH-13** as per rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014. The Form SH-13 may be obtained from Company's Registrar & Share Transfer Agent.
 15. Members are informed that the Securities and Exchange Board of India (SEBI) vide its' Circular No. MRD / DoP / Cir-05 / 2009 dated 20 May 2009 has made it mandatory to furnish a copy of PAN Card of the transferee for effecting the transfer of shares in physical forms of a listed Company. Therefore, members are advised to submit a copy of PAN Card along with Share Transfer Form, if any, to the Company to expedite transfer process.
 16. Members are requested to furnish the following details for updating the Register of Members as required in terms of Section 88 of the Companies Act, 2013:-
 - (i) E-mail ID, (ii) PAN No., (iii) AADHAR Card No., (iv) Father/Husband Name, (v) Occupation, (vi) Mobile No., (vii) Bank Account No., Name of the Bank, MICR No. (along with a cancelled cheque), (viii) Updated Signature (duly attested by Nationalized Bank or First Class Magistrate), (ix) CIN (in case of Company), (x) Date of Birth and name of the Guardian (in case of Minor).
 17. The Annual Report for 2014-15 is being sent through electronic mode to those members whose e-mail address are registered with the Company / Depository Participant(s), unless such member has requested for a physical copy of the report and the members who have not registered their e-mail address, the physical copy of annual report and notice of AGM will be sent by permitted mode.
 18. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company has provided a facility to all its' members to exercise their votes electronically through e-voting facility arranged from **National Securities Depositories Limited (NSDL)**. The facility for voting, through ballot paper, will also be made available at the AGM for members attending the AGM and who have not earlier cast their votes by remote E-voting. Members who have cast their votes by remote e-voting prior to AGM may attend the meeting but shall not be entitled to cast their votes again. In addition, the Company has also provided, the postal voting facility, to the shareholders.
- 19. Instructions for E-Voting**
- [A] In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "Himadri Chemicals & Industries Limited".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sandipkej@yahoo.co.in with a copy marked to evoting@nsdl.co.in
- b. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
 - c. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - d. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 15 September 2015.
 - e. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 15 September 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or skcdilip@gmail.com
 - f. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
 - g. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
 - h. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
 - i. **Mr. Sandip Kumar Kejriwal**, Practicing Company Secretary, (C.P. No: 3821) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

[B] In case a Member receives physical copy of the Notice of 27th AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

Initial password with EVEN and User ID is provided herein above the Attendance Slip. Please follow all steps from Sl. No. (i) to Sl. No. (xii) above, to cast vote.

- a. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

20. The Scrutinizer shall within a period not exceeding three (3) days from the conclusion of the voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report on the votes cast in favour or against, if any, of the resolutions and submit the same forthwith to the Managing Director of the Company or to any person authorized for this purpose.
21. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.himadri.com and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges where the shares of the Company are listed.

Important Note:

As Himadri Chemicals & Industries Limited, being a listed Company and having more than 1000 shareholders, is compulsorily required to provide e-Voting facility to members in terms of Section 108 of the Act read with Rule 20 of the Rules and Clause 35B of the Listing Agreement, voting by show of hands will not be available to the members at the 27th AGM in view of the further provisions of Section 107 read with Section 114 of the Act.

22. Disclosure pursuant to Clause 49 of the Listing Agreement with respect to Directors seeking appointment / re-appointment at forthcoming AGM is given in the annexure:

Annexure to the Notice

Details of the Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (Pursuant to clause 49 of the Listing Agreement)

Name of Director	Mr. Shyam Sundar Choudhary	Mr. Bankey Lal Choudhary
DIN	00173732	00173792
Date of Birth	14-10-1947	06-05-1953
Date of Appointment	28-07-1987	28-07-1987
Qualifications	B. Com	B.Com
Experience	An Industrialist with experience of more than 40 years in area of chemicals business. He has been associated with Company as promoter director since its incorporation	An Industrialist with experience of more than 37 years in area of chemicals business. He has been associated with Company as promoter director since its incorporation
Directorship in other Companies	1. Himadri Industries Limited 2. Sri Agro Himghar Limited 3. Himadri Power Limited	1. Himadri Industries Limited 2. Himadri Dyes & Intermediates Limited 3. Sri Agro Himghar Limited 4. Himadri Power Limited 5. Himadri coke & Petro Limited
Chairman / Member of the committee of Board of other Companies	NIL	NIL
No. of shares held (Re 1/- each)	32,34,280 (0.8385%)	14,84,280 (0.3847%)
Relationship with other Directors	Mr. B L Choudhury - Brother Mr. V K Choudhury - Brother	Mr. S S Choudhury - Brother Mr. V K Choudhury - Brother

Name of Director	Mr. Pavninder Singh
DIN	03048302
Date of Birth	24-10-1976
Date of Appointment	30-10-2012
Qualifications	MBA from Harvard Business School – Baker Scholar. In addition he is also a BA from Harvard College - Magna Cum Laude.
Experience	Mr. Singh is Managing Director, Bain Capital (New York, Mumbai). He is a co-leader for India and South East Asia Investments He was the CEO of Medrishi (New Delhi) during 2000-2001 He was associated during 1998-2000 with Oliver Wyman (New York) formerly known as Mercer Management Consulting, as consultant focused on technology, automotive, retail and Utilities.
Directorship in other Companies	1. Hero FinCorp Limited
Chairman/ Member of the committee of Board of other Companies	NIL
No. of shares held (Re 1/- each)	NIL
Relationship with other Directors	NIL

Place: Kolkata
Date: 12 August 2015

By Order of the Board of Directors
Sd/-
Bajrang Lal Sharma
Company Secretary

EXPLANATORY STATEMENT

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

Item No. 5

The Board of Directors at its' meeting held on 12 February 2015, and upon recommendation made by the Nomination and Remuneration Committee, has approved the re-appointment of Mr. B L Choudhary as Managing Director for a period of three years with effect from 1 April 2016 subject to the approval of the shareholders. Mr. Choudhary was appointed as Managing Director by the shareholders for a period of three years at its meeting held on 23 September 2013 and the present term is expiring on 31 March 2016.

Mr. Bankey Lal Choudhary has been associated with the Company since incorporation and having vast experience of the business of the Company. Mr. Choudhary's association with the Company as Managing Director would be beneficial to the Company and his continued support is required for further growth and development of the business of the Company.

Since, the conditions laid down in Section II of Part II of Schedule V appended to the Companies Act, 2013 have been fulfilled, approval of the shareholders of the Company is required for his re-appointment. An agreement with Mr. Choudhary will be entered to record his terms of appointment, after getting the approval of the shareholders.

The terms and conditions of re-appointment are enumerated under:

1. Period of appointment

The appointment will be for a period of 3 (Three) years with effect from 1 April 2016.

2. Remuneration

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

- i) Salary
₹ 5,00,000/- per month.(Rupees five Lakh per month)

ii) Perquisites:

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

a) Housing

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

Or

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

Or

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

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

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

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

- e) Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.

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

- g) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.
- i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Managing Director.

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

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

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

None of the other Directors and KMP except, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Mr. Bankey Lal Choudhary and Mr. Anurag Choudhary, CEO are concerned and interested, financially or otherwise in this resolution as they are related parties.

Item No. 6

The Board of Directors at its' meeting held on 12 February 2015, and upon recommendation made by the Nomination and Remuneration Committee, has approved the re-appointment of Mr. Shyam Sundar Choudhary as Whole time Director for a period of five years with effect from 1 April 2015 subject to the approval of the shareholders. Mr. Choudhary was appointed as Whole time Director by the shareholders for a period of five years at its meeting held on 28 September 2010 and the present term has expired on 31 March 2015.

Mr. Shyam Sundar Choudhary has been associated with the Company since incorporation and having vast experience of the business of the Company. Mr. Choudhary's association with the Company as Whole time Director would be beneficial to the Company and his continued support is required for further growth and development of the business of the Company.

Since, the conditions laid down in Section II of Part II of Schedule V appended to the Companies Act, 2013 have been fulfilled, approval of the shareholders of the Company is required for his re-appointment. An agreement with Mr. Choudhary will be entered to record his terms of appointment, after getting the approval of the shareholders.

The terms and conditions of re-appointment are enumerated under:

1. Period of appointment

The appointment will be for a period of 5 (Five) years with effect from 1 April 2015.

2. Remuneration

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

- i) Salary
₹ 5,00,000/- per month.(Rupees Five Lakhs per month)
- ii) Perquisites:
In addition to above, the Whole time Director shall be entitled to the following perquisites

subject to a maximum amount equal to the annual salary with an option to receive the perquisites or any lawful combination as mutually agreed between him and the Board.

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

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

Or
 - iii) In case no accommodation is provided by the Company, the Whole time Director shall be entitled to house rent allowance subject to the ceiling as specified above.
- b) The expenditure incurred by the Company on gas, electricity, water and furnishings, etc, shall be valued as per the Income Tax Rules, 1962. This shall, be however, subject to a ceiling of ten percent of the salary.
- c) Reimbursement of Medical Expenses incurred for self and his family subject to a ceiling of one months' salary in a year or five month's salary over a period of five years.
- d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.
- e) Fees of clubs subject to a maximum of two clubs. This will not include admission and life member ship fee.
- f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.

- g) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.
- i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to Whole time Director.

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

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

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

None of the other Directors and KMP except, Mr. Vijay Kumar Choudhary, Mr. Shyam Sundar Choudhary, Mr. Bankey Lal Choudhary and Mr. Anurag Choudhary, CEO are concerned and interested, financially or otherwise in this resolution as they are related parties.

Item No. 7

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 12 August 2015, has considered and approved the appointment of Mr. Sambhu Banerjee, Cost Accountant, (Membership No.9780) as the Cost Auditor of the Company to audit the Cost Accounting Records as required to be maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 for the financial year 2015-16 at a remuneration of ₹ 40,000/- (Rupees Forty Thousand only) per annum plus service tax as applicable and reimbursement of actual travel and out of pocket expenses .

Pursuant to Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration, as approved by the Board

of Directors of the Company on recommendation of the Audit Committee, is required to be ratified by the Members of the Company. The Resolution mentioned herein above in the Notice is therefore set out as an Ordinary Resolution for approval and ratification by the Members.

Your Directors recommend the resolution to be passed in the interest of the Company. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution as set in Item no. 7.

Place: Kolkata
Date: 12 August 2015

By Order of the Board of Directors
Sd/-
Bajrang Lal Sharma
Company Secretary



HIMADRI CHEMICALS & INDUSTRIES LIMITED

CIN: L27106WB1987PLC042756

23A, Netaji Subhas Road, 8th Floor, Kolkata- 700 001

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

Form No. MGT-11

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

PROXY FORM

27th Annual General Meeting – 22 September 2015 (at 10.00 am)

Name and address of the member(s) :			
E-mail ID (if any):			
Folio No./ DP-ID/ CL- ID.		No of Shares held	

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

1. Name:.....
 Address:.....
 E-mail Id:.....Signature:.....

or failing him

2. Name:.....
 Address:.....
 E-mail Id:.....Signature:.....

or failing him

3. Name:.....
 Address:.....
 E-mail Id:.....Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on 22 September 2015 at 10.00 a.m. at "Kala Kunj Hall" 48, Shakespeare Sarani, Kolkata - 700017 and at any adjournment thereof in respect of such resolutions as are indicated below:-

Resolution No.	Description of Resolutions
Ordinary Business	
1	As an Ordinary Resolution- to receive, consider and adopt the Audited Financial Statements of the Company (including Audited Consolidated Financial Statements) for the financial year ended 31 March 2015 together with the report of the Board of Directors and Auditors thereon.
2	As an Ordinary Resolution -to appoint a Director in place of Mr. Pavninder Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3	As an Ordinary Resolution -to appoint a Director in place of Mr. Bankey Lal Choudhary, who retires by rotation and being eligible, offers himself for re-appointment.
4	As an Ordinary Resolution- to appoint M/s. S. Jaykishan, Chartered Accountants, M/s B S R & Co. LLP, Chartered Accountants as Joint Statutory Auditors of the Company, and fix their remuneration. RESOLVED that M/s S. Jaykishan , Chartered Accountants (Firm Registration No. 309005E), M/s B S R & Co. LLP , Chartered Accountants (Firm Registration No. 101248W/ W-100022) be and are hereby re-appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the auditors, in addition to, service tax as may be applicable and out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31 March 2016.
Special Business	
5	Special Resolution for appointment of Mr. Bankey Lal Choudhary as Managing Director.
6	Special Resolution for appointment of Mr. Shyam Sundar Choudhary as Whole time Director.
7	Ordinary Resolution for approval of payment of remuneration to Mr. Sambhu Banerjee as Cost Auditors for FY 2015-16.

Signed this.....day of.....2015

Affix
Revenue
Stamp

.....
Signature of Shareholder

.....
Signature of Proxy holder(s)

Notes:

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



HIMADRI CHEMICALS & INDUSTRIES LIMITED

CIN: L27106WB1987PLC042756

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

ATTENDANCE SLIP

I certify that I am a member / proxy / authorized representative for the member of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company being held on Tuesday the 22 September 2015 at 10.00 a.m. at the "Kala Kunj Hall" 48, Shakespeare Sarani, Kolkata - 700017.

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

.....
Signature of the Shareholder/ Proxy/
Authorized Representative Present

Notes:

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

Route map to the venue of the AGM



Kala Mandir

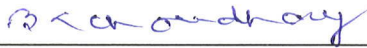
48, Shakespeare Sarani, Kolkata 700017

Date: May 26, 2015

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchanges

1.	Name of the Company:	Himadri Chemicals & Industries Ltd.
2.	Annual financial statements for the year ended	31st March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable



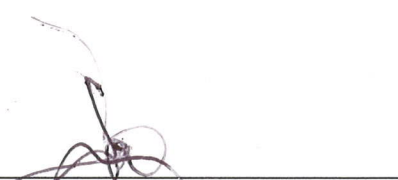
Bankey Lal Choudhary
(Managing Director)



Kamlesh Kr Agarwal
(Chief Financial Officer)



Hanuman Mal Choraria
(Chairman, Audit Committee)



Partner, B S R & Co. LLP
Chartered Accountants

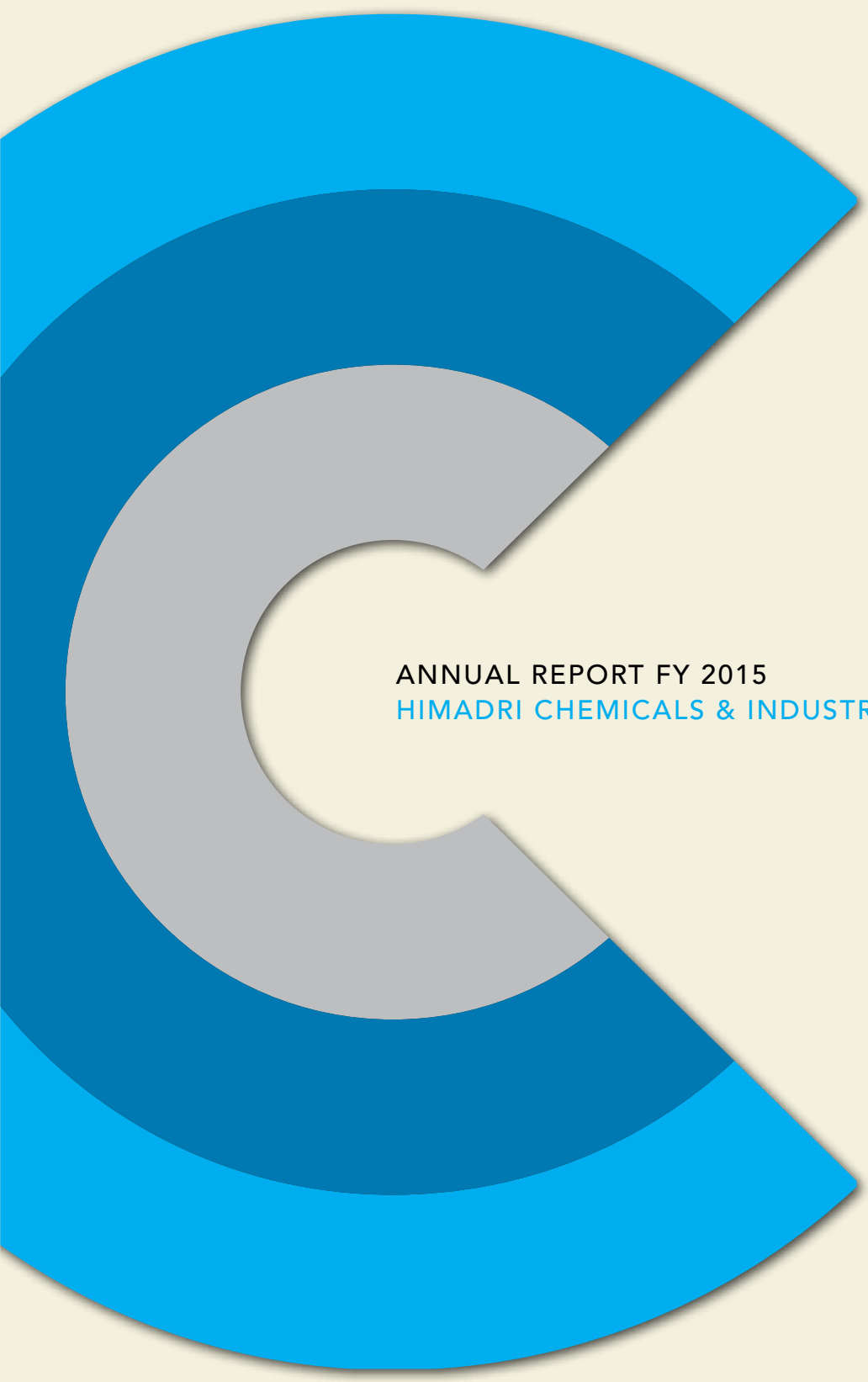
Firm's Registration No: 101248W / W-100022
Jayanta Mukhopadhyay
Membership No.: 055757





Partner, S. Jaykishan,
Chartered Accountants

Firm's Registration No: 309005E
B. K. Newatia
Membership No.: 050251



ANNUAL REPORT FY 2015
HIMADRI CHEMICALS & INDUSTRIES LIMITED

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Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



₹ 1,376 Crores

worth of revenues registered during
FY 2015



₹ 121 Crores

worth EBITDA secured in FY 2015



For more details visit: www.himadri.com

CARBON IS THE STRONGEST ELEMENT IN THE WORLD.

At Himadri Chemicals & Industries Limited, one of the few integrated specialty carbon companies of the world, we exist to extend the power of carbon to varied downstream industries.

This in turn has enhanced our ability to draw our strength from it and underpinned our resilience in a year marked by several adversities such as drop in global crude prices, decline in commodity prices and dip in realisations.

Despite being faced with high inventory costs against a demand slump, we emerged stronger in our fundamentals.



Where do we use carbon?

 Tyres	 Paints	 Pharmaceuticals	 Batteries
 Disinfectants	 Furnaces	 Heat resistance	 Anodes
 Toners	 Dyes and dyestuff intermediates	 Conductive packaging	 Carbon Papers
 Inks	 Photographic containers	 Underground structures and fittings	 Electronics
 Stretch wraps	 Road construction	 Mouldings	 Super plasticisers
 Upholstery	 Pipes	 Oil and gas pipelines	 Agriculture mulch film



While these are some of the most common uses of carbon and its compounds, there are a lot more. Carbon is the most widely used compound used across a wide range of industries.

As a speciality carbon manufacturer, we lend to a variety of end-consumer products, some of their most intrinsic properties. Himadri Chemicals is engaged in producing a wide range of carbon products such as Coal Tar Pitch, Chemical Oils, Carbon Black, Naphthalene, Advanced Carbon Material, Corrosion Protection Materials, Sulfonated Naphthalene Formaldehyde (SNF) and Clean and Green Power that satisfy foremost necessities. Thus, today, we hold 65% of the domestic Coal Tar Pitch market share and expect to maintain our performance in the coming years.

The World of Himadri

Himadri Chemicals & Industries Limited ('HCIL' or 'Himadri Chemicals') is one of the largest global players in coal tar pitch and advanced downstream chemical products.

The Company is vertically-integrated and is the largest coal tar pitch (CTP) manufacturing Company in India. The Company is one of the few global manufacturers of Zero Quinoline Insoluble (QI) Coal Tar Pitch, a critical input for manufacturing graphite electrodes and advanced carbon material. The Company is the primary supplier to all major aluminium and graphite electrode manufacturers in India (~65% market share). Himadri also develops coal tar by-products and derivatives (advanced carbon material, carbon black, corrosion protection materials and naphthalene). Coal tar pitch is used as binder for production of carbon anodes which in turn is used in the electrolysis process of extracting aluminium from alumina by the aluminium industry.

Having critical applications in a number of areas linked to the core

economic growth like manufacturing of aluminium, steel, tyres, chemicals, building products and lithium-ion batteries, the Company has carved an expanded product portfolio for its growth.

Himadri Chemicals, respected for its excellence in the area of carbon competence, is one of the most technologically advanced companies, globally. It deploys state-of-the-art manufacturing processes to ensure high quality products, global cost leadership and high standards of environmental compliance. Our production units are certified with ISO 9001:2008 and ISO 14001:2004.

HCIL is a listed Company with its shares traded on the NSE and the BSE. Bain Capital and VCIGPM Limited are among the Company's key stakeholders.



VISION

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



MISSION

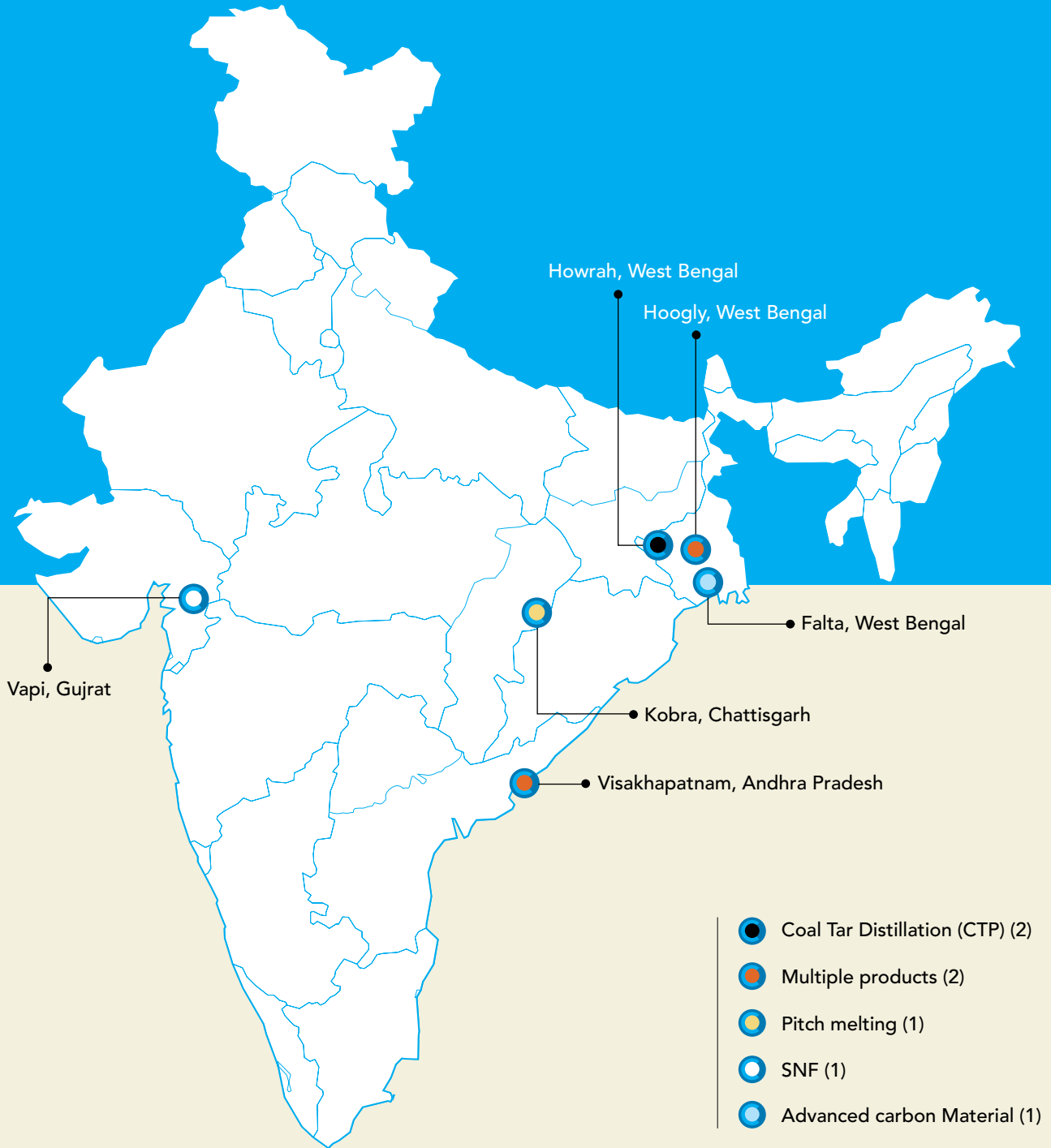
- Ensure customer satisfaction by strengthening our core competencies of developing products, processes and people towards achieving global standards of excellence
- Be a cost leader and unleash employee potential to satisfy stakeholders while being a responsible corporate citizen and adhering to our values
- Develop employees and encourage them to excel in their professional, personal and social lives
- Conserve the environment, maintain high levels of safety and address social concerns in the regions of operation

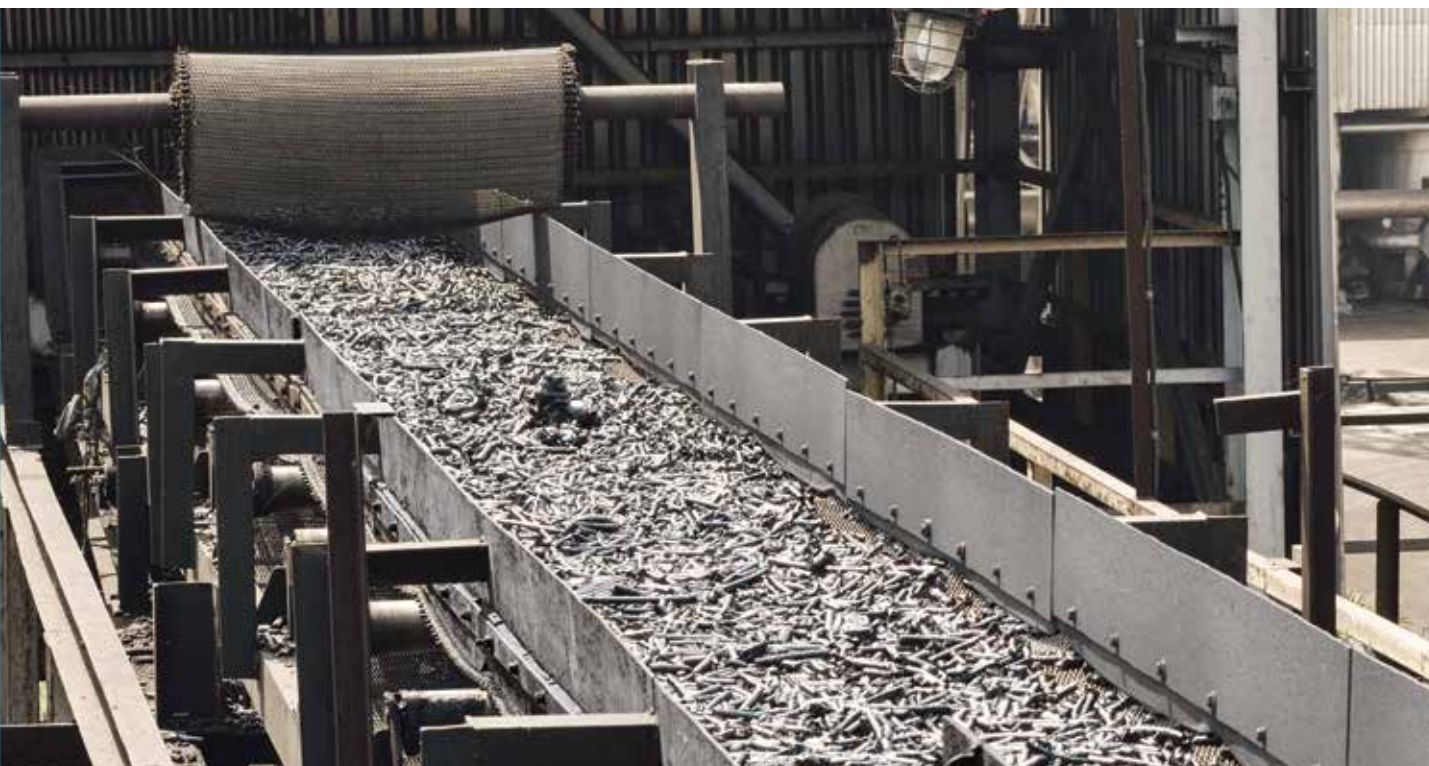


AWARD

Himadri Chemicals & Industries Ltd. was awarded the first prize in the Inter Factory Mock Drill Competition, 2015. The competition was held on 20 May 2015 at the Company's Mahistikry plant and the award was conferred under the aegis of Directorate of Factories, Government of West Bengal.

Widespread Presence





STRATEGICALLY-LOCATED FACILITIES WITH SIGNIFICANT CAPACITIES

HCIL has seven manufacturing facilities spread across India in the states of West Bengal, Gujarat, Andhra Pradesh and Chhattisgarh

The Company has Coal Tar Distillation, Carbon Black, SNF and power generation capacities of 400,000 TPA, 120,000 TPA, 68,000 TPA and 20 MW, respectively. The Company has installed facilities to process by-products, obtained from coal tar distillation, to convert them into speciality carbon compounds

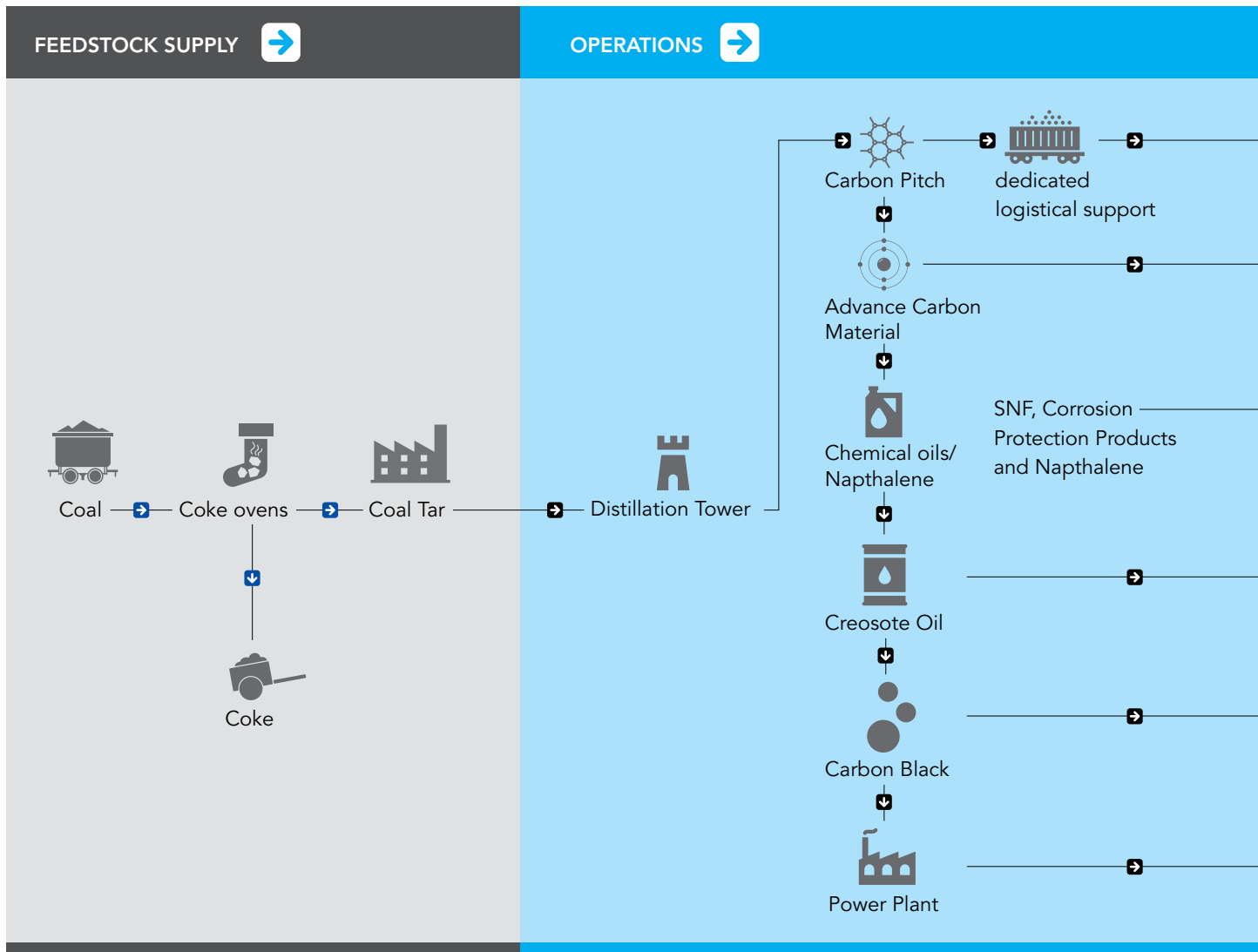
that find uses across a range of industries. HCIL has long-term relationships with major Indian raw material suppliers and is the largest purchaser of Coal Tar in India. The Company strategically imports raw materials based on prevalent global, economical and demand-supply dynamics, thereby optimising costs.

With its expanded capacity, HCIL is well positioned to take advantage of the growth in aluminium and graphite production in India.



The Company has Coal Tar Distillation, Carbon Black, SNF and Power generation capacities of 400,000 TPA, 120,000 TPA, 68,000 TPA and 20 MW, respectively.

Integrated Business Model along the Carbon Value Chain



STRONG AND LONG-TERM CUSTOMER RELATIONSHIPS





USER INDUSTRY

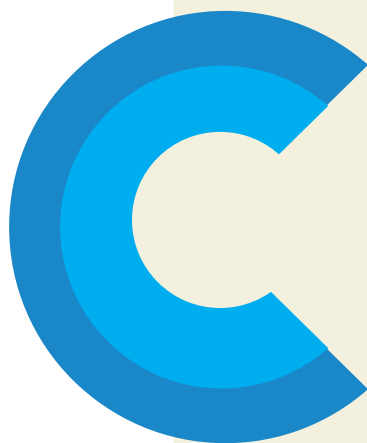
- Aluminium smelters
- Graphite Electrode Manufacturers
- Litium-ion batteries
- Pipe manufacturers & Dyes and Organic Compound manufacturers; Super plasticizers, Construction admixture and agro-chemicals
- Carbon black manufacturers (feedstock for Tyre industry)
- Feedstock for Tyre, Rubber hose, Conveyor belt and printing industry
- Power

PRODUCT PROFILE

PRODUCT CATEGORY	SUB PRODUCTS	INDUSTRY APPLICABILITY
Coal Tar Pitch	<ul style="list-style-type: none"> • Aluminium grade pitch • Graphite grade binder pitch • Graphite grade zero QI coal tar impregnating pitch • Mesophase pitch • Special pitches • Naphthalene • Refined naphthalene • Naphthalene balls • Creosote oils • Wood preservative oil • Anthracene oil/Carbon black oil 	Aluminium production, graphite electrode manufacturing, carbon composites, paints, dyes, pharmaceuticals, disinfectant production, Benzole extraction, Coal tar enamel manufacturing
Carbon Black		Reinforcing agent for rubber, abrasion-resistant, tear-resistant, improving fracture
Advanced Carbon	<ul style="list-style-type: none"> • SSG (Standard synthetic graphite) • HPG (High power graphite) • Carbonised pitch 	Electronic equipment's battery and intermediate material for anode material
SNF	Beton SP-011—liquid and powder form	Admixture, Dyes and Pigments, Agrochemicals, Leather and Rubber
Power	Power	12 MW and 8 MW power plants



Financial Highlights



Revenues

(₹ in Lakhs)

2014-15	137,581.90
2013-14	136,290.44
2012-13	129,940.15
2011-12	112,336.06
2010-11	70,008.26

EBIDTA

(₹ in Lakhs)

2014-15	12,111.22
2013-14	17,840.09
2012-13	12,875.64
2011-12	22,459.60
2010-11	19,255.69

Profit After Tax

(₹ in Lakhs)

2014-15	(1,440.07)
2013-14	(3,910.89)
2012-13	2,354.77
2011-12	6,331.65
2010-11	11,438.91



Net worth

(₹ in Lakhs)

2014-15	82,714.25
2013-14	83,421.89
2012-13	90,151.46
2011-12	89,798.68
2010-11	84,578.11

Net Debt

(₹ in Lakhs)

2014-15	103,003.22
2013-14	111,792.17
2012-13	99,786.80
2011-12	79,214.82
2010-11	49,152.84

Earning per share (basic)

(₹)

2014-15	(0.37)
2013-14	(1.01)
2012-13	0.61
2011-12	1.64
2010-11	2.97

Net-Debt Equity Ratio

(No. of times)

2014-15	1.25
2013-14	1.34
2012-13	1.11
2011-12	0.88
2010-11	0.58

Book value per share

(₹)

2014-15	21.44
2013-14	21.63
2012-13	23.37
2011-12	23.28
2010-11	21.93

Milestones

First Coal Tar distillation plant in Howrah

1990 →

Became a Public Company

1991 →

Established a new unit at Vishakhapatnam

Expansion at both the Plants

1993 TO 1999 →

Himadri Ispat Ltd. was merged with the Company

2000 →

Established new Coal Tar distillation plant at Hooghly

2004 →

Expansion at Hooghly plant

2005 →

Commercialised a by-product refining plant at Mahistikry

2006 →

Established new pitch melting facility at Korba in Chhattisgarh

2007 →



Commenced production of Advanced Carbon materials at Hooghly

2008



Acquisition of SNF plant in Vapi
Started production at Carbon Black plant and started power plant at Mahistikry

2009



CTP plant expansion in Hooghly & SNF capacity expansion in Vapi

2010



Recognised as a R&D centre by the Government of India. Completed expansion of carbon black at Hooghly. Commissioned production of SNF at Hooghly. Commissioned production of advanced carbon material at Falta SEZ. Started a CTP plant in China

2011



Expanded the capacity of power plant at Hooghly

2012



Commenced operations of expanded capacity of coal tar distillation at Mahistikry plant

2014



Managing Director's Communiqué



We are a preferred vendor, delivering high quality binder pitch (solid and liquid) to aluminium plants.



Mr. Bankey Lal Choudhary



I am confident that, with a rebound in the economic environment, the future holds a lot of potential for Himadri Chemicals.

DEAR SHAREHOLDERS,

FY2014-15 has been a challenging year from a macro-economic perspective but I am pleased with our operational performance in the backdrop of a gradual economic recovery.

The global steel industry continued to face challenges from an adverse demand scenario and a largely muted steel production regime. Overcapacity in China's steel sector led to an increase in Chinese

exports at lower prices which had a negative impact on the Indian market. In addition, the Indian steel industry was also met with pricing pressure on account of a significant depreciation of the Russian Rouble against the dollar.

The growth in the aluminium sector remained subdued during the year owing to weak demand from many major economies. In addition, oversupply from China has led to a decline in prices. Therefore, the



Himadri Chemicals is well placed to capitalize from the opportunities arising from an improvement in the overall business sentiment.

economic environment remained challenging during the fiscal year 2015 due to a slowdown in the core commodity sector.

Our financial performance in FY2014-15 has been a reflection of these challenging operating conditions. In addition, the falling crude and commodity prices impacted the inventory values which further undermined our performance.

I am confident that, with a rebound in the economic environment, the future holds a lot of potential for Himadri Chemicals.

For the steel industry however, the long-term outlook remains positive. According to the World Steel Association, global steel consumption is expected to grow at 1.4% in 2016 to reach 1,565 million MT. The global aluminium industry too is poised to improve as producers have already undertaken expansion activities and are waiting for demand revival to commission the capacities. Owing to the many applications for Aluminium, primary

We have invested in state-of-the-art distillation plants and captive power units, and are well poised to take advantage of demand growth.

aluminium production throughout the world has been rising steadily for past many years. We are a preferred vendor, delivering high quality binder pitch (solid and liquid) to aluminium plants. The country's automobile sector too is on an up-turn. The major share of this growth is expected to come from the commercial vehicle segment with an anticipated growth rate of 10-13%. Domestic tyre volumes are expected to increase by 10% during FY2016, on the back of pickup in auto demand, continued benefits from lower raw material costs and anticipated increase in exports. Tyre industry is witnessing strong capacity additions across segments from all major tyre manufacturers.

We are the largest manufacturer of coal tar pitch in the country, and the suppliers of carbon black to some of the largest tyre OEMs. The other intermediate product segments look to be strong too with the government targeting to improve manufacturing sector's contribution to GDP from current 16% to 25% by 2025. We have invested in state-of-the-art distillation plants and captive

power units, and are well poised to take advantage of demand growth. On the international front, we continue to hold our market position and market share with clients across various locations. Himadri Chemicals is well placed to capitalize from the opportunities arising from an improvement in the overall business sentiment.

Before I conclude, I would like to extend my thanks to the entire team, customers, vendors and other stakeholders who supported us during the year. I would also like to thank my colleagues on the Board for their support and guidance to the Company's management.

Best wishes

Mr. Bankey Lal Choudhary
Managing Director

CEO's Message



Mr. Anurag Choudhary



The aluminium, steel and coal tar industries have invested in capacities and we are very optimistic that a demand revival will see significant growth. Himadri is already poised for demand growth with the capacity expansion undertaken in last few years.

DEAR SHAREHOLDERS

The overall macroeconomic conditions continue to remain challenging. In that context, the performance of Himadri Chemicals remained satisfactory. However, we are cautiously optimistic about the improvement in the macro-environment, looking ahead.

BUSINESS PERFORMANCE

In context of this difficult environment, we managed to deliver consolidated Net Sales of ₹ 143,630 Lakhs during FY2015, as compared to ₹ 139,575 Lakhs in FY2014. Earnings before interest and taxation were ₹ 7,188 Lakhs during FY2015, as compared to ₹ 11,006 Lakhs in FY2014. Profit after Tax was ₹ (1,243) Lakhs.

We were faced with a steep fall in crude prices during the year. On one

hand, due to the size of operations and the profile of our clientele, we practice an inventory cycle of around 45-50 days. On the other hand, the fall in crude prices compelled us to book losses on account of the inventory value de-growth. Besides, demand for CTP from the aluminium producers remained low as a number of plants operated below capacity. At the operation level, we performed considerably well, given the fact that we had to write off inventory. We could maintain our topline at par with any other year in the past and were able to maintain our external relationships with suppliers and clients.

DURING THE YEAR

Internally as well, we have invested time and resources that make for reasons to cheer about. We have put in place an operational excellence programme to track and reduce errors across systems to remain the most efficient round the clock and across all verticals. We have invested in the best intellectual capital formation to keep us abreast of the latest global industry and sub-stream trends. While our supplies to Lithium-ion battery producers constitute a small share of total revenues, we are working extensively to make the vertical a bigger contributor to revenues, and hence margins. Several cost-improvement techniques were implemented during the year and we are strongly and determinedly moving towards efficiency improvement and cost optimisation.



REASONS FOR OPTIMISM

India's macro-economic prospects have strengthened with the election of a new government at the Centre and also through its proactive economic reforms. Subsequently, we witnessed the year end with a 7.3% growth in the national GDP; the GDP crossing the USD2 trillion million. At this inflection point of the country's economy, HCIL foresees significant opportunities for growth owing to a few reasons. We expect the core industries and infrastructure sector to get a big boost from several government interventions and reform policies.

Although a relatively bad year, the outlook for both the near and long-term future remains optimistic for the Company. Crude prices have brought our input costs down, which will lend a favourable impact to working capital. Aluminium production in the nation too is set to grow at a CAGR of around 30% over the next three years. The major manufacturers of aluminium have already undergone capacity expansion. However, they are yet to commission all the capacities in wake of demand slump and weaker LME price of Aluminium. The long term outlook for the steel industry remains positive and optimistic. India's consumption of steel is expected to grow at 7.3% in 2016 backed by increased infrastructure spending and revival in demand from automobiles and consumer durable sectors. Himadri is already poised for demand growth with the capacity expansion undertaken in last few years. The aluminium, steel and coal tar industries have invested in capacities and we are very optimistic that a demand revival will see significant growth. With the country

The worst is over for us and from here onwards, we expect the market potential to improve. The inventory devaluation was a one-time impact, which does not have trailing effects on the finances.

witnessing a demographic shift, more logistics and transportation requirements will start to create demands for tires. Major OEMs are launching new products leading to strong growth and competition in the market. We administered co-working with clients to manufacture speciality chemicals customized to the need of our clients. This will help us improve our relationships with these clients and lead to all-round value creation.

OUTLOOK

Though a near term improvement in the demand scenario remains unpredictable, we expect situation to improve in the mid to long term. The worst is over for us and from here onwards, we expect the market potential to improve. The inventory devaluation was a one-time impact, which does not have trailing effects on the finances. Therefore, we see ourselves out of the period of down-cycle. In the coming year, we expect demand for our core products - CTP and Carbon Black - to increase by ~ 20%, which, coupled with our strong fundamentals makes us hopeful of a profitable year.

Your Company remains focused on strengthening the order book, driving operational efficiencies and operating at increased capacity utilization levels. Himadri Chemicals has been aligning itself



₹ 143,630 Lakhs

We managed to deliver consolidated Net Sales of ₹ 143,630 Lakhs during FY2015.

to the changing environment and focusing relentlessly on operational efficiencies, cost optimisation, risk mitigation and strengthening existing relationships which should help in improving margins in the mid to long term. The management is committed to enhancing shareholders value by providing customers with high quality products and services with a continuous focus on health and environmental issues.

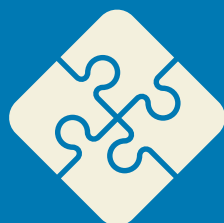
Progress made over the year was a result of the hard work of our employees and their relentless pursuit of excellence. I take this opportunity to express my gratitude to all our stakeholders who have reposed trust in us and extended their support.

Best wishes

Mr. Anurag Choudhary
Chief Executive Officer



At HCIL, our long-term growth strategy is driven by our competence. This characteristic has provided us a leading edge in the industry, both domestic and global.



etence

HIMADRI HAS BUILT STRONG CAPABILITY IN RESEARCH AND DEVELOPMENT ACROSS THE CARBON CHAIN AND HAS BUILT AN INTEGRATED PRODUCTION UNIT TO LEVERAGE THIS COMPETENCE.

We are one of the few integrated speciality carbon companies in the world and the largest producer of Coal Tar Pitch (CTP) in India. We are India's only Company to use advanced technology for coal tar distillation. We are also one of the few global manufacturers to produce zero quinoline insoluble (QI) impregnating coal tar pitch and advanced carbon materials. In carbon black, we are collaborating with our customers to develop niche application-specific specialty grades. At HCIL, every business element holds equal importance. Thus, we have built superior competence in

logistics, which is crucial for meeting delivery deadlines. We have tie up with the largest dedicated fleet in India, with specially-designed 118 tankers to transport liquid pitch between our facilities and across our delivery locations. We are the only Company in India to export liquid pitch, but we are also facilitated with liquid pitch terminal for exports. We have numerous integrated distribution networks of dealers and retailers as on FY2015.

We are the primary material suppliers to some of the biggest names from a varied set of

industries. Moreover, 100% of our CTP revenues are derived from repeat orders. Today, we hold ~65% market share, catering to around two-thirds of carbon requirements of the Indian graphite and aluminium industries. We have grown our presence and achieved FY2010-15 revenue CAGR of 24%.

At HCIL, we fuel aspirations with competence.



Consi

At HCIL, we believe in consistent improvement of performance and quality. This inherent characteristic has encouraged our philosophy to provide sustainable value to our customers.



stency

FY2015 WAS A TEST FOR OUR STRENGTHS. OUR INHERENT CHARACTERISTIC TO DELIVER CONSISTENT PERFORMANCE HELPED US TO REMAIN STRONG IN THE FACE OF ADVERSITIES.

We turned our perspective to identify, determine and act in accordance with the situation.

The year was marked by several macro-economic challenges, which made the operating environment difficult for the Company. The global crude prices plummeted, leaving us with high cost stock; commodity prices slumped taking the demand low and the overall realisation declined. We maintain

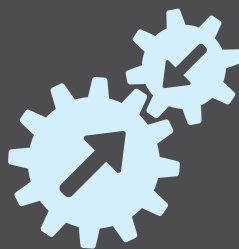
a safety stock of raw material with us to ensure delivery performance and consistency which makes us one of the most trusted and valued suppliers for our customers.

We remained the most preferred supplier for 100% of our existing clients, while roping in others. We maintained an order book and revenues too remained at levels similar to last year.



Conso

At HCIL, we focus on consolidation of various systems that help us ensure seamless operations.



Validation

FY2015 HAS BEEN A CHALLENGING YEAR. NOTWITHSTANDING ADVERSITIES, WE NOT ONLY SURVIVED BUT ALSO ENSURED A SUSTAINABLE FUTURE FOR US.

The Company has undertaken expansion ahead of curve and has the capacities in place. We are ready to service the demand growth. Now is the time to consolidate our operations and leverage the benefits from growing demand.

We revamped our internal efficiencies, and put in place various systems that in turn helped us reduce our operational costs.

First, we advocated power generation from waste gas, which is an off-shoot from carbon black processing. This reduced our dependency on external power supplies, and also helped us achieve

our environmental goals; the entire plant being a zero discharge unit.

Second, we took a strategic approach to capacity utilisation by allocating optimum production timelines to every plant. This ensured zero underutilisation of resources and helped realise the importance to put a unit on standby, rather than running at below-potential level.

Third, we reviewed each operational head to the very bottom to identify errors that funnel down to add to the fixed and variable costs of the Company at various stages. We also formulated ways to minimise

such backlogs to the best extent possible. We identified possibilities to optimise packaging quantities and transportation modes in a number of combinations that proved to be highly cost efficient. We have undertaken an operational efficiency program across our plant which will see us executing all the identified opportunities and create very robust processes and systems in our operations.

We established review systems by the end of the year that would continue to reflect in our financials over a long period of time.

Social Commitments

At Himadri, community development is integral to our sustainability strategy. Our initiatives help reduce some of the persistent challenges in the realms of healthcare, education and environment.



We follow a triple bottom-line approach to create value for our stakeholders, while being responsible to the environment and people.

With our initiatives, we strive to establish a cordial relationship with people of adjoining villages who also volunteer, take pride and actively participate in our CSR initiatives. We aspire to attain the following goals with our CSR initiatives:

- Expansion of education
- Promotion of healthy well-being of the community at large
- Protection of environment
- Eradication of inter-rivalry among different communities and their engagement in group activity
- A permanent solution to the scarcity of drinking water for the villages adjoining our Hooghly plant





All our initiatives are driven by one core idea – to give back to the society – which reinforces the responsibility that we consistently take up in order to grow as a corporate house.

During the year under review, we provided free general medical consultation and treatment, free blood sugar test and treatment, free eye test and free distribution of spectacles. Our initiatives also included up-gradation of village schools from secondary to higher secondary (science stream); erecting a three-storied building,

accommodating nine spacious class rooms, with well-equipped physics, chemistry and biology laboratories; distribution of school/college books free-of-cost to students in the adjoining village at the beginning of each academic session. We helped the villagers build temples and also played an active role in community marriages and self-employment of women.



We distributed clothes, blankets and foodstuffs to pilgrims of all different religious communities throughout the year. Our initiatives also included protection of the environment and development of greeneries. We have started a drinking water project in Mahistikry and Kuleba villages adjacent to our Hooghly plant.

All our initiatives are driven by one core idea – to give back to the society – which reinforces the responsibility that we consistently take up in order to grow as a corporate house.

People at Himadri

We believe people are the most valuable assets of the Company. We take high interest and initiatives in making Himadri a good place to work and foster free flowing ideas and communication.





RETENTION POLICY FOLLOWED BY THE COMPANY

- Hire the Best
- Place the Right People at the Right Position
- Ensure Work Life Balance
- Foster open rapport between Managers and Employees
- Integrated performance Management System
- Exit Interviews to detect system flaws

Every HR activity is given equal importance at Himadri with the view to develop an integrated culture.

Young graduates are recruited and nurtured through strong mentoring and coaching process as the organisation is building brainpower and consider them as future human resource to take care of succession planning and also provide career opportunity.

The Company has established a policy and system driven work culture over time. Accordingly human resource policies are periodically reviewed and amended

depending on the ad hoc needs. One of the key agenda for FY2015 was to strengthen performance management system (PMS) process including introduction of potential appraisal. Leadership development plan was organized for managers, senior managers and HODs involving Director as the observer. On the technological grounds, payroll system has been streamlined through ERP System.

Celebration of Annual Cultural Programme, public recognition of employees by giving long service award and appreciation award for good job are part of the regular appraisal system. To help develop skills, our PMS process brings out training need for each and every employee irrespective of the level. Based on the training need analysis individuals are provided training in the areas with headroom for growth.

There is robust Grievance handling mechanism for keeping a stress-free environment in the offices and plants. We believe recognition is a great motivational tool. Employee recognition is not just a motivation idea but also acts as a communication tool. Recognition of the worthy employees also helps build management-employee connect. At Himadri we understand

employee needs above and beyond the financials. Hence we are much keen on perks and benefits for our employees, such as Medclaim for the employee and his/her family, compensatory Offs, Accommodation, Free transport facilities to commute to factory, Subsidized Canteen Facility, among others.

THE HR OUTLOOK FOR FY2016

The management is critically reviewing manpower requirement based on business need. The Company aims to assign bigger responsibilities to existing employees training and helping them grow in their career.



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1. Anurag Choudhary, CEO
2. Amit Choudhary, President, Projects
3. Tushar Choudhary, President, Operations

Management Discussion and Analysis



1. MACROECONOMIC OVERVIEW

The Indian economy has shown signs of improvement from prolonged slowdown. During FY2015, the Indian economy expanded by 7.3% as against 6.8% in FY2014 supported by improvement in overall consumer and business sentiments. Index of Industrial Production (IIP) grew by 2.8% in FY2015 as compared to deceleration of 0.1% in FY2014. This recovery in Industrial production was supported by revival of manufacturing sector and improvement in the power sector. The IIP growth was also supported by robust growth of the capital goods sector with 6.2% during the year, compared to de-growth of 3.6% in FY2014.

During the year, the CPI inflation lowered to 6.0% from 9.5% in the previous year. This was due to the combined effect of a low base, lower MSP increase and measures taken by the government to control food inflation.

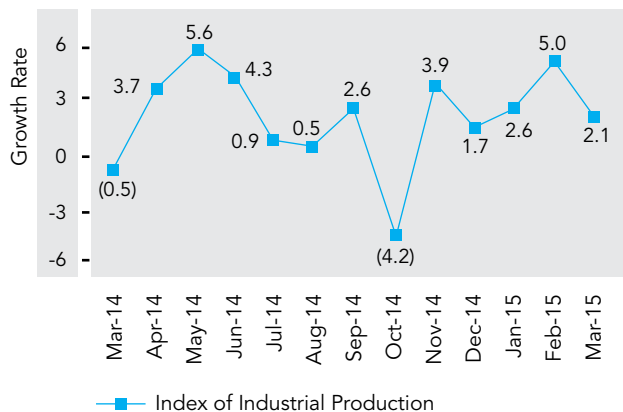
FY2016 is expected to further increase the pace of recovery resulting in the Indian economy growth rate of 7.8%. The improvement in sentiment for both consumer and investment oriented sectors is expected to help in revival of the industrial growth. In addition, industrial production is also expected to get some relief from the export driven sectors as the economy in the US and Europe will continue to improve in FY2016. The automobile sector is also expected to trace the recovery trajectory driven by strong growth in the commercial vehicle and passenger vehicles segments.



Recovery in industrial production was supported by revival of manufacturing sector and improvement in the power sector.



Index of Industrial Production (%)



We are the largest manufacturer of coal tar pitch in the country, and the suppliers of carbon black to some of the largest tyre OEMs.

Himadri is also a significant manufacturer of Carbon Black with integrated manufacturing plant at Mahistikry, West Bengal, since 2009. Carbon Black is one of the most important industrial chemicals in the world and has wide applications across industries including rubber, plastics, coating, inks and batteries.

2. COMPANY OVERVIEW

Himadri Chemicals & Industries Limited (“Himadri” or the “Company”) is primarily engaged in the business of manufacturing various grades of Coal Tar Pitch and other value added by-products derived during the distillation process. The Company has seven manufacturing units in India.

Coal Tar is a by-product generated through the processing of Coal into Coke in Steel manufacturing. It is then distilled to derive a variety of intermediate chemical products such as Coal Tar Pitch, Creosote Oils and Chemical Oils. These grades of Pitches find their applicability in the production of Aluminium, Graphite Electrodes, Paints and many other industries.

As per Aluminium Association of India, India has the 5th largest reserve of bauxite. Himadri is the largest producer of Coal Tar Pitch in the country and caters to two-thirds requirements of the Indian Graphite and Aluminium industries. It is also one of the few global manufacturers to produce Zero Quinolene Insoluble (QI) impregnating Coal Tar Pitch and advanced carbon material. The domestic market has not shown any significant growth in terms of overall consumption of Coal Tar Pitch during the last three years. However, the long term outlook remain positive on the back of strong growth in aluminium production expected in the country as many of the leading aluminium smelters in India are on the verge of completing greenfield or brownfield expansions.

3. FINANCIAL PERFORMANCE

Consolidated Highlights

Consolidated Net Sales was ₹ 143,630 Lakhs during FY2015, as compared to ₹ 139,575 Lakhs in FY2014. Earnings before interest depreciation and taxation was ₹ 12,938 Lakhs during FY2015, as compared to ₹ 17,484 Lakhs in FY2014. Profit after Tax was ₹ (1,243) Lakhs

Standalone Highlights

Standalone Gross Sales was ₹ 155,360 Lakhs in FY2015. Net Sales was ₹ 137,582 Lakhs during FY2015, as compared to ₹ 136,290 Lakhs in FY2014. Sales volume increased by 5% y-o-y but due to decline in sales price because of sharp decline in oil prices globally, revenue was not increased to that extent. Earnings before interest depreciation and taxation was ₹ 12,111 Lakhs during FY2015, as compared to ₹ 17,840 Lakhs in FY2014. Profit after Tax was ₹ (1,440) Lakhs in FY2015 compared to ₹ (3,911) Lakhs in FY2014.



Himadri is the largest producer of Coal Tar Pitch in the country and caters to two-thirds requirements of the Indian Graphite and Aluminium industries.

Gross Turnover

(Lakhs)

FY2015	155,360
FY2014	153,430
FY2013	146,570
FY2012	124,106
FY2011	77,175

Shareholders' Funds

The authorized share capital of the Company is ₹ 7,000 Lakhs with an equity share of ₹ 1 each which remained unchanged during the year. The paid up share capital as of 31 March 2015 was ₹ 3,857 Lakhs. As of 31 March 2015, Himadri has reserves and surplus of ₹ 78,857 Lakhs with net worth of ₹ 82,714 Lakhs.

Shareholder's Fund

(Lakhs)

FY2015	82,714
FY2014	83,422
FY2013	90,151
FY2012	89,799
FY2011	84,578

Dividend

In view of the challenging business environment and related decline in profitability during the last 2 years, the Board of Directors does not recommend any dividend on the equity share of the Company.

Finance

The Company continued to enjoy working capital facilities from various banks including State Bank of India, Central Bank of India, ICICI Bank, The Hong Kong and Shanghai Banking Corporation (HSBC), DBS Bank, Citibank, Axis Bank, Yes Bank, IndusInd Bank, Union Bank of India and IDBI Bank Ltd. The Company has been regular in servicing these debts.

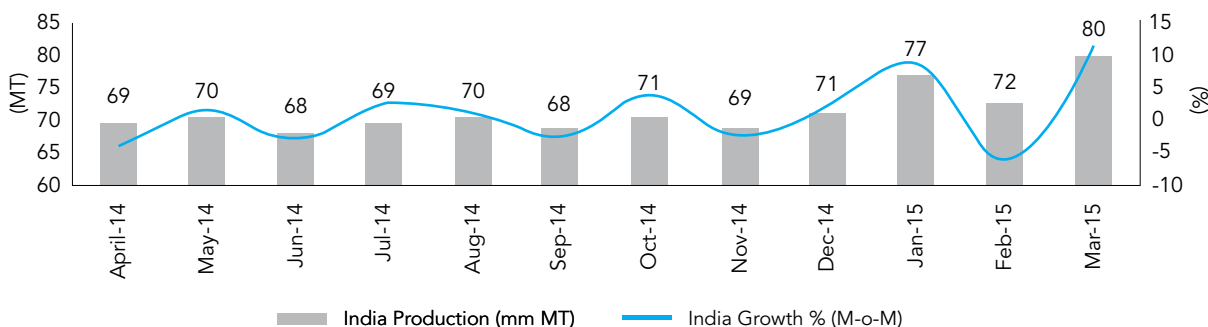
4. INDUSTRY OVERVIEW

Overview of the Steel Industry

The world steel production, which increased by 1.2% in FY2015 compared to same period last year, has been facing headwinds of overcapacity, falling steel prices and increased cost of power. Foremost is the decline in the Chinese steel industry, where production fell almost after 20 years. This is a result of the overall downturn in industrial production, infrastructure development and house building activities. This steel overproduction with insufficient internal demand has led to increasing exports at lower prices. This structural overcapacity need to be recalibrated to the underlying global demand to make the industry more competitive and profitable in the medium term.

India, the fourth largest player in the global steel industry, has crossed important milestones in terms of growth in capacity, production and exports of steel. Steel production in India grew by 5.0% in FY2015 over the previous year, which was the highest among the major steel producing nations except the Middle East.

Month by Month production of Steel in India





The per capita steel consumption in the country remains well below the world levels at 59.4 Kgs finished steel products compared to world average of 216.6 Kgs of finished steel products per capita. This indicates that there is a lot of potential for increasing the steel consumption in India. Demand of steel in the major industries like infrastructure, construction, housing, automotive, steel tubes and pipes, consumer durables, packaging and ground transportation is going to increase steadily in the coming years.

India is expected to become the world's second largest producer of crude steel in FY2016, moving up from the fourth position, as its capacity is projected to increase from 100 MT to about 112.5 MT. Steel consumption is expected to grow at 6.2% in 2015 and 7.3% in 2016. Furthermore, India has set an output target of 300 MT of steel by 2025.

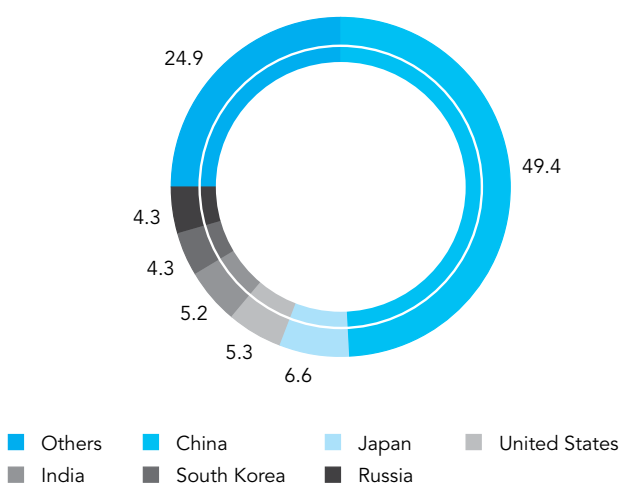
The Government of India has planned to invest in modernization and expansion of steel plants of SAIL and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity.

The Government has also taken several other initiatives to boost the domestic steel production. This includes:

- An Inter-Ministerial Group (IMG) has been setup in the Ministry of Steel for effective coordination and expediting implementation of various investment projects in the steel sector.
- A Project Monitoring Group (PMG) has been constituted under the Cabinet Secretariat to fast track various clearances/resolution of issues delaying the investments in the sector.
- To increase domestic value addition and improve iron ore availability for domestic steel industry, duty on export of iron ore has been increased to 30% Rates of custom duty on stainless steel flat products have been enhanced from 5% to 7.5% in the Union Budget for 2014-15



Regional Production for CY2014 (%)





Expansion by Industry Players

Major public as well as private steel firms like TATA Steel, JSW Steel, SAIL, Jindal Steel (JSPL) and Essar Steel, etc. are expanding their production capacity which augurs well for the industry.

The Steel Authority of India Ltd (SAIL) has formed a joint venture with Arcelor Mittal. The proposed Company will construct a cold rolling mill and other downstream finishing facilities in India that will offer technologically advanced steel products to India's rapidly growing automotive sector, which is expected to grow from the current 3.5 million units to over 7 million units by 2020.

JSW Steel has announced capacity addition to make its plant in Karnataka the largest at 20MT by 2022. Going forward, JSW Steel has given a crude steel production guidance of 13.4 MT in FY2016 (implying 6% y-o-y growth) and saleable steel sales volume of 12.9 MT (implying 7% y-o-y growth). In Vijayanagar, the Company plans to incur capex on melt shop, rolling mill and increase the plant

capacity from 10 MT to 12 MT. In Salem, two blast furnaces are due for revamping and rolling mill, which will increase the plant capacity from 1 MT to 1.25 MT.

The JSPL Group has commissioned a greenfield 2 MT steel plant in Sohar, Oman at an investment of USD 800 Million. Caparo, UK based specialty steel and engineering Group, has added new facilities in Chennai, Pitampur, Bawal, Noida and Gurgaon. Posco Steel will invest USD 12 Billion in setting up a 12 MT project in India. National Mineral Development Corporation (NMDC) has signed an MoU with Russia's third-largest steelmaker, Severstal, for a greenfield steel plant in Karnataka.

JSPL is expecting its coking coal requirements in India to rise at about 2.5 MT/year by 2015. It also expects to have commissioned a 2.5 MT/year blast furnace at the steel works it is building at Angul in the eastern state of Odisha. The Company has sold 288,000 MT of coking coal in the April-June quarter and plans to expand production capacity of Angul Plant to 6 MT/year by 2016. Tata Steel has invested close to ₹ 21,000 Crores in the KPO-Phase I, which is the largest greenfield project in India currently and its commissioning is expected soon. Its product portfolio includes automotive, branded & retail and value add steel. Also, Tata Steel has planned to commission 3 MT of capacity in its Odisha plant and plans to add another 3 MT at the plant in the near future.

According to the Department of Industrial Policy and Promotion (DIPP), the Indian mining and metallurgical industries attracted foreign direct investments of USD 1.67 billion and USD 8.53 billion, respectively, during the period April 2000 - February 2015.

Iran has showed interest in strengthening ties with India in the steel and mines sector. Also, the Government of India is aiming to scale up steel production in the country to 300 MT by 2025 from 81 MT in 2013-14. The Ministry of Steel has announced to invest in modernisation and expansion of steel plants of Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) in various states to enhance the crude steel production capacity in the current phase from 12.8 MTPA to 21.4 MTPA and from 3 MTPA to 6.3 MTPA, respectively. The capacity expansion plan at IISCO steel plant has tripled the plant's hot metal capacity from 0.85 to 2.9 MTPA. Another SAIL plant at Rourkela installed new plate mill to enhance the capacity to 4.5 MTPA which is expected to reach to 10.8 MTPA by 2025.



Opportunities

The steel industry plays a pivotal role and is linked to sectors like infrastructure, aviation, engineering, construction, housing, automobile, pipes and tubes, etc. Its intense integration with the important segments makes it a strategic focus area for the government.

Himadri's primary raw material is coal tar, availability of which is directly linked to steel production. With growing steel production, availability of domestic coal tar is scheduled to increase leading to reduced reliance on imports.

Overview of the Aluminium Industry

Global aluminium consumption in 2014 increased to 54.8 MT from 51.3 MT in 2013, reflecting an annualized growth rate of 6.8%. However, the weakness of the global economy, particularly China, has resulted in a fall in demand in the recent months. In 2015, overall global aluminium demand growth is expected to show some moderation from the 2014 levels. (Source: ICRA, 2015)

India, with its sufficient supply of quality bauxite and cost-effective manpower, has established itself as a low cost producer of primary aluminium.

With the recent commissioning of large greenfield smelters in India, the current domestic capacity stands at 2.43 MT. In the domestic market, apparent consumption grew by 9% during in FY2015, following a slowdown in FY2014, when consumption fell by 3%. In addition, aluminium production also registered 10% increase due to improved realizations and softening of prices of some of the key consumables. However, the cost of power remains the key concern of the manufacturers and hence, production remains linked to the availability of linkage coal at lower costs. The primary aluminium players were among the aggressive bidders for captive coal mines in the recently concluded auctions and secured six blocks in the process. Since production from these coal blocks would not be adequate to meet 100% power requirement of all of these entities, strategic bids are expected from the aluminium players in future auctions as well. Demand deceleration in the face of growing capacity has turned the country into a net exporter of the metal, smelting of which requires a lot of electricity. (Source: ICRA, 2015)



Himadri's primary raw material is coal tar, availability of which is directly linked to steel production. With growing steel production, availability of domestic coal tar is scheduled to increase leading to reduced reliance on imports

The short term outlook aluminium sector is projected to be subdued due to slowdown in China and global growth uncertainty. The declining inflation levels, strengthening fiscal deficit, stable crude prices and low interest rates augur well for the Indian economy.

The hindrance to smelter ramp ups due to infrastructure bottlenecks such as shortage of coal is also expected to resolve with the coal auctions. India's per capita aluminium use is currently 1.4 kg, against the world average of about 7 kg. The 'Make in India' initiative of the Government and upswing in construction, transportation and packaging would strengthen the demand of aluminium. (Source: equitymaster, Dun & Bradstreet, 2014)

Ongoing projects

HINDALCO

Hindalco Industries, the flagship of the Aditya Birla Group, has seen ramp up in smelters including Mahan and Aditya. The Alumina production at Utkal is also on an upward trajectory. The volumes have been increasing and the premiums have remained strong.

NALCO

The Company recently stabilized the second phase of expansion of its alumina refinery unit, significantly adding to its smelter capacity. This added capacity puts the Company in an advantageous position, offering attractive opportunities.

BALCO / SESA

FY2016 production is expected to be over 1 MT. Additional pots expected to ramp up in BALCO-II and full smelter is poised to ramp up over the year. Ramp up will also take place in the Jharsuguda-II.

5. BUSINESS STRATEGY AND OPERATIONAL PERFORMANCE

Coal Tar Pitch

The Company has seven manufacturing facilities in India with annual capacity for Coal Tar Distillation of 4.00 Lakhs TPA. Coal tar is the primary raw material for the Company and is produced during the processing of coking coal in a coke oven plant. It is primarily sourced from steel producers with recovery-type coke oven batteries where they convert coking coal into low-ash metallurgical coke.

The coal tar is distilled to produce various grades of pitch and a variety of intermediate chemical products. Coal tar pitch has applications in the aluminium and graphite electrode industries. The aluminium industry is the largest coal tar pitch consumer as the binder grade coal tar pitch is a key ingredient for manufacturing anode blocks in aluminium smelters.

Given the slow growth in domestic demand, India operations for coal tar pitch have been as per expectations. The domestic aluminium demand is slated to grow and the Company is poised to grow in next few years along with the demand growth with capacity available to serve the domestic market. The Company is also positioning pitch melting facilities close to consumption location to ensure delivery performance and also optimize costs.

Carbon Black

The Company has a carbon black manufacturing facility at Mahistikry (West Bengal) with an annual capacity of 1.20 Lakhs TPA. Carbon black finds application in tyres, rubber moulded parts, conveyor belts and for retreading of tyres. It has finds use in the plastics, coating and ink industry.

In FY2015, CBD improved its performance by implementing a number of strategic initiatives which would enable the Division to improve its profitability on a sustainable basis. The initiatives covered the entire gamut of the business sourcing, manufacturing efficiency, rationalizing market segments, addition of new customers, price increase where margins were low and cost control. It introduced new grades in the niche markets which would insulate it from competitive pressures.



The full potential of the above initiatives were not realized in FY2015 and it is expected to roll out progressively.

Anti-dumping duty on carbon black imports from China and Russia has given a major protection to the domestic CB industry. However Anti-dumping duty is valid till 29 July 2015 and without this duty competing with China and Russia would be very difficult.

Performance of this unit during the FY2015 remained satisfactory and in line with the management expectations. The Company has created strong customer relationships with its key customers. The Company is focusing on creating and distributing value added specialty products with niche market segments to improve profitability.

Sulfonated Naphthalene Formaldehyde (SNF)

The Company has facilities to manufacture Sulfonated Naphthalene Formaldehyde (SNF) at Mahistikry (West



The Company has been leveraging its back-end integration to counter the impact of volatility and is working with its customers to create value added products.

Bengal) and Vapi (Gujarat) with capacity of 68,000 TPA. The SNF is primarily used by the construction sector to increase the strength of concrete and fluidity of ready mix concrete. It also reduces consumption of cement. SNF is produced in the liquid as well as powdered form. It is also used as a dispersing agent in dyes, leather and agro industries.

The business has been facing challenges with high volatility in raw material and finished products prices and also very increasing challenges from cheap imports, especially from China. The Company has been leveraging its back-end integration to counter the impact of volatility and is working with its customers to create value added products. The Company is also focusing on new product lines such as agro, latex etc. to increase volume and profitability.

Wind Energy

The Company has two windmills in Maharashtra, having capacity to produce wind energy of 2.5 MW. Both these units were fully operational during FY2015 and generated revenue of ₹143.59 Lakhs with production of 3,081,708 kwh units of wind energy.

Power Plant

The Company has two power plants with a capacity of 12 MW and 8 MW respectively. During the year, 12 MW power plant is completely operational and the gas generated out of the current manufacturing capacity are sufficient to feed 12 MW power. Since there was no surplus gas available during FY2015 to feed 8 MW power plant, 8 MW power plant used as a standby. The plant utilizes the waste heat gas generated during the manufacturing of carbon black at Mahistikry (West Bengal). The Company is

focused on making the process of power generation economically viable by operating the carbon black plant at optimal levels. The performance of this facility remained satisfactory during FY2015.

SEZ Unit - Falta

The Company has developed a facility to manufacture advanced carbon material at Falta (SEZ Sector) in West Bengal. Advanced carbon material is manufactured from special quality of coal tar pitch in-house technology. This product has applications in the manufacturing of anodes for lithium-ion batteries. The lithium-ion batteries have applications in electronic devices such as mobile phones, laptops, power tools, digital cameras, audio devices, games, medical implant devices and hybrid electric vehicles. The batteries are lighter in weight along with features such as higher capacity voltage, longer life and are pollution-free. The Company has made significant headway in introduction of product in export markets.

6. OPPORTUNITIES

Rising Domestic Demand

With Government's initiatives to boost manufacturing sector and the impending line-up of commissioning of Greenfield and Brownfield projects in aluminium industry, the domestic demand for coal tar pitch binder grade is expected to increase. This is a positive sign for the industry and the Company as rising domestic demand will provide a boost in volumes. Also, the increasing steel capacity and production will result in adequate supply of raw material.

New Value Added Products

Himadri has invested in further development of new value added products in its different business lines with research and technology insights. Himadri has launched specialty carbon black products which will provide it access to new customer segments and applications with better contributions. Similarly, Himadri has developed Poly Carboxylic Ether (PCE) to meet its growing demand in construction chemical segment, which is rapidly substituting SNF as base material. Production of PCE and specialty carbon black also helps in replacement of imports with domestic product.

Operational Efficiency

Himadri is focusing on operational efficiency with a view to increase productivity and derive significant cost reduction benefits. In-line with this objective, the Company is investing in technological upgradation to enhance productivity. The Company has also engaged external operational experts to further strengthen processes and systems.

International Trade

The Company has continued to penetrate export markets for key products such as carbon black, coal tar pitch, SNF and LC Oil. These export markets include countries such as Argentina, Singapore, Japan, Indonesia, South Africa, Malaysia, Vietnam, Sri Lanka, Bangladesh, Nigeria, USA, U.A.E., Senegal, Poland and more recently Turkey and Egypt. The Company is also focusing on strategic imports of raw materials from North Asia, South East Asia, Middle East and US.

Expansion of Coal Tar Pitch melting facilities

During the year, the Company has proposed to set up a Melting Plant (Coal Tar Pitch) at Sambalpur in the state of Odisha to cater the demand of the customers located regionally. The cost of the project will be financed through internal accruals. The construction work is in progress and the plant is expected to be operational by the end FY2016.

7. THREATS

Logistic / Transportation

The Company largely depends on road transport for the movement of liquid form of the raw material procured from major steel plants across the country. This requires adequate number of tankers to ensure continuous supply of raw materials without any interruption in the production process. The sourcing of raw material, its availability and its transportation are the major challenges to the industry. Special tankers with modern technology are required to carry such material.

The basic contents of Coal Tar are in liquid form and need special care for handling throughout the process and require trained employees. Furthermore, the cost of transportation remains a serious concern.

Himadri has planned to set up melting plants and raw material storage facilities on a pan India basis located near the steel plants and the railway network. One such raw material storage facility has already been set up at Rourkela, Odisha. This will enable the Company to address operating bottlenecks, accumulate raw material from suppliers and move raw materials through more time and cost efficient railway logistics. The setting up of pitch melting plants near the customer locations help to reduce the dependence on logistics.

Dumping of products from international markets

The domestic carbon black industry faces a threat from dumping of material from China and other countries. The Government has recently extended the anti-dumping duty against China, Russia and Thailand.

Similarly, the slowdown in Chinese economy has led to significant dumping of naphthalene and SNF from China in India leading to sharp decline in their prices. Government needs to take a view to check the dumping so that domestic industry is not disadvantaged.

Adverse duty structure for coal tar

Currently, coal tar has a higher duty structure compared to its derivative products like Coal Tar Pitch, Naphthalene and CBO. This discourages domestic production and encourages imports of finished product. The Government needs to set the structure right to encourage domestic manufacturing in line with the vision of "Make in India".

8. CREDIT RATING

Credit Analysis & Research Limited (CARE) has assigned CARE A+ rating for the Company's long term bank facilities including non-convertible debentures. CARE A+ rating is considered to have adequate degree of safety regarding timely servicing of financial obligations.

CARE has also re-affirmed the CARE A1+ rating assigned for the Company's short term facilities. This is considered to have a very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.



9. AWARDS AND RECOGNITIONS

Himadri Chemicals & Industries Ltd. won First Prize in the Inter Factory Mock Drill Competition, 2015. The competition was held on 20 May 2015 at the Company's Mahistikry plant and the award was conferred under the aegis of Directorate of Factories, Government of West Bengal.

10. RESEARCH AND DEVELOPMENT

The Research and Development Centre at Mahistikry unit of the Company has been recognized by the Government of India, Ministry of Science and Technology, Department of Science and Industrial Research. The Company actively undertakes research & development (R&D) activities at the Plant for improving the processes and the quality of existing finished products, working on introduction of new value added products, testing of coal tar pitch and carbon black to maintain best in-class quality.

11. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Our employees are the most valuable assets of the Company. During the year, we were focused on building a robust and diverse talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices. We encourage passion, commitment, innovation and meritocracy, and this has enabled the Company to sustain its leadership position. Himadri is focused not only on attracting, but also retaining talented individuals across the Company's global business units. We do this by ensuring that our employees' professional growth is consistent with their aspirations and capabilities, and also within the framework of the corporate goals.

Proper exchange of ideas and thoughts promotes human development and harmony. There are formal channels for internal communications for employees to share their views and opinions with the management. The Company reflects on the feedback and incorporates relevant changes into the existing policies, systems and processes.

The Company is focused on building a robust and diverse talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices.



During the year under review, Himadri maintained cordial relationship with all its employees. The Directors would like to acknowledge and appreciate the contribution of all employees towards the performance of the Company.

Human Resource Development

The management is committed to development of the human resource to ensure sustainability and long term growth. The human resource development program is centered on 3 basic principles:

Recruitment: The management has retained highly experienced HR consultants for the recruitment process. A professional HR team has been setup in-house with the objective of maintaining the best talent pool, recruiting people at start of their career and provides them ample opportunities to grow within the organization.

Training and Development: Given the specialized nature of the business, the Company provides excellent on-the-job training opportunities for its employees delivered through an experienced and qualified team of professionals focused on employee's talent, developing their expertise and enhancing their entrepreneurial skills.

Compensation: Himadri provides incentive and compensation packages to employees at the highest standards in the industry. Himadri follows a policy of 'the right person at the right job'. With a view to keep the compensation package comprehensive and competitive with market standards, various surveys are conducted at regular intervals.

Health and Safety Measures

Himadri has always considered health and safety of its employees as an essential and integral part of each and every activity. Accidents and risks to health are prevented through continual improvement in the working environment and safety measures. All employees are well covered with adequate health insurance.

The Company is committed towards protecting the environment, ensuring a safe work environment

for its employees and conservation of the natural resources. Himadri has established a safety, health and environment committee to ensure a secure safe environment within and outside the organization. Function and duties of SHE (Safety, Health & Environment) Committee shall include:

- a. Driving the organization with the help of the management team to achieve the aims and objectives outlined in the Safety, Health and Environment Policy of the Company;
- b. Dealing with all matters concerning Safety, Health and Environment and to aim ecological co-existences;
- c. Creating Safety, Health & Environmental pollution awareness amongst all workers;
- d. Undertaking educational, training and promotional activities towards Safety, Health and Environment with total emphasis on sustainability;
- e. Action on reports on safety, environment and occupational health surveys, safety audits and risk assessment for implementation of the recommendations made in the reports;
- f. Discussing on-site emergency plan and disaster control measures for effective implementation;
- g. Carrying out health and safety surveys and identifying causes of accidents (if any);
- h. Looking into any complaint made out of apprehension on the likelihood of an imminent danger to the safety and health of the workers, suggesting corrective measures and reviewing the implementations of the remedial measures taken to eliminate the imminent dangers;
- i. Reviewing and analyzing the work and operational procedures for identification of hazards and environmental issues along with their eliminating methodologies. (i.e. HAZOP studies of our process).



Industrial Relation

Employee relationships remained very strong across the Company. During the year, these relationships at all levels remained cordial through the adoption of productive and performance based policies. This has been evident by the fact that there has been zero work interruption in the last six years. Since the Company provides a number of benefits such as medical insurance to employees and their families, personal accident insurance, provident fund, gratuity and special allowances, the employees' turnover during the year under review remained moderate.

12. RISKS & MANAGEMENT

Himadri is impacted by changes in business environment from time to time which necessitates the evaluation and management of significant risks faced by the Company.

Macroeconomic Uncertainty: Himadri is prone to risks that are particular to its business and the environment within which it operates. The Company's operations are directly dependent on the general economic conditions in both Indian and other key global markets.

Geopolitical and other Risks: Political instability, wars, terrorism, multinational conflicts, natural disasters, raw material shortages and their prices, epidemics, labour strikes all present business risks. To counter these risks, the Company continues to expand its geographic presence strategically.

Technology Risks: The Company addresses this risk through a continuous programme that combines a strong focus on research & development and an organizational system that rewards innovation across all levels within the organization.

Changes in Government Policies: The Government policies on imports, exports, taxation, interest rates and other related areas, may also have an impact on the performance of the Company. Himadri monitors regulatory and political developments on a continuous basis both at the central and the local level. The risk management process includes implementation of adequate policies and practices, which identify and evaluate business risks and underlying opportunities.

Foreign Exchange Risks: Himadri has established appropriate risk assessment and minimization procedures to mitigate the various aspects of business risks including foreign exchange management. To mitigate currency risks, the Company follows a prudent risk management policy, including hedging mechanisms, to protect cash flow.

Country Risks: Products are exported to a number of different geographic markets and consequently, the Company is subject to various risks associated with conducting business internationally.

The management at Himadri ensures that risks are identified at the originating level and managed in a controlled manner to develop a sustainable business model capable of maximizing stakeholders' returns.



13. STATUTORY COMPLIANCE

The company secretary, as compliance officer, ensures compliances of the SEBI regulations and provisions of the listing agreement. The Chief Financial Officer and the Chief Executive Officer and Managing Director acts as a Compliance Officer for the prevention of insider trading. With a view to cover the risk of compliance with various rules and regulations of the Companies Act, SEBI and Listing Agreement, the Company has appointed Internal Auditors to ensure reporting of any potential non-compliance. Compliance certificates are obtained from various managerial personnel to ensure compliance with provision of various statutes.

14. INTERNAL CONTROL SYSTEMS

The Company has effective and efficient systems of internal control to ensure compliance with policies, statutes and code of conduct. Himadri uses services of independent internal auditors to strengthen the internal controls process. There are well-established

comprehensive internal control systems, processes, rules, policies and procedures for effective monitoring and control of the entire operations of the Company and its subsidiaries.

Himadri's internal control systems are robust and are routinely reviewed and updated. The Company's audit committee reviews the adequacy of internal controls on a regular basis and thus helps mitigate/avoid fraud or any other discrepancies in the daily operational activities.

The senior management is continuously engaged in upgrading the standards and policies of the internal control system. Himadri ensures the reinforcement of these policies on an ongoing basis. Senior management is satisfied with the adequacy and efficiency of these systems.

Himadri believes that the overall internal control system is dynamic, and reflects the current requirements at all times, hence ensuring that appropriate procedures and controls, in operating and monitoring practices are in place.

15. SOCIAL WELFARE ACTIVITIES

The management gives adequate attention to the welfare activities of the village area around the plant and its' surroundings. In line with the objective of our corporate social responsibility, a free dispensary service was created for villagers and employees near Mahistikry (West Bengal) plant. The Company has been involved in providing education, medical support, donation for food and clothing, and has also organized blood donation camps, eye check-up camps, etc. The management is also actively engaged in sponsoring educational programs at the school level.

The Board has formulated a committee to be known as CSR Committee with Mr. Santimoy Dey, Mr. Sakti Kumar Banerjee, Independent Non-executive Directors and Mr. Shyam Sundar Choudhary, Whole Time Director of the Company as its members. This is in compliance with the provisions of Section 135 of the Companies Act, 2013. The committee has laid a policy on CSR covering the projects to be undertaken by the Company for this purpose and recommended a sum of ₹ 23.8 Lakhs to be spent during FY2015 on the CSR activities.



16. SUSTAINABILITY

Himadri is committed to ensuring that development in present does not compromise with needs of future generation. The Company maintains a strict compliance with relevant environmental legislations and regulations at all times. The Company has also made significant investments on environment protection measures and this has helped in making its plant a 'Zero discharge plant'. Employees and other stakeholders are encouraged to conserve natural resources like water, fuel, energy and build environment friendly workplace.

As a responsible business organization, the safety and well-being of employees and communities occupies foremost of the Company's priorities. Himadri's efforts towards workplace safety have been recognized with prestigious Fire Safety Award in Eastern Zone consecutively for last two years.

17. OUTLOOK

Even though FY2015 remained challenging, the long term prospects of steel and aluminium sectors in India seem promising. The ongoing initiatives by the central government in infrastructure and manufacturing

sectors are likely to steer a strong growth in steel demand. With the improvement in demand in end user markets, the Company expects to strengthen its order book, increase utilization levels and thus generate higher value from the assets. Himadri's relentless focus on operational excellence and production efficiencies are likely to deliver significant benefits. The Company is in a strong position to capitalize growth revival of key end consumer sectors such as auto, steel and aluminium.

Cautionary Statement

The Investors are hereby informed that statements in the Directors' Report and Management Discussion and Analysis describing the objectives, projections, estimates and expectations may be of forward looking within the meaning of applicable securities laws and regulations and the actual performance in coming years could differ from what is expressed or implied. The factors that could affect the Company's performance are the economic and other factors that affect the demand – supply balance in the domestic market as well as in the international markets, changes in government regulations, tax laws and other statutes and host of other incidental implications.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 27th Annual Report, together with the Audited Financial Statements and the Auditors' Report of the Company for the financial year ended 31 March 2015.

STATE OF AFFAIRS OF THE COMPANY

The performance of the Company for the financial year ended 31 March 2015 is summarised below:

Particulars	Amount in ₹ Lakhs			
	Standalone		Consolidated	
	2014-15	2013-14	2014-15	2013-14
Gross Turnover	155,359.62	153,430.42	161,408.21	156,715.46
Other Operating Income	167.96	37.15	167.96	37.15
Other Income	1,495.92	1,408.42	1,309.05	1,248.19
Total Revenue	139,245.78	137,736.01	145,107.50	140,896.82
Operating Profit	13,050.04	10,812.55	13,732.76	10,134.10
Less: Finance Costs	10,150.66	11,651.47	10,263.02	11,762.47
Depreciation	5,535.87	5,452.43	5,917.62	5,843.82
Profit / (Loss) before exceptional item and tax	(2,636.49)	(6,291.35)	(2,447.88)	(7,472.19)
Add: Exceptional Item – Profit on sale of Investment in subsidiary	-	704.99	-	-
Profit / (Loss) before tax	(2,636.49)	(5,586.36)	(2,447.88)	(7,472.19)
Provision for tax				
Net Current Tax	64.10	0.46	64.10	0.46
Deferred Tax Charge / (Credit)	(1,260.52)	(1,675.93)	(1,260.52)	(1,675.93)
Profit / (Loss) after tax (before adjustment of minority interest)	(1,440.07)	(3,910.89)	(1,251.46)	(5,796.72)
Minority Interest	-	-	(8.45)	(98.51)
Profit / Loss for the year	(1,440.07)	(3,910.89)	(1,243.01)	(5,698.21)
Add: Surplus brought forward	28,055.02	33,249.52	24,128.64	31,110.46
Add: Depreciation charge (Net of deferred tax of ₹ 125.51 Lakhs)	(237.14)	-	(238.82)	-
Surplus available for appropriation	26,377.81	29,338.63	22,646.81	25,412.25
Appropriations				
Transfer to Debenture Redemption Reserve	(832.32)	(832.32)	(832.32)	(832.32)
Proposed Equity Dividend	-	(385.73)	-	(385.73)
Corporate Equity Dividend Tax	-	(65.56)	-	(65.56)
Balance carried to Balance Sheet	25,545.49	28,055.02	21,518.49	24,128.64

DEBENTURE REDEMPTION RESERVE (DRR)

In terms of Section 71(4) of the Companies Act, 2013 the Company has transferred a sum of ₹ 832.32 Lakhs to the credit of Debenture Redemption Reserve out of its profits from the previous years for the purpose of redemption of various kind of debentures issued by the Company.



FINANCIAL SUMMARY OR HIGHLIGHTS

i) Financial Performance - Standalone

Total Revenue of the Company for the year FY2015 marginally increased by 1.10% to ₹ 139,245.78 Lakhs from ₹ 137,736.01 Lakhs during the previous year. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/gain, provision for doubtful debts/advances/contingencies and other income was ₹ 12,111.22 Lakhs as compared to ₹ 17,840.09 Lakhs for the previous year. EBITDA for the year is mainly impacted by write down in the inventory valuation. During FY2015, the Company incurred a loss after tax of ₹ 1,440.07 Lakhs as compared to loss after tax of ₹ 3,910.89 Lakhs in previous year.

ii) Financial Performance - Consolidated

On consolidated basis, the Total Revenue from operations in the year FY2015 increased marginally by 2.99% to ₹ 145,107.50 Lakhs from ₹ 140,896.82 Lakhs in the previous year. EBITDA for the year, excluding the effect of foreign exchange fluctuation loss/gain, provision for doubtful debts/advances/contingencies and other income, was ₹ 12,937.73 as compared to ₹ 17,484.25 Lakhs for the previous year. During FY2015, the Company incurred a loss after tax of ₹ 1,243.01 Lakhs as compared to a loss of ₹ 5,698.21 Lakhs in the previous year

These losses were incurred primarily on account of higher material cost, depreciation and write down of inventory valuation.

SUBSIDIARIES

The Company has following subsidiaries:

- i) Equal Commodore Private Limited – India (Wholly Owned Subsidiary)
- ii) AAT Global Limited – Hong Kong (Step Down - Wholly Owned Subsidiary)
- iii) Shandong Dawn Himadri Chemical Industry Limited – China (Step Down – Subsidiary)

None of the above subsidiary is material in nature as per the Policy of the Company for determining material subsidiaries and the same may be accessed on the Company's website at the link: www.himadri.com/Himadri_Policy_for_determining_material_subsiadiary.pdf

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

During FY2015, no Company has become or ceased to be subsidiary, joint venture or associate of the Company.

MELTING PLANT AT SAMBALPUR, ODISHA

During the year, the Company has proposed to set up a Melting Plant (Coal tar Pitch) at Sambalpur in the state of Odisha to cater the demand of the customers located in the surroundings of Sambalpur. The cost of the project will be financed through Internal Accruals. The construction work is in progress and the plant is expected to be operational by the end of FY2016.

WINDMILLS

During FY2015, the performance of the windmills at Dhule in Maharashtra remained satisfactory and it generated 3,081,708 kwh units of wind energy during the year as compared to 3,568,437 kwh units in the previous year. The revenue generated by the windmills for the year remained at ₹ 143.59 Lakhs as compared to ₹ 160.64 Lakhs in previous year.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standards AS-21, AS-23 and AS-27, issued by the Institute of Chartered Accountants of India (ICAI) and in compliance with the Listing Agreement with the stock exchanges, the Company has prepared consolidated financial statements. The Audited Consolidated Financial Statements along with the Auditors' Report thereon forms part of the Annual Report.

WORKING CAPITAL

The Company continued to enjoy working capital facilities from various banks including State Bank of India, Central Bank of India, ICICI Bank, The Hong Kong and Shanghai Banking Corporation (HSBC), DBS Bank, Citibank, Axis Bank, Yes Bank, IndusInd Bank, Union Bank of India and IDBI Bank Ltd. The Company has been regular in servicing these debts.

Himadri would like to thank these financial institutions for their continued trust and support.

CREDIT RATING BY CARE

The rating of "CARE A+" (Single A Plus) re-affirmed by the Credit Analysis & Research Limited (CARE) for the long term bank facilities including non convertible debentures which is considered to have adequate degree of safety regarding timely servicing of financial obligations.

The CARE has re-affirmed the rating of "CARE A1+" (A One Plus) assigned for the short term bank facilities, which is considered to have very strong degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

CAPITAL EXPENDITURE

During FY2015, there was an addition to capital expenditure aggregating to ₹ 2,098.62 Lakhs (including Capital work in-progress).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013, Mr. Pavninder Singh (DIN: 03048302) and Mr. Bankey Lal Choudhary (DIN: 00173792), the directors of the Company will retire from the office by rotation, and being eligible, offer themselves for re-appointment.

The Company was required to appoint a Woman Director pursuant to Section 149(1)(b) of the Companies Act, 2013 and Smt. Rita Bhattacharya (DIN: 03157199) was nominated by Life Insurance Corporation (LIC) of India pursuant to the right of nomination in accordance with terms of Non-Convertible Debentures issued by the Company on private placement and the Board taken on record her appointment at its meeting held on 22 April 2014.

During the year Mr. Sushil Kumar Saraf (DIN: 00535726), Independent Director of the Company has resigned from the Board with effect from 15 July 2014, due to his full time involvement in his own business and he expressed his difficulty in attending the meetings of the Board and Committees to be held from time to time.

The Board at its meeting held on 27 May 2014 appointed Mr. Santimoy Dey (DIN: 06875452) as Additional Director. Further the Board at its meeting held on 11 August 2014, appointed Mr. Hanuman Mal Choraria (DIN: 00018375) and Mr. Chandra Shekhar Sarda (DIN:00252003), as Additional Directors. These directors were further appointed as Independent Non-Executive, Non-Rotational Director by

the shareholders at the last Annual General Meeting held on 24 September 2014 for a period of five years with effect from the date of the Annual General Meeting

Further at the last Annual General Meeting of the Company held on 24 September 2014, the Independent directors namely i) Mr. Sakti Kumar Banerjee (DIN: 00631772), ii) Mr. Hardip Singh Mann (DIN: 00104948), iii) Mr. Krishnava Satyaki Dutt (DIN: 02792753), were appointed as Independent Non-Executive, Non-Rotational Directors for a period of five years with effect from 1 April 2014.

The Board of Directors at its meeting held on 12 February 2015 upon recommendation of Nomination and Remuneration Committee, has re-appointed Mr. Bankey Lal Choudhary (DIN: 00173792) as Managing Director of the Company for a period of three years w.e.f. 1 April 2016, subject to the approval of Shareholders u/s 196, 197, 203 of the Companies Act, 2013 and upon fulfillment of conditions as laid down in Schedule V appended to the said Act. The necessary resolution along with terms and conditions and explanatory statement is being provided in the Notice convening the 27th Annual General Meeting of the Company

The Board of Directors at its meeting held on 12 February 2015 upon recommendation of Nomination and Remuneration Committee, has re-appointed Mr. Shyam Sundar Choudhary (DIN: 00173732) as Whole time Director of the Company for a period of five years w.e.f. 1 April 2015, subject to the approval of Shareholders u/s 196, 197, 203 of the Companies Act, 2013 and upon fulfillment of conditions as laid down in Schedule V appended to the said Act. The necessary resolution along with explanatory statement is being provided in the Notice convening the 27th Annual General Meeting of the Company.

The Company in Compliance of the provisions of Section 149 of the Companies Act, 2013 and the provisions of Clause 49 of the Listing Agreement has appointed Six Independent Directors at the Last Annual General Meeting held on 24 September 2014 representing half of the Board as Independent Non - Executive.

The brief resume and other details relating to the Directors, who are to be appointed / re-appointed as stipulated under Clause 49(VIII)(E) of the Listing Agreement, are provided in the Notice of Annual General Meeting forming part of the Annual Report.



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

Further the Company in compliance of the provisions of Section 203 of the Companies Act, 2013 designated 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, Mr. Kamlesh Kumar Agarwal, Chief Financial Officer and Mr. Bajrang Lal Sharma, Company Secretary, as the Key managerial Personnel of the Company with effect from 1 April 2014.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, and as per Clause 49(III)(D) (4)(a) of the Listing agreement with the Stock Exchanges, your directors confirm that:

- a. In the preparation of the annual accounts for the year ended 31 March 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. The Directors have selected suitable accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year under review;
- c. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. The Directors have prepared the annual accounts on a going-concern basis;
- e. The Directors, have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and are operating effectively; and

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

DECLARATION FROM INDEPENDENT DIRECTORS

As required in terms of Section 134(3)(d) of the Companies Act, 2013, the Board hereby confirm that all the Independent Directors of the Company have given necessary declaration of their Independence as stipulated in Section 149(6) of the Companies Act, 2013.

REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of Directors has formulated a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees, and the said policy is annexed herewith and marked as **Annexure I** forming part of this report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

LOANS, GUARANTEE AND INVESTMENT U/S 186 OF THE COMPANIES ACT, 2013

The Company has not provided any Loans, Guarantee or made any Investment during FY2015, except certain Loans, Guarantees and Investment made to Subsidiaries of the Company, given for business purpose. There are certain investments made by the Company in past financial years and the same are subsisting as on the date of the closure of the financial year are within the overall limits as provided u/s 186 of the Companies Act, 2013, the details thereof are provided in financial statements of the Company.

RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on Materiality of and Dealing with Relating Party Transaction in terms of Clause 49 of the Listing Agreement and the said Policy is posted on the Website of the Company and during FY2015 the Company has not entered into any materially significant related party transaction with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company.

All the Related Party Transactions entered into by the Company during the financial year were in ordinary course of business and on arm's length basis. The Related Party Transactions undertaken by the Company during the year includes periodical payments of remuneration to its directors and their relatives and key managerial personnel. All such transactions were usually undertaken with prior consent of the Audit Committee on quarterly basis. As regards to the payment of remuneration to relatives of Directors, the prior approval of the shareholder has been obtained by means of special resolution at the last Annual General Meeting held on 24 September 2014.

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or relatives except for those disclosed in the financial statements. Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 does not form part of the report.

EXTRACTS OF THE ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an Extract of Annual Return as on the financial year ended on 31 March 2015, in Form No. MGT-9 is annexed herewith and marked as **Annexure II** forming part of this report.

PARTICULARS OF REMUNERATION OF MANAGERIAL PERSONNEL AND EMPLOYEES AND RELATED DISCLOSURE

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith and marked as **Annexure III** forming the part of this Report.

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

JOINT STATUTORY AUDITORS

The joint statutory auditors M/s S. Jaykishan, Chartered Accountants and M/s B S R & Co. LLP, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received necessary consent and certificates under Section 139 of the Companies Act, 2013 from them to the effect that their appointment, if made, shall be in accordance with the conditions specified therein and they satisfies the Criteria as prescribed in Section 141 of the Companies Act, 2013.

The Auditors' Report and notes on Accounts are self-explanatory and therefore do not call for any further explanation.

SECRETARIAL AUDITOR

The Board has appointed M/s MKB & Associates, Practising Company Secretaries, to conduct Secretarial Audit for FY2015. The Secretarial Audit Report, pursuant to Section 204(1) of the Companies Act, 2013, for the financial year ended 31 March 2015 is annexed herewith and marked as **Annexure V** to this Report.

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has formulated a Vigil Mechanism / Whistle Blower Policy in terms of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock exchanges for employees to report their grievances / concerns about instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct by means of Protected Disclosure to the Vigilance Officer or the Chairman of the Audit Committee.

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

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

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo, as



required to be given pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith and marked as **Annexure VI** forming the part of this Report.

RISK MANAGEMENT (RISK ASSESSMENT AND MINIMIZATION PROCEDURE)

The Company has formulated a Policy on Risk Management (Risk Assessment and Minimization Procedure) in consultation with Senior Management to identify various kinds of risk in business of the Company and its process to minimize the same. The details of various risks and its mitigation are provided in the Management Discussion and Analysis Report forming the part of this Report.

INTERNAL FINANCIAL CONTROLS

The Audit Committee of the Company monitors the adequacy of Internal Control System and procedures in the Company and the Committee has recommended the appointment of internal auditor to monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The Internal Auditor submits the Internal Audit report periodically before the Audit Committee along with their findings, which are usually elaborately discussed at the meetings of the Audit Committee and based on their report, findings and submissions the senior management undertake corrective measures in their respective areas and thereby strengthen the controls. During FY2015, such controls were tested and no reportable material weaknesses in the design or operation were observed.

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The management gives adequate attention to the welfare activities of the village area around the plant and its surroundings. In line with its objective of corporate social responsibility, a free dispensary service was created for villagers near Mahistikry (West Bengal) plant. The Company has been involved in providing education, medical support, donation for food and clothing, and has also organised blood donation camps, eye check-up camps, etc. The management is also actively engaged in sponsoring educational programs at the school level.

The Board in compliance with the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder has

formulated a Committee to be known as CSR Committee with Mr. Santimoy Dey, Independent Non-executive Director, Mr. Sakti Kumar Banerjee, Independent Non-executive Director and Mr. Shyam Sundar Choudhary, Whole time director of the Company as its members. The Committee has formulated and recommended a policy on CSR as well as the projects to be undertaken by the Company for this purpose and recommended a sum of ₹ 23.80 Lakhs to be expended during FY2015 on CSR activities.

The Company has expended a sum of ₹ 27.99 Lakhs on CSR activities covered within the scope of the CSR Policy. The Annual Report on CSR activities in terms of Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith and marked as **Annexure VII** forming part of this report

ANNUAL EVALUATION OF THE MEMBERS OF THE BOARD

The Board, upon recommendation of the Nomination and remuneration committee and as per the criteria and manner provided for the annual evaluation of each member of the Board and its committee, has evaluated the performance of the entire Board, its committee and individual directors. And on the basis of the performance evaluation all the members of the Board are eligible to continue to act as Directors of the Company.

PUBLIC DEPOSIT

During FY2015, the Company has not accepted any deposits from public within the meaning of Section 73 of the Companies Act, 2013, therefore the disclosure under rule 8(5)(v) & (vi) of Companies (Auditors), 2014, are not applicable to the Company.

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

There were no significant and material orders passed by any regulatory authority or courts or tribunals impacting the going concern status and Company's operation in future.

TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND

The Company sends intimations to all shareholders whose dividends are unclaimed so as to ensure that they receive their rightful dues. Efforts are also made to co-ordinate

with the Registrar to locate the shareholders who have not claimed their dues.

During the year, the Company has transferred a sum of ₹ 2,470,690 to Investor Education & Protection Fund, the amount which was due and payable and remained unclaimed and unpaid for a period of seven years, as provided in Section 125 of the Companies Act, 2013. Despite the reminder letters sent to each shareholder, this amount remained unclaimed and hence was transferred.

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the stock exchanges, a separate section on corporate governance practices adopted by the Company, together with a certificate from a Practicing Company Secretary confirming compliance, is annexed herewith and marked as **Annexure VIII** forming part of this report.

MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and Analysis, as required under the Listing Agreements with the stock exchanges is annexed hereto forming part of this report.

LISTING ON STOCK EXCHANGES

The equity shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Company has remitted the listing fee to these stock exchanges, up to date.

The Non-Convertible Debentures (NCD) issued by the Company aggregating ₹ 250 Crores continue to be listed at Bombay Stock Exchange Limited and the Company has been regular in the remittance of the listing fee to the exchange for such debentures.

DEMATERIALISATION OF SHARES

There were 377,398,949 equity shares of the Company held by the shareholders in dematerialised form as on 31 March 2015, representing 97.84% of the total paid-up capital of the Company. The Promoters' shareholding is in dematerialised form in terms of SEBI circular and there is no change in their shareholding.

The Company's equity shares are compulsorily required to be traded in dematerialised form, therefore, members are

advised to expedite the process of converting the physical shareholding into dematerialised form through their D/P(s).

E-VOTING FACILITY AT AGM

In terms of Clause 35B of the Listing Agreement with Stock Exchanges and in pursuance of the provisions of Section 108 of the Companies Act, 2013 (the Act) read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (the Rules), the Items of Business given in Notice convening the Annual general Meeting may be transacted through electronic voting system and the Company is providing e-Voting facility to the members who are the members of the Company as on 22 September 2015 being the "Cut-off Date" fixed for the purpose, of exercising their right to vote at the 27th AGM by electronic means through the e-Voting platform provided by National Securities Depository Limited (NSDL). The details process and guidelines for e-voting has been provided in the notice convening the meeting.

INTERNAL COMPLIANT COMMITTEE

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

During FY2015, the committee submitted Annual Report as prescribed in the said Act and there were no complaints received by the Committee.

INDUSTRIAL RELATIONS

The Company maintains close and cordial relation with its' workmen and a result there was no incidence of stoppages of work in any plant or any demonstration against the Management. Himadri takes sufficient care for its employees at all levels and provide adequate motivation and friendly work environment. The Company organizes Annual Cultural Program for employees, Annual Family Picnic and Get-Together, Observance of Employees' Birthday and awarding a token Gift to all Employees. The Management also award employees on Exemplary Service. The Management holds periodically, Elementary Health Check up facilities viz. ENT, Neurological, Cardio logical, Orthopedic, Gynecological, Endo-chronological, Urological, Scientific Pain Management, Eye Test, Dietary Counseling and Pathological and Radiological Check Ups like -X-Ray Chest PA View (Digital), Pulmonary Function



Test, Complete Hierogram, Fasting Blood Sugar, Blood for Serum Creatinine, Blood for Liver Function Test, Blood for Urea etc. At the plant site the Company also provides Recreation and Welfare facilities like subsidized Breakfast, Lunch and Dinner and also Indoor Game Facilities like – Cricket, Volleyball, Basketball, Chess etc. We also send our employees to participate in Corporate Sports Competition organized by FICCI. The management has adopted various measures for enhancing efficiency, competency and skills of individual employees through training and motivation. The Company has in place a performance-based employee appraisal and reward system and streamlined the feedback module.

FORWARD LOOKING STATEMENTS

This Report should be read in conjunction with the financial statements included herein and the notes thereto. This report may contain forward-looking statements that involve risks and uncertainties. When used in this Report, the words ‘anticipate’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘will’ and other similar expressions as they relate

to the Company and/or its businesses are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. The Company does not take any responsibility to publicly revise any such statement. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates.

ACKNOWLEDGEMENT

The Directors wish to place on record, their sincere appreciation for the continued support and cooperation extended to the Company by Investors, Debenture holders, various departments of the Central and the State Government, Banks and Financial Institutions, various governmental regulatory authorities, customers, suppliers and employees of all levels.

For and on behalf of the Board

Sd/-

Bankey Lal Choudhary

Managing Director

(DIN: 00173792)

Sd/-

Shyam Sundar Choudhary

Executive Director

(DIN: 00173732)

Place: Kolkata

Date: 26 May 2015

Annexure I of the Directors' Report

Remuneration Policy of the Company

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted the Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to comply with the provisions of the Companies Act, 2013 and the amended Listing Agreement from time to time, the Board on 13 November 2013 changed the nomenclature of the "Remuneration Committee" as "Nomination and Remuneration Committee" and further the same was re-constituted on 11 August 2014 with three non-executive Independent Directors as Member of the Committee. The Committee has reviewed and formulated "Remuneration Policy" in compliance with the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Clause 49 of the Listing Agreement.

Section 178 of the Companies Act, 2013, inter-alia provides that the Committee shall formulate the criteria for determining qualifications, positive attitudes and independence of a Director and recommend to the Board a policy relating to remuneration for Directors, Key Managerial Personnel (KMP) and other employees;

The Remuneration Policy of Himadri Chemicals & Industries Limited and its subsidiaries (the "Company"), is designed to attract, motivate and retain quality people in a competitive market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to Directors, Key Managerial Personnel and other employees of the Company as per the provisions of the Companies Act, 2013.

II. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

III. OBJECTIVE

- a) To make recommendations to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- c) To evaluate the performance of the members of the Board and provide necessary reports to the Board for further evaluation and to ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- d) To make recommendations to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management and to ensure that such remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

IV. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means "Himadri Chemicals & Industries Limited"

"Employees' Stock Option" means the option given to the directors, officers or employees of a Company or of its holding Company or subsidiary Company or Companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to



subscribe for, the shares of the Company at a future date at a pre-determined price.

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013 and in clause 49 of the Listing Agreement;

“**Key Managerial Personnel**” (KMP) means;

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and
- (v) Such other officer as may be prescribed.

“**Nomination and Remuneration Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

“**Policy or This Policy**” means, “Nomination and Remuneration Policy.”

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“**Service Rules/HR Policy**” means “Service Rules/HR Policy” as framed by the Management which are applicable to all employees, may be amended or modified from time to time by the management.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. An Organisation Chart defining the Core Management Team and managerial personnel “one Level below the executive Director” is annexed hereto forming the part of this policy and marked as **Annexure “A”**.

V. APPOINTMENT AND REMOVAL

A. Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at

Senior Management level and recommend to the Board his / her appointment.

2. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

B. Term / Tenure

1. **Managing Director / Executive Director / Whole-time Director / Manager:** The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

However, if a person who has already served as an Independent Director for 5 years or more in the Company as on 1 October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he/she shall be eligible for appointment for one more term of 5 years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company.

C. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

D. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Managing Director / Executive Director / Whole Time director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations made thereunder and Service Rules/HR Policy of the Company as prevalent at that time .

E. Retirement

The Managing Director / Executive Director / Whole Time director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Managing Director / Executive Director / Whole Time director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required in this regard.

VI. PROVISIONS RELATING TO REMUNERATION

A. General

1. The remuneration / compensation / commission etc. to Managing Director, Executive / Whole Time Directors, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managing Director, Executive / Whole Time Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and in accordance with and subject to the relevant provisions of the Articles of Association of the Company.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Executive / Whole Time Directors, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

B. Remuneration to Non-Executive / Independent Director

1. **Remuneration / Commission:** The Committee may recommend the payment of remuneration / commission in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
2. **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount



as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Limit of Remuneration / Commission:

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options: An Independent Director shall not be entitled to any stock option of the Company.

C. Executive / Whole Time Directors

I. Appointment / Re-appointment, Remuneration and Terms and Conditions

Appointment and Re-appointment, if any, of Executive Directors / Whole time Directors including remuneration and other terms and conditions thereof shall be in accordance with the provisions of Section 196, 197 of the Companies Act, 2013 read with Schedule V appended thereto. The Committee will recommend the appointment or re-appointment, if any, of any of the Executive / Whole time Directors to the Board and same will be approved by the shareholders at General Meetings by passing the necessary resolution in terms of provisions of Companies act, 2013.

The components of remuneration package may include the following:

- Basic Pay
- Allowances
- LTA
- Any other perks and benefits.

II. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive / Whole Time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

III. Over all Maximum Managerial Remuneration

The total managerial remuneration payable by the Company to its Directors, including Managing Director and Whole time Directors and its Managers in respect of any financial year shall not exceed 11% of the net profit of the Company for that financial year calculated in the manner as laid down in Section 198 of Companies Act. 2013 except that the Remuneration of the Directors shall not be Deducted from the Gross profit.

In the event of Payment of Remuneration exceeding 11% of net profit necessary formalities to be complied with as per the said Act.

IV. Provisions for excess remuneration

If any Executive / Whole Time Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

D. Key Managerial Personnel and Senior Management

Remuneration of KMP and Senior Management Personnel is proposed by the Company's Nomination and Remuneration Committee and subsequently approved by the Board of Directors. The remuneration is evaluated annually against performance of the Company, individual performance / contribution and decides Remuneration rationally. The remuneration of KMP and Senior Management Personnel may comprise of the following:

- A fixed base salary, set at a level aimed at attracting and retaining executives with professional and personal competences required to drive the Company's performance.
- Special pay
- Variable pay linked with Performance in respect of certain positions

- Allowances (HRA, Conveyance etc.)
- LTA
- Perquisite and benefits
- Coverage on Mediclaim
- Retirement benefits including Superannuation

The KMP (s) and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

VII. POLICY ON DIVERSITY OF BOARD

The Board of Directors shall have the optimum combination of executive and non-executive Directors including Independent Directors from the different fields like Planning, Strategy, Production, Management, Engineering, Quality Assurance, Finance & Accountancy, Legal, Sales and Marketing, Supply chain, Research and Development, Human Resources etc or as may be considered appropriate by the Committee from time to time.

The Board shall have at least one member who has accounting or related financial management expertise and at least three members who are financially literate. And the Board should have at least one women director as its member.

VIII. ASSISTANCE FROM OUTSIDE AGENCY

The committee may take the assistance of External expert/agency. as and when required to ensure that recommendations are based on rationale as also parameter to judge the performance level through a process .

IX. AMENDMENT / REVISION

Any policy including Remuneration Policy is dynamic concept. Hence it will be reviewed periodically & bring changes/ amendment as and when required based on business need, benchmark with comparable Industries and any other factors relevant in the context of formulation of Remuneration policy that has direct linkage between business growth & attract, retain & motivate people on sustainable basis.

X. DISCLOSURE OF INFORMATION

Information as required in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5 of Company (Appointment & Remuneration) Rules, 2014 shall be disclosed in the Board in the manner as provided therein.

¹ Amended by the Nomination and Remuneration Committee at its meeting held on 26 March 2015

ANNEXURE – A

(One Level below the Executive Directors including functional heads)

HIMADRI CHEMICALS & INDUSTRIES LIMITED

Board of Directors
Executive Directors
Core Management Team
(One Level below the Executive Directors including functional Heads)
Chief Executive Officer (CEO)
President - Projects
President - Operations
Chief Financial Officer (CFO)
Business Head - Carbon Black Division
Senior Vice President - SNF Business
Senior Vice President - HR and Administration
Senior Vice President - Operations
Vice President - Material Management
Vice President - Strategy & Business Development
Vice President - Projects



Annexure II of the Directors' Report

FORM NO. MGT- 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March 2015

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L27106WB1987PLC042756
ii)	Registration Date	:	28 July 1987
iii)	Name of the Company:	:	Himadri Chemicals & Industries Limited
iv)	Category / Sub-Category of the Company	:	Public Company / Limited by shares
v)	Address of the Registered office and contact details	:	8, India Exchange Place, Ruby House, 2nd Floor, Kolkata – 700001, Ph: 03322309953, website: www.himadri.com
vi)	Whether Listed Company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	M/s S. K. Infosolutions Private Limited, 34/1A, Sudhir Chatterjee Street, Kolkata – 700006, Contact Person Dilip Bhattacharya Ph: 03322196797/4815, email: skcdilip@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to Total Turnover of the Company
1	Carbon Materials & Chemicals	2708	40.88%
2	Carbon Materials & Chemicals	2803	45.35%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Equal Commodeal Private Limited, 72/4, Shambhu Nath Pandit Street, Kolkata – 700025	U51909WB2011PTC160507	Subsidiary	100%	2(87)(ii)
2	AAT Global Limited – 18/F, Wanchai Central Building, 89 Lockhart Road, Wanchai, Hongkong	N.A.	Subsidiary	100% ¹	2(87)(ii)
3	Shandong Dawn Himadri Chemical Industry Limited – No. 368, North Heping Road, Longkou Economic Development Zone, Longkou City, China - 265700	N.A.	Subsidiary	94% ²	2(87)(ii)

¹ Holding through Equal Commodeal Private Limited

² Holding through AAT Global Limited

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April 2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	12728600	-	12728600	3.30	12728600	-	12728600	3.30	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	159411310	-	159411310	41.33	159411310	-	159411310	41.33	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	172139910	-	172139910	44.63	172139910	-	172139910	44.63	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	3000	3000	0.00	-	3000	3000	0.00	-
b) Banks / FI	1000	15000	16000	0.00	1000	15000	16000	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	51548	-	51548	0.01	-	-	-	-	(0.01)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	52548	18000	70548	0.01	1000	18000	19000	0.00	(0.01)
2. Non-Institutions									
a) Bodies Corp.	28106955	172800	28279755	7.33	25385041	162800	28547841	7.40	0.07
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	14726460	8444241	23170701	6.01	15317291	8152821	23470112	6.08	0.07
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11527213	-	11527213	2.99	10941627	-	10941627	2.84	(0.15)
c) Others (specify)									
Trustees	157667	-	157667	0.04	157667	-	157667	0.04	-
Non Resident Indians	154941	-	154491	0.04	224128	-	224128	0.06	0.02
Overseas Corporate Bodies	150232285	-	150232285	38.95	150232285	-	150232285	38.95	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	204905071	8617041	213522112	55.36	205258039	8315621	213573660	55.37	0.01
Total Public Shareholding (B)=(B)(1)+ (B)(2)	204957619	8635041	213592660	55.37	205259039	8333621	213592660	55.37	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	377097529	8635041	385732570	100	377398949	8333621	385732570	100	-



ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Damodar Prasad Choudhary	1484280	0.38	-	1484280	0.38	-	-
2	Bankey Lal Choudhary	1484280	0.38	-	1484280	0.38	-	-
3	Vijay Kumar Choudhary	3266640	0.85	-	3266640	0.85	-	-
4	Shyam Sundar Choudhary	3234280	0.84	-	3234280	0.84	-	-
5	Sushila Devi Choudhary	850000	0.22	-	850000	0.22	-	-
6	Saroj Devi Choudhary	822850	0.21	-	822850	0.21	-	-
7	Sheela Devi Choudhary	763420	0.20	-	763420	0.20	-	-
8	Kanta Devi Choudhary	822850	0.21	-	822850	0.21	-	-
9	Himadri Dyes & Intermediates Limited	98284310	25.48	-	98284310	25.48	-	-
10	Himadri Credit & Finance Ltd	9487000	2.46	-	9487000	2.46	-	-
11	Himadri Industries Ltd	46140000	11.96	-	46140000	11.96	-	-
12	Himadri Coke & Petro Limited	5500000	1.43	-	5500000	1.43	-	-
	TOTAL	173139910	44.63	-	173139910	44.63	-	-

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

There is no change in promoters' shareholding during the year, therefore details of change in promoters' shareholding is not required.

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

Sl. No.	Name of the Shareholders	Shareholding at the beginning of the year	Date of Change	Increase / (Decrease) in Shareholding	Reason	Cumulative Shareholding during the year
1	BC India Investments	103178860	26.75%	No Change	-	103178860
2	VCIGPM LTD	47053425	12.20%	No Change	-	47053425
3	Apsara Infrastructure Pvt Ltd	12886370	3.34%	No Change	-	12886370
4	Admirable Advisory Services LLP	6367243	1.65%	23/01/2015	(6367243) Transfer	-
5	Enam Investment Services Pvt Ltd	1740990	0.45%	No Change	-	1740990
6	Roopchand Bhansali	1700000	0.44%	17/10/2014	(1700000) Transfer	-
7	Lata Bhansali	1499000	0.39%	17/10/2014	(1499000) Transfer	-
8	Akash Bhansali	1200000	0.31%	17/10/2014	1416100 Acquired	2616400
9	Mangal Bhansali	1200000	0.31%	No Change	-	1200000
10	Manek Bhansali	1200000	0.31%	No Change	-	1200000
11	Vallabh Roopchand Bhansali	-	-	17/10/2014	2854220 Acquired	2854220
12	Jai-Vijay Resources Pvt Ltd	-	-	20/03/2015	990000 Acquired	1360000
13	Padmalaya Advisory Services LLP	-	-	30/01/2015	6367243 Acquired	6367243

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date of Change	Shareholding at the beginning of the year	Cumulative Shareholding during the year
Directors				
1	Bankey Lal Choudhary	No Change	1484280	1484280
2	Shyam Sundar Choudhary	No Change	3234280	3234280
3	Vijay Kumar Choudhary	No Change	3266640	3266640
4	Sakti Kumar Banerjee	No Change	-	-
5	Santimoy Dey	No Change	-	-
6	Hanuman Mal Choraria	No Change	-	-
7	Chandra Shekhar	No Change	-	-
8	Hardip Singh Mann	No Change	-	-
9	Krishnava Satyaki Dutt	No Change	-	-

Sl. No.	Shareholding of each Directors and each Key Managerial Personnel	Date of Change	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
10	Rahul Kumar Yadav	No Change	-	-	-	-
11	Pavninder Singh	No Change	-	-	-	-
12	Rita Bhattacharya	No Change	-	-	-	-
Key Managerial Personnel						
1	Anurag Choudhary	No Change	-	-	-	-
2	Kamlesh Kumar Agarwal	No Change	-	-	-	-
3	Bajrang Lal Sharma	No Change	-	-	-	-

V. INDEBTEDNESS

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

	Amount in ₹ Lakhs			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	119,943.00	12,608.13	-	132,551.13
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	270.21	1,308.43	-	1,578.64
TOTAL (i+ii+iii)	120,213.21	13,916.56	-	134,129.77
Change in Indebtedness during the financial year				
Addition	9,553.07	1,105.12	-	10,658.19
Reduction	34,107.50	65.02	-	34,172.53
Net Change	(24,554.43)	1,040.09	-	(23,514.34)
Indebtedness at the end of the financial year				
i) Principal Amount	95,448.66	13,414.53	-	108,863.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	210.12	1,542.12	-	1,752.24
TOTAL (i+ii+iii)	95,658.78	14,956.65	-	110,615.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Bankey Lal Choudhary, Managing Director	Shyam Sundar Choudhary, Whole Time Director	Vijay Kumar Choudhary, Whole Time Director	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37.50	37.50	37.50	112.50
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4.91	6.10	2.64	13.65
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	42.41	43.60	40.14	126.15
	Ceiling as per the Act*	67.00	67.00	67.00	201.00

*Since there is inadequate profit during the year the Managerial Remuneration has been paid as per schedule V appended to the Companies Act, 2013 and the overall remuneration is within the limits as specified therein computed based on effective Capital as provided in Section II of Part II of said schedule



B. Remuneration to other directors

					Amount in ₹ Lakhs
Sl. No.	Name of the Director and its Category	Fee for attending board / committee meetings	Commission	Others, please specify	Total
Independent Directors					
1	Sakti Kumar Banerjee	0.80	-	-	0.80
2	Sushil Kumar Saraf	0.24	-	-	0.24
3	Santimoy Dey	0.44	-	-	0.44
4	Krishnava Satyaki Dutt	0.40	-	-	0.40
5	Hardip Singh Mann	0.60	-	-	0.60
6	Hanuman Mal Choraria	0.50	-	-	0.50
7	Chandra Shekhar Sarda	0.30	-	-	0.30
TOTAL (1)					3.28
Other Directors					
1	Rahul Kumar Yadav	0.30	-	-	0.30
2	Pavninder Singh	0.42	-	-	0.42
3	Rita Bhattacharya	0.40	-	-	0.40
TOTAL (2)					1.12
TOTAL (B)					4.40

TOTAL MANAGERIAL REMUNERATION (TOTAL A+B) = 130.55 Lakhs

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	40.95	11.09	25.03	77.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
TOTAL		40.95	11.09	25.03	77.07

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences under the Companies Act 2013 for the year ended 31 March 2015.

Annexure III of the Directors' Report

Details pursuant to Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel Rule) 2014

1. The ratio of remuneration of each Director / KMP to median remuneration of employees of the Company for the financial year 2014-15

All employees median remuneration for FY2015	₹ 205,212
The percentage increase in the median remuneration of employees in the FY2015	8%
The number of permanent employees on the rolls of the Company as on 31 March 2015	649

Name of the Director	Ratio of remuneration to median remuneration of all employees	% increase in remuneration in the FY2015
Executive Directors		
Mr. Bankey Lal Choudhary	29.24 : 1	100
Mr. Shyam Sundar Choudhary	29.24 : 1	100
Mr. Vijay Kumar Choudhary	29.24 : 1	100
Key Managerial Personnel		
Mr. Anurag Choudhary	37.67 : 1	158
Mr. Kamlesh Kumar Agarwal	12.67 : 1	9
Mr. Bajrang Lal Sharma	6.20 : 1	5

2. Relationship between average increase in remuneration and Company performance

During the previous FY2014, the Company incurred a loss of ₹ 3,910.89 Lakhs whereas in the FY2015 its loss reduced to ₹ 1,440.07 Lakhs. Hence, there was an improvement representing 63%. The average increase in median remuneration was 8%. The average increase in median remuneration was justifiable.

3. Comparison of the remuneration of the Key Managerial Personnel against performance of the Company

During the previous FY2014, the Company incurred a loss of ₹ 3,910.89 Lakhs whereas in the FY2015 its loss reduced to ₹ 1,440.07 Lakhs. Hence, there was an improvement representing 63%. Therefore, remuneration of KMP was in line with performance of the Company.

4. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed

Companies

- The market capitalisation as on 31 March 2015 was ₹ 578.60 Crores (₹ 798.47 Crores as on 31 March 2014)
- Since the Earnings Per Share (EPS) of the Company in 2013-14 and 2014-15 is negative, therefore the Price Earnings ratio is negative.

The Company's last public offer was in the year 1994, at a price of ₹ 15 per share for face value of ₹ 10 each/- (including premium of ₹ 5/- per share). In the year 2010, the face value of each equity share of ₹ 10 each was sub-divided into 10 shares of ₹ 1 each. Therefore, the cost price of the shares has been re-calculated to ₹ 1.5 per share. And the market price as 31 March 2015 is ₹ 15 per Share., therefore the present value of investment of ₹ 1,500 made in the year 1994 in the said Public Offer would be worth ₹ 15,000.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification



thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentage increase made in the salaries of employees other than the managerial personnel in FY2015 was 22.77 % whereas the increase in the managerial remuneration for the same financial year was 100%

6. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company;

Remuneration Paid to KMP's are as follows:

- i) Mr. Bankey Lal Choudhary, Managing Director: ₹ 42.41 Lakhs ;
- ii) Mr. Shyam Sundar Choudhary, Whole time Director: ₹ 43.60 Lakhs ;
- iii) Mr. Vijay Kumar Choudhary, Whole time Director: ₹ 40.14 Lakhs;
- iv) Mr. Anurag Choudhary, Chief Executive Officer: ₹ 40.95 Lakhs;
- v) Mr. Kamlesh Kumar Agarwal, Chief Financial Officer: ₹ 25.03 Lakhs;
- vi) Mr. Bajrang Lal Sharma, Company Secretary: ₹ 11.09 Lakhs.

The remuneration paid to KMP's are in line with the Company's performance and present market trend.

7. The key parameters for any variable component of remuneration availed by the directors;

The key parameters for the variable component of remuneration availed by the directors are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

8. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

1 : 4.95

(Note: there were four employees drawing remuneration in excess of highest paid Director)

9. Affirmation that the remuneration is as per the remuneration policy of the Company.

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

Annexure IV to the Directors' Report

Details pursuant to Rule 5 (2) & (3) of Companies (Appointment and Remuneration of Managerial Personnel Rule) 2014

Name of the Employee employed for a part of the financial year, was in receipt of remuneration , at a rate which, in the aggregate, was not less than five lakh rupees per month;

Sl. No.	Particulars	Details
i)	Name	Mr. Monojit Mukherjee
ii)	Designation of the employee	Business Head-CBD
iii)	Remuneration received	₹ 65 Lakhs
iv)	Nature of employment, whether contractual or otherwise	Permanent
v)	Qualifications and experience of the employee	PGDM (Marketing) from IIM Ahmedabad, B. Tech in Chemical from Calcutta University, 32 yrs
vi)	Date of commencement of employment	16.04.2014
vii)	Age of such employee;	57 yrs
viii)	the last employment held by such employee before joining the Company	Executive Director (Marketing & New Projects)
ix)	the percentage of equity shares held by the employee in the Company within the meaning of clause (iii) of sub-rule (2) above; and	NIL
x)	whether any such employee is a relative of any director or manager of the Company and if so, name of such director or manager	No

Annexure V to the Directors' Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

To,
The Members,
Himadri Chemicals & Industries Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Himadri Chemicals & Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on the verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

- v) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:
 - a) SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
 - b) SEBI (Prohibition of Insider Trading) Regulations, 1992
 - c) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d) SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
 - e) SEBI (Issue and listing of Debt securities) Regulations, 2008
 - f) SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
 - g) The SEBI (Delisting of Equity Shares) Regulations, 2009
 - h) The SEBI (Buyback of Securities) Regulations, 1998
- vi) As identified by the Management, following laws are specifically applicable to the Company:
 - a) West Bengal Ground Water Resources (Management, Control and Regulation) Act 2005
 - b) West Bengal Fire Services Act, 1950
 - c) West Bengal Factories Rules, 1958
 - d) Indian Boiler Act, 1923
 - e) Petroleum Act 1934
 - f) Petroleum Rules 2002
 - g) West Bengal Molasses Control Act 1973 and West Bengal Molasses Control (Regulation, Storage and Transport) Notified Order 1986
 - h) Provisions of Hazardous Waste (Management, Handling and Trans boundary Movements) Rules 2008
 - i) Bengal Electricity Duty Act, 1935 and rules thereunder



I have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

I further report that during the audit period the Company has passed following special resolutions which are having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

- (i) Increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013
- (ii) Sell, lease or dispose of whole or substantially the whole of the undertaking of the Company under section 180(1)(a) of the Companies Act 2013.

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

For *MKB & Associates*
Company Secretaries

Sd/-
Manoj Kumar Banthia
[Proprietor]

Place: Kolkata
Date: 26 May 2015

ACS no. 11470
COP no. 7596

Annexure-I to Secretarial Audit Report

To,
The Members,
HIMADRI CHEMICALS & INDUSTRIES LTD

Our report of even date is to be read along with this letter.

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

For MKB & Associates
Company Secretaries

Sd/-

Manoj Kumar Banthia

[Proprietor]

ACS no. 11470

COP no. 7596

Place: Kolkata

Date: 26 May 2015



Annexure VI to the Directors' Report

Information as per Section 134(3) (m), read with the Rule 8 (3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31 March 2015:

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy

The Company continues to give priority to the conservation of energy on an on-going basis. The measures for conserving the energy resources already exists in the Company and the management continuously observe those measures on a regular basis to ensure proper utilisation of energy resources.

ii) Steps taken by the Company for utilizing alternate source of energy

The Company has already made necessary expenditure on plant and equipment to conserve energy and to make optimum utilisation thereof.

iii) The capital investment on energy conservation equipments

The Company has already made necessary expenditure on energy conservation equipments impact of which is expected to reflect in the years to come.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

The R&D department of the Company continued to play a vital role in the following areas:

- Better control in the processes for improving the quality of output
- Finding out ways and means for saving of energy and cost
- Development of new products / grades/ discovering new methods of analysis
- Re-cycling of waste and research on the utilisation of waste
- Finding out ways to increase the operational efficiencies by improving yields

ii) The benefits derived like product improvement, cost reduction, product development, import substitution

Benefits derived as a result of the above R&D:

- Maintaining the leading position in the domestic market
- Achievement of better efficiency in fuel consumption
- Better control on inputs and thereby, improving the quality of the output to match international specifications
- Optimisation of resource usage and refinement of process technology
- Usage of different combination of inputs in the manufacturing of coal tar pitch with improved quality
- Development of a variety of value-added products like Advanced Carbon Material and Super Plasticizer
- Recognition as an in-house R&D centre by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India

iii) Expenditure incurred on Research and Development

Capital expenditure as well as recurring expenditure incurred from time to time during the year on laboratory items, tools, spares, handling equipments and salaries of research personnel remain merged with various heads, as per established accounting policy and expenditures incurred during the year under review, on Research & Development are as follows :

- Capital expenditure: ₹ Nil;
- Revenue expenditure: ₹ 239.92 Lakhs;
- Total Research & Development expenditure: ₹ 239.92 Lakhs;
- Total R&D expenditure as a percentage of total turnover: 0.17%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Amount in ₹ Lakhs	
	FY 2014-15	FY 2013-14
Total foreign exchange outgo in terms of actual outflow	53,000.41	35,822.85
Total foreign exchange earned in terms of actual inflows	11,037.04	10,899.69

Annexure VII to the Directors' Report

[Pursuant to Section 135 of the Companies Act, 2013]

ANNUAL REPORT ON CSR ACTIVITIES

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

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

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (x) rural development projects.
- (xi) slum area development;

The following kinds of Expenditures were approved by the CSR Committee to be undertaken by the Company including ongoing expenditures or expenditure to be made by the Company during FY2015 directly or made through Company Trusts :-

- a. Expenditure on promotion of education including undertaking of recurring expenditure of running a School and expenditure on distribution of Mid day meal among the poor children, situated at Village area surrounding the Company's Factory at Mahistikry;
- b. Expenditure on running a dispensary (Medical Services) within the surrounding area of Company's Plant situated at Mahistikry, including cost of medicine, free health check up facility etc;
- c. Expenditure on distribution and arrangement for drinking water facility in the Village area surrounding of Company's Factory at Mahistikry;
- d. Expenditure on setting up homes/ Ashram for orphans and to undertake day-to-day running expenditures therefore;

2. The Composition of CSR Committee

The Company constituted a CSR Committee to oversee the implementation of Company's CSR Policy and activities within the scope of the CSR Policy in terms of Section 135 of the Companies Act, 2013 and rules made thereunder. The Committee consists of the following Directors:



- i) Mr. Santimoy Dey, Independent Non-executive Director
- ii) Mr. Sakti Kumar Banerjee, Independent Non-executive Director
- iii) Mr. Shyam Sundar Choudhary, Whole time Director

3. Financial Details

Particulars	₹ In Lakhs
Average Net Profit of the Company for the last three financial years	1,189.53
Prescribed CSR Expenditure (2% of the average net profits)	23.80
Details of CSR Expenditure during the financial year	
Total amount to be spent for the financial year	23.80
Amount spent	27.99
Amount unspent	Nil

4. Manner in which the amount spent during the financial year is detailed below

1	2	3	4	5	6	7	8
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise ₹ In Lakhs	Amount spent on the projects or programs Sub heads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Promotion of Education	(a)	Mahistikry, Dist-Hooghly (WB)	19.00	21.20	21.20	Direct and through implementing agencies
2	Running of Dispensary-Medical Services	(b)	Mahistikry, Dist- Hooghly (WB)	5.00	6.79	6.79	Direct and through implementing agencies
	TOTAL			24.00	27.99	27.99	

*Some CSR activities has been carried out directly by the Company and some through implementing agencies. Details of Implementing agencies are: 1) Bharat Seva Nidhi (New) 2) Nanhey Lal Mohini Devi Foundation

5. Responsibility Statement

The Responsibility Statement of the Corporate Social Responsibility and Governance (CSR&G) Committee of the Board of Directors of the Company is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

For and on behalf of the Board

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Santimoy Dey
Chairman – CSR Committee
(DIN: 06875452)

Place: Kolkata
Date: 5 May 2015

Annexure VIII of the Directors' Report

CORPORATE GOVERNANCE REPORT

Your Company has been following the principles of good Corporate Governance, which comprise activities that result in the control of the Company in a regulated manner, aiming to achieve transparent, accountable and fair management. The details of the Corporate Governance compliance by the Company as per Clause 49 of the Listing Agreement with Stock Exchanges are as under:

1. THE COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Corporate Governance philosophy of the Company is to achieve excellence in business for enhancing the long-term shareholders' wealth, keeping in view the needs and interest of all the stakeholders.

Himadri Chemicals follows the principles of good Corporate Governance, which is an essential ingredient of good business. This relates to a system or processes that direct corporate resources and management strategies towards maximization of stakeholders' confidence while ensuring transparency and accountability in the conduct of business within legal and ethical framework. To the Company, Corporate Governance means ensuring good governance through disclosures, transparency, integrity, accountability, responsibility and fairness in all its dealings with employees, shareholders, customers, suppliers and society at large. The Company has always set high benchmarks for its' growth plans, profitability, customer satisfaction, increasing the shareholders wealth and continues its commitments to highest standards of Corporate Governance. The Board considers itself as trustee of its shareholders, acknowledging its responsibilities to the shareholders for creating and safeguarding their wealth. The Board during FY2015 continued its endeavors for achieving these objectives by adopting and monitoring corporate strategies, prudent business plans, and major risks and ensured that the

Company pursues policies and procedures to satisfy its ethical responsibilities. The Company adopts the best practices in the area of Corporate Governance, thereby protecting the interest of all its stakeholders.

The Company is in compliance with all the requirements of the Corporate Governance code as stipulated in Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

a) Composition of Board

The Company has an appropriate composition of Executive, Non-Executive and Independent Non-Executive Directors. As on 31 March 2015, the Board consisted of 12 (Twelve) directors, out of which three Directors are Executive, three are Nominee Directors including one Woman director (non-executive) and Six are Independent Non-Executive Directors. The composition of the Board is in compliance with the requirements of Clause 49(II) (A) of the Listing Agreement with the stock exchange(s).

The Company had no pecuniary relationship or transactions with the Independent Non-Executive Directors during FY 2015 except payment of sitting fees and reimbursement of expenses incurred for attending the Board/Committee meetings. All the Independent Directors satisfied the criteria/ conditions of Independence as laid down in Clause 49 (II) B of the Listing Agreement.

None of the Directors on the Board is a Member of more than 10 (ten) Committees and Chairman of more than five Committees as specified in Clause 49 of the Listing Agreement, across all the companies in which he/she is a Director. For assessment of these criteria, the limit under Clause 49, the membership / chairmanship of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.



The names and categories of the Directors on the Board, their attendance at the Board meetings held during the year and at the last Annual General Meeting, and also the number of Directorships and committee membership positions as held by them in other public limited Companies as on 31 March 2015 are given hereunder.

Sl. No.	Directors' name	No of Shares held	Category	Attendance		Directorship in other public Companies	No. of committee position held in other public limited Companies ²	
				Board Meetings	Last AGM		As Member	As Chairman
1	Mr. Shyam Sundar Choudhary	3234280	Promoter Executive	5	Y	3	-	-
2	Mr. Bankey Lal Choudhary	1484280	Promoter Managing Director	5	Y	5	-	-
3	Mr. Vijay Kumar Choudhary	3266640	Promoter Executive	1	-	4	-	-
4	Mr. Sushil Kumar Saraf ³	0	Independent Non-Executive	2	-	-	-	-
5	Mr. Sakti Kumar Banerjee	0	Independent Non-Executive	5	Y	1	1	-
6	Mr. Rahul Kumar Yadav	0	Nominee Director (Non-Executive) of VCGPIM Limited	3	-	6	-	-
7	Mr. Hardip Singh Mann	0	Independent Non-Executive	5	-	-	-	-
8	Mr. Krishnava Satyaki Dutt ⁴	0	Independent Non-Executive	4	-	7	3	1
9	Mr. Pavninder Singh ⁵	0	Nominee Director (Non-Executive) of BC India Investments	4	-	1	-	-
10	Mr. Santimoy Dey ⁶	0	Independent Non-Executive	2	Y	1	-	-
11	Ms. Rita Bhattacharya ⁷	0	Nominee Director (Non-Executive) of LIC of India	4	-	-	-	-
12	Mr. Hanuman Mal Choraria ⁸	0	Independent Non-Executive	3	Y	-	-	-
13	Mr. Chandra Shekhar Sarda ⁹	0	Independent Non-Executive	2	Y	-	-	-

² Pursuant to Clause 49 of the Listing Agreement with Stock Exchange(s), Memberships/Chairmanships of only Audit Committee and Shareholders' Grievance Committee in all Public Limited Companies (excluding Himadri Chemicals & Industries Limited) have been considered;

³ Mr. Sushil Kumar Saraf has resigned from the Board with effect from 15 July 2014;

⁴ Mr. Krishnava Satyaki Dutt has attended the meeting held on 11 August 2014 through Video Conferencing;

⁵ Mr. Pavninder Singh attended the meetings held on 11 August 2014 and 13 November 2014 through Video Conferencing;

⁶ Mr. Santimoy Dey was appointed as Independent Non-executive Director at the Board Meeting held on 27 May 2014;

⁷ Ms Rita Bhattacharya, Nominee of LIC of India was appointed on the Board at the Meeting held on 22 April 2014;

⁸ Mr. Hanuman Mal Choraria, was appointed as Independent Non-Executive Director at the Board Meeting held on 11 August 2014;

⁹ Mr. Chandra Shekhar Sarda, was appointed as Independent Non-Executive Director at the Board Meeting held on 11 August 2014

b) Board procedure and Access to information

The Board of Directors (the "Board") is responsible for the management of the business of the Company and meets regularly for discharging its role and functions.

The Board of the Company reviewed all information provided periodically for discussion and consideration at its meetings as provided under the Companies Act, 2013 (including any amendment and re-enactment thereof) and Clause 49 of the Listing Agreement.

Detailed Agenda is circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussion at meetings. Where it is not practicable to enclose any document to the agenda, the same is placed before the meeting. In special and exceptional circumstances, additional item(s) on the agenda are permitted to be discussed at the Meeting.

Board makes timely strategic decisions, to ensure operations are in line with strategy; to ensure the integrity of financial information and the robustness of financial and other controls; to oversee the management of risk and review the effectiveness of risk management processes; and to ensure that the right people are in place and coming through. Non-executive directors are expected to provide an effective monitoring role and to provide help and advice as a sounding board for the executive directors. All this is in the long term interest of the Company and should be based on the optimum level of information, through smooth processes, by people with the right skills mix and in a constructive manner. The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, management and law.

The Board meets at least once in a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, when necessary. The meetings of the Board are generally convened at the Company's Registered Office at Kolkata. In case of urgency or when the Board meeting is not practicable to be held, the matters are resolved via Resolution by circulation, which is then noted by the Board in its next meeting.

Video conferencing facilities are also used to facilitate Directors travelling/residing at other locations to participate in the meetings.

The minutes of the Board Meetings are circulated in advance to all Directors and confirmed at subsequent Meeting.

The Board also reviews the declarations made by the Managing Director / Chief Financial Officer / Unit Heads of the Company regarding compliance of all applicable laws on a quarterly basis.

c) Meetings of the Board of Directors

During FY2015, the Board met 5 (five) times, i.e. on 22 April 2014, 27 May 2014, 11 August 2014, 13 November 2014, 12 February 2015. The maximum time in between two meetings was not more than 120 days and the required information were made available to the Board. The dates for the Board Meetings were decided well in advance and communicated to the Directors and stock exchange(s). The agenda along with the explanatory notes were usually sent in advance to each Director. Further the option of attending the Board/Committee meetings through video conference was also given to all the Directors.

d) Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Stakeholders' Relationship Committees. A discussion was done considering the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the board and committees are usually carried out on the basis of questionnaires devised in house.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on the basis of questionnaire, devised for this purpose. The performance evaluation of the Independent Directors



was carried out by the entire Board (excluding the director being evaluated). The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Non - executive Directors. The Directors expressed their satisfaction with the evaluation process.

e) Criteria for Performance Evaluation of Independent Directors

The Nomination and Remuneration Committee laid down the criteria for performance evaluation of Independent Non-Executive Directors. They are enumerated as below:

1. Frequency of Attendance and contribution to the Board and Committee meetings of Directors;
2. Appropriate mix of expertise, skills, behavior, experience, leadership qualities, and understanding of business, strategic direction to align Company's value and standards;
3. Adequate understanding and knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
4. Ability to create a performance culture that add value creation and a high quality of discussions.
5. Effectiveness to respond positively and constructively to implement the same and to encourage more transparency.
6. Recognize the role which is expected to be played, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company and to achieve organizational successes and harmonizing the Board.
7. Represent presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility
8. Adhere to quality of decision and discussion for sourcing of raw material/procurement, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
9. To monitor the performance of management and satisfy himself with integrity of the financial

controls and systems in place by ensuring right level of contact with external stakeholders.

10. Contribution towards overall enhancement of brand image of the Company.

f) Familiarisation Programme for Independent Directors:

The Company, during the year, in terms of Clause 49(II)(B)(7) of the Listing Agreement, conducted a Familiarisation Programme for Independent Directors to familiarize them about their roles, rights and responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc. The details of the familiarisation programme is available on the website of the Company and the web link of the same is: <http://www.himadri.com/Familiarisation%20Programme%20of%20Independent%20Directors.pdf>

g) Code of Conduct for all Directors and Senior Management

The Company has prescribed Code of Conduct for its Board members and Senior Management. All the Board members and Senior Management Personnel have affirmed compliance with the Code on an annual basis. The declaration from the Managing Director stating that as on 31 March 2015 all the board members and the senior management personnel of the Company have adhered to the code of conduct for FY2015 and the same has been included in this report. The Code of Conduct of the Company has also been placed on the Company's website of the Company and the web link for the same is at: www.himadri.com/CodeofConductHCIL.pdf

h) Brief Note on the Directors seeking appointment / re-appointment at the 27th Annual General Meeting

The Company furnished information as required by Clause 49(VIII)(E) of the Listing Agreements, of the stock exchange(s) relating to the Directors retiring by rotation and seeking re-appointment including re-appointment of executive / whole time directors upon expiry of the tenure in the Notes appended to the Notice convening the 27th Annual General Meeting. Shareholders may kindly refer the same. The names of the companies in which the persons also hold directorship and membership of committees of the Board are given separately.

i) Committees of Board

The Board constituted various committees as mandated under Clause 49 of the Listing Agreement to function in specific areas and to take informed decisions within delegated powers. Each Committee exercises its functions within the scope and area as defined in its constitution guidelines. These Committees are constituted in conformity of the Listing Agreement and mentioned as follows:-

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders’ Relationship Committee

j) Other Board Committees

The board in addition to the mandatory Committees under Clause 49 constituted various other committees namely:

- Share Transfer Committee
- Finance & Management Committee
- Corporate Social Responsibility (CSR) Committee
- Internal Complaint Committee

3. AUDIT COMMITTEE

a. Composition, Meetings and Attendance

During the year the Committee was reconstituted by the Board from time to time. At present the Audit Committee comprised of three (3) Non-Executive Directors, of which all three are Independent

Directors. Mr. Hanuman Mal Choraria, Chairman of the Committee is an Independent and Non-Executive Director with over three decades of experience in Corporate Law, Accounting and Taxation. All the members of the Audit Committee have adequate accounting and financial knowledge and the composition of the Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The Managing Directors, Statutory Auditors, Internal Auditors and Chief Financial Officer are invited to attend meetings of the Audit Committee. The key managerial personnel and departmental heads are also invited from time to time to provide feedback on the observation of the Internal Auditors. The Company Secretary acts as the Secretary to the Audit Committee.

The Audit Committee met 4 (four) times during the year with a maximum time in between two meetings was not exceeding four months, i.e., on 27 May 2014, 11 August 2014, 13 November 2014 and 12 February 2015. The Committee reviewed the results of operation and the statement of significant related party transactions submitted by management. The composition of the Audit Committee and the details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Sakti Kumar Banerjee	Member Independent Non-Executive	4
2	Mr. Sushil Kumar Saraf ¹	Member Independent Non-Executive	1
3	Mr. Pavninder Singh ²	Nominee Director (BC India Investments) - Non- Executive	2
4	Mr. Santimoy Dey ³	Member Independent Non-Executive	2
5	Mr. Hanuman Mal Choraria ⁴	Chairman Independent Non-Executive	3

1. Mr. Sushil Kumar Saraf ceased to be a member of the Audit Committee with effect from 15 July 2014 due to his resignation from the Board as well as Audit Committee

2. Mr. Pavninder Singh resigned from the Audit Committee with effect from 29 October 2014

3. Mr. Santimoy Dey was inducted as member of Audit Committee with effect from 27 May 2014

4. Mr Hanuman Mal Choraria was inducted as member of Audit Committee with effect from 11 August 2014



b. Terms of reference

The terms of reference of Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement which are given hereunder:

- (i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - b) Changes, if any, in accounting policies and practices and reasons for the same
 - c) Major accounting entries involving estimates based on the exercise of judgment by management
 - d) Significant adjustments made in the financial statements arising out of audit findings
 - e) Compliance with listing and other legal requirements relating to financial statements
 - f) Disclosure of any related party transactions
 - g) Qualifications in the draft audit report
- (v) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- (vi) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (viii) Approval or any subsequent modification of transactions of the Company with related parties;
- (ix) Scrutiny of inter-corporate loans and investments;
- (x) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) Evaluation of internal financial controls and risk management systems;
- (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) Discussion with internal auditors of any significant findings and follow up there on;
- (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) To review the functioning of the Whistle Blower mechanism;
- (xix) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Company has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 as well as in terms of Clause 49 of the Listing agreement comprised of requisite number of Independent Non-Executive Directors. During the year, the Committee was re-constituted by the Board from time to time due to casual vacancy caused or otherwise. Mr Santimoy Dey, the Independent Non-

executive Director is the Chairman of the Committee. The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

The Committee met five (5) times during the year i.e. on 30 April 2014, 19 July 2014, 30 August 2014, 31 December 2014 and 26 March 2015 and reviewed the remuneration paid/payable to its Whole-time Directors, Key Managerial Personnel and Senior Executives. The details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Santimoy Dey ¹	Chairman Independent Non-Executive	4
2	Mr. Sushil Kumar Saraf ²	Member Independent Non-Executive	1
3	Mr. Sakti Kumar Banerjee	Member Independent Non-Executive	5
4	Mr. Hardip Singh Mann ³	Member Independent Non-Executive	Nil
5	Mr. Hanuman Mal Choraria ⁴	Member Independent Non-Executive	2

¹ Mr. Santimoy Dey was inducted as Chairman of the Committee by the Board at its meeting held on 27 May 2014

² Mr. Sushil Kumar Saraf ceased to be a member of the Committee with effect from 27 May 2014 due to re-constitution

³ Mr. Hardip Singh Mann was inducted as a member of the Committee by the Board at its meeting held on 22 April 2014 and remained member of the committee till re-constitution done on 11 August 2014

⁴ Mr. Hanuman Mal Choraria was inducted as a Member of the Committee by the Board at its meeting held on 11 August 2014

b. Terms of Reference

- i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- ii) To formulate the criteria for determining qualifications, positive attitudes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees
- iii) To formulate criteria for independent directors and the Board
- iv) To Devise a policy on Board Diversity

c. Remuneration policy

The Board at its meeting held on 27 May 2014 has delegated the authority in favour of Nomination

and Remuneration Committee to formulate a Remuneration Policy for determining the remuneration of Directors, Key managerial Personnel and other employees of the Company. Accordingly, the Committee at its meeting held on 30 August 2014 formulated the Nomination and Remuneration Policy in accordance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Remuneration Policy is attached to the Report of the Board of Directors and the shareholders may refer the same.

d. Remuneration to Directors and Disclosures

i) Non-Executive Directors

The Non-Executives / Independent Directors are not being paid any remuneration by the Company, except sitting fee for attending the meetings. Further, the Company has not entered into any pecuniary relation or transaction with non-executive directors during FY2015 save and except as provided hereunder.



Remuneration to Independent / Non-Executive Directors (Sitting fees)

Sl. No	Name of the Directors	Amount of sitting fees paid (₹)
1	Mr. S.K. Banerjee	80000
2	Mr. S.K. Saraf	24000
3	Mr. Rahul Kumar Yadav	30000
4	Mr. Hardip Singh Mann	60000
5	Mr. Krishnava Satyaki Dutt	40000
6	Mr. Pavninder Singh	42000
7	Ms. Rita Bhattacharya	40000
8	Mr. Santimoy Dey	44000
9	Mr. Hanuman Mal Choraria	50000
10	Mr. Chandra Shekhar Sarda	30000

Shareholding of Non-executive director(s)

As on 31 March 2015, none of the Non-executive directors were holding any shares in the Company.

ii) Executive Directors

All managerial remuneration for Executive Director/ Whole-time Directors were approved by the shareholders at the Annual General Meeting and paid in accordance with the Section-I, Part-II of Schedule XIII appended to the Companies Act, 1956. The Remuneration package of the directors are given hereunder:

a) All elements of remuneration package of Individual Directors summarised under major groups, such as salary, benefits, bonuses, stock options, pension etc.:

Components of Remuneration package	Names of Directors		
	Mr. Bankey Lal Choudhary	Mr. Shyam Sundar Choudhary	Mr. Vijay Kumar Choudhary
Salary*	₹ 500,000/- per month	₹ 500,000/- per month	₹ 500,000/- per month
Bonus	NIL	NIL	NIL
Stock Options	NIL	NIL	NIL
Pensions	NIL	NIL	NIL

* The Board of Directors during the year upon the recommendation of Remuneration Committee and pursuant to authority delegated by the shareholders with the Board while granting the approval at the time of re-appointment of the aforementioned Directors has increased the salary from ₹ 250,000 per month to ₹ 500,000 per month with effect from 1 January 2015. In additions to the salary the aforesaid directors are also entitled for the following benefits and perquisites:

a) Housing

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

Or

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

Or

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

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

- c) Reimbursement of Medical Expenses incurred for self and his family subject to a ceiling of one months' salary in a year or three month's salary over a period of three years.
- d) Leave Travel Assistance for self and his family once in a year incurred in accordance with the rules specified by the Company.
- e) Fees of clubs subject to a maximum of two clubs. This will not include admission and life member ship fee.
- f) Personal accident insurance, group health insurance, group saving linked insurance and life insurance coverage for self / family as may be fixed by the Board from time to time.
- g) Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in computation of the ceiling on perquisites, to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- h) Earned Leave on full pay and allowance as per the Rules of the Company but not exceeding one month's salary for every eleven months of service. Encashment of leave at the end of the tenure as per the rules of the Company and the same will not be included in computation of the ceiling on perquisites.
- i) Provision of Company car for use of Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the Whole time and Managing Director.
- b) **Details of fixed components and performance linked incentives along with the Performance Criteria:**
As per the remuneration approved by the shareholders, apart from the salary no performance linked incentive is paid to any of Managerial Personnel.

c) **Service Contract, Notice Period and severance fees:**

Sl. No.	Name of the Director	Service Contract Period	Remarks
1	Mr. Bankey Lal Choudhary – Managing Director	3 years	Current Tenure expiring on 31 March 2016. However the Board has re-appointed him for a further period of 3 years w.e.f 1 April 2016 subject to approval of shareholders at the 27 th Annual General Meeting
2	Mr. Shyam Sundar Choudhary – Whole time Director	5 years	Current Tenure expired on 31 March 2015. However the Board has re-appointed him for a further period of 5 years w.e.f 1 April 2015 subject to approval of shareholders at the 27 th Annual General Meeting
3	Mr. Vijay Kumar Choudhary – Whole time Director	5 years	Present tenure valid till 31 March 2017

d) **Stock options, details, if any and whether issued at discount as well as the period over which accrued and over which exercisable:**

The Company has not issued any stock options to its Directors or other employees of the Company.

A statement of the remuneration paid to the Executive Directors during the year ended on 31 March 2015 is given hereunder:

Sl. No.	Name of the Directors	Designation	Gross Salary (₹ In Lakhs)
1	Mr. S.S. Choudhary	Executive Director	43.60
2	Mr. B.L. Choudhary	Managing Director	42.41
3	Mr. V.K. Choudhary	Executive Director	40.14



5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a) Composition, Meetings and Attendance

The Stakeholders' Relationship Committee comprise of three (3) Members. The Board, due to the resignation of Mr. Sushil Kumar Saraf, re-constituted the Committee at its meeting held on 11 August 2014 comprising of Mr. Santimoy Dey, as the Chairman, Mr. S.S. Choudhary and Mr. S.K. Banerjee as its members.

The Committee reviewed the status of Investors' Complaints periodically relating to transfer and transmission of shares, non-receipt of Dividend, among others.

During the year, the Committee met 4 (four) times i.e. on 8 April 2014, 12 July 2014, 20 October 2014 and 9 January 2015. The details of meetings attended by each of the members are given below:

Sl. No.	Names of members	Status	No of meetings attended
1	Mr. Santimoy Dey ¹	Chairman Independent Non-Executive	2
2	Mr. Sushil Kumar Saraf ²	Member Independent Non-Executive	2
3	Mr. Sakti Kumar Banerjee	Member Independent Non-Executive	2
4	Mr. Shyam Sundar Choudhary	Member Executive Director	4

¹ Mr Santimoy Dey was inducted by the Board as Chairman of the Committee at its Meeting held on 11 August 2014

² Mr. Sushil Kumar Saraf ceased to be a Director of the Company with effect from 15 July 2014, there the Board accordingly re-constituted the committee.

b) Terms of Reference

- To review the issue of Duplicate Shares.
- To review the Status of Unpaid Dividend.
- To review the pending Investors Complaint.
- To review the Secretarial Audit report
- To review the periodical Compliance with Stock Exchange(s).
- To monitor expeditious redressal Investor's Grievances.
- All other matters relating to Shares.

including the pending one at the beginning of the year were replied/ resolved to the satisfaction of the investors.

The Company regularly updates the status of Investors Complaints on "SCORES", an online portal introduced by SEBI for resolving Investors complaints. There is no complaint pending on this portal.

c) Name and Designation of Compliance Officer

Mr. B.L. Sharma, Company Secretary has been designated as Compliance Officer in terms of Clause 47(a) of the Listing Agreement with stock exchange(s). The shareholders may send their complaints directly to the Company Secretary, Himadri Chemicals & Industries Limited, "Ruby House", 8, India Exchange Place, 2nd Floor, Kolkata - 700 001 or may email at: investors@himadri.com. Those members who desire to contact over telephone may do so at 91- 033- 2230 9953 / 4363.

6. SHARE TRANSFER COMMITTEE

The Share Transfer Committee comprises of Mr. S.S. Choudhary, as the Chairman, and Mr. B.L. Choudhary as its members. The Committee approves transfer of shares, consolidation /sub-division of shares/ Re-materialization and other related matters.

In accordance with Cause 49 VIII(E)(5) of the Listing Agreement of the Stock exchanges, and in order to expedite the process of share transfer and the redressal of investors' grievances, the Board has delegated its powers with a senior employee, who periodically visits the office of the Company's Registrar and Share Transfer Agent M/s S. K. Infosolutions Pvt. Ltd and monitors the activities.

d) Status of Investors' Grievances

There was 1 pending complaint at the beginning of the year and during FY2015, total of 29 complaints were received from investors, and all the complaints

The Committee holds periodical meetings for transfer and transmission of shares and co-ordinates with

Company's Registrar & Share Transfer Agents. During FY 2015, the committee met 17 (Seventeen) times.

The Company confirms that there were no share transfers lying pending as on 31 March 2015 and all request for de-materialization and re-materialization of shares as on that date were confirmed / rejected into the NSDL / CDSL system.

7. FINANCE AND MANAGEMENT COMMITTEE

The Finance and Management Committee comprises of Mr. S.S. Choudhary and Mr. B.L. Choudhary as its members. During the FY2015, the committee met 29 (twenty nines) times.

Terms of reference

The terms of reference of Finance Committee include the following:

- Giving authority to Employees for representing the Company at various Court of Law
- To Sign and execute documents, letters on behalf of the Company in compliance with the various rules and regulations made under the various enactments
- To sign and execute documents, letters, agreements on behalf of the Company other matters incidental to the business of the Company in ordinary course of business
- Borrow money (otherwise than issue of debentures) from time to time for its' projects expansion and working capital and providing security;
- Execution of documents with banks and financial institutions;
- Opening of banking accounts with banks;
- Investing the funds of the Company
- Making loans in ordinary course of business;
- All other day-to-day operations of the Company.

8. Corporate Social Responsibility (CSR) Committee

During the FY2015, the Company in terms of Section 135(1) of the Companies Act 2013 has constituted Corporate Social Responsibility Committee Consisting following Directors as members:

- a. Mr. Shyam Sundar Choudhary, (Whole Time Director)
- b. Mr. Santimoy Dey (Independent Committee)
- c. Mr. Sakti Kumar Banerjee (Independent Director)

Terms of reference

The terms of reference of Corporate Social Responsibility include the following:

- To Formulate and recommend to the Board a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- To recommend the amount of expenditure to be incurred on the activities referred above and
- To monitor the Corporate Social Responsibility Committee from time to time.

During the FY2015, the committee met 2 (two) times.

9. Internal Complaint Committee

During the FY2015, the Company has constituted Internal Complaint Committee Consisting following members:

Sl.	Name	Designation
1	Mrs. Pritha Bandopadhyay	Presiding Officer
2	Dr. Soumen Chakraborty	Member
3	Ms. Rashmita Roy	Member
4	Mr. Nitai Chandra Saha	Member

Terms of reference

The terms of reference of Internal Complaint Committee include the following:

- i) The Committee shall act in accordance with the Provisions of the Act and rules (including any statutory modifications, alteration or re-enactment thereon for the time being in force) made there under including the service rules, if any made applicable on the employee of the Company;
- ii) The Committee shall follow the service rules while dealing with the complaints in case the complaints is against the employee of the Company and deal with the matter keeping in view the principal of natural justice;
- iii) The Committee shall maintain all records relating to Complaints received and their redressal;
- iv) The Committee shall hold such meetings as may be required from time to time for redressal of the Complaints made under the provisions of the Act.
- v) The Committee shall ensure to maintain high degree of confidentiality with regards to the aggrieved person as well as the respondent;



- vi) The Committee shall organise such number workshops or awareness programme from time to time for educating the employees of the Company in this regard;
- vii) The Committee shall prepare an Annual Report ending 31 December each year in terms of Section 21 of the Act read with Rule 14 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013 containing the following details:
- Number of complaints of sexual harassment received in the year;
 - Number of complaints disposed off during the year;
 - Number of cases pending for more than ninety days;
 - Number of workshops or awareness programme against sexual harassment carried out;
 - Nature of action taken by the employer or District Officer

The Committee shall submit the Annual Report to the Employer and District Officer in terms of Provisions of the Act. There was no complaint received by the Committee during FY2015.

10. GENERAL BODY MEETINGS

i) Details of location, time and date of the last three Annual General Meetings are given below:

Financial Year	Number of the AGM	Date	Venue	Time
2011-12	24 th AGM	29 September 2012	"Kala Mandir", 48, Shakespeare Sarani, Kolkata – 700 017	10.00 am
2012-13	25 th AGM	23 September 2013	"Kala Kunj" 48 Shakespeare Sarani, Kolkata- 700 017	10.00 am
2013-14	26 th AGM	24 September 2014	"Kala Kunj" 48 Shakespeare Sarani, Kolkata- 700 017	10.00 am

ii) Details of Special Resolution(s) passed during the last three years in General Meetings

24 th AGM held on 29 September 2012	1. Re-appointment of Mr. V. K. Choudhary as Whole-time Director in terms of Section 198, 269, 309, 310, 311, 314 read with all other applicable provisions, if any, of the Companies Act, 1956 for a period of 5 years with effect from 1 April 2012;
25 th AGM held on 23 September 2013	1. Re-appointment of Mr. B. L. Choudhary as Managing Director in terms of Section 198, 269, 309, 310, 311, 314 read with all other applicable provisions, if any, of the Companies Act, 1956 for a period of 3 years with effect from 1 April 2013;
	2. Holding office or place of profit by Mr. Anurag Choudhary as Chief Executive Officer of the Company for a period of three years with effect from 1 July 2013 in terms of Section 314(1B) of the Companies Act, 1956 read with Directors' Relatives (Office or Place of profit) Rules, 2003 subject to the approval of the Central Government;
	3. Holding office or place of profit by Mr. Tushar Choudhary as President – Operations of the Company for a period of three years with effect from 1 July 2013 in terms of Section 314(1B) of the Companies Act, 1956 read with Directors' Relatives (Office or Place of profit) Rules, 2003 subject to the approval of the Central Government;
	4. Holding office or place of profit by Mr. Amit Choudhary as President – Projects of the Company for a period of three years with effect from 1 July 2013 in terms of Section 314(1B) of the Companies Act, 1956 read with Directors' Relatives (Office or Place of profit) Rules, 2003 subject to the approval of the Central Government;
26 th AGM held on 24 September 2014	1. Holding and continuing to hold office or place of profit by Mr. Anurag Choudhary as Chief Executive Officer of the Company at a remuneration under the scale of 3,00,000- 10,000- 20,000- 20,000- 3,50,000 per month, not exceeding in aggregate of 77,30,000 with effect from 1 January 2015 in terms of Section 188 (1) (f) of the Companies Act, 2013 read with sub- rule 3 (ii) (b) of Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014;

	2. Holding and continuing to hold office or place of profit by Mr. Tushar Choudhary as President – Operations of the Company at a remuneration under the scale of 3,00,000- 10,000- 20,000- 20,000- 3,50,000 per month, not exceeding in aggregate of 77,30,000 with effect from 1 January 2015 in terms of Section 188(1)(f) of the Companies Act, 2013 read with sub- rule 3(ii)(b) of Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014;
	3. Holding and continuing to hold office or place of profit by Mr. Amit Choudhary as President – Projects of the Company at a remuneration under the scale of 3,00,000- 10,000- 20,000- 20,000- 3,50,000 per month, not exceeding in aggregate of 77,30,000 with effect from 1 January 2015 in terms of Section 188(1)(f) of the Companies Act, 2013 read with sub- rule 3(ii)(b) of Rule 15 of Companies (Meetings of the Board and its Powers) Rules, 2014;
	4. Consent of the Shareholder u/s 180(1)(a) of the Companies Act, 2013 accorded to the Board for mortgaging, hypothecating, creation of charge etc on all or any of the Company's assets and properties for securing loans taken, upto an aggregate amount not exceeding ₹ 5000 Crores;
	5. Consent of the Shareholder u/s 180(1)(c) of the Companies Act, 2013 accorded to the Board to borrowing from time to time, both in Indian and foreign currencies, in various forms of lending, any sum or sums of monies as it may deem proper, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, if any, (apart from temporary loans obtained in ordinary course of business) may exceed at any time, the aggregate of the paid up capital and free reserves, provided that the total amount to be borrowed by the by the Board together with monies already borrowed shall not exceed ₹ 5000 Crores;
	6. Alteration of Articles of Association of the Company in terms of Section 14 of the Companies Act, 2013
	7. Consent of the Shareholder in terms of Section 188 of the Companies Act, 2013 to the Board for entering into transaction, contracts or arrangements with the related parties (Subsidiaries): - For AAT Global Ltd and /or Shandong Dawn Himadri Chemical Industry Limited upto ₹ 500 Crores - For Equal Commodeal Private Limited upto ₹ 200 Crores

iii) During the FY2015, the Company did not pass any special resolution by way of postal ballot.

iv) No Special Resolution at present is proposed to be passed through Postal Ballot.

11. SUBSIDIARY COMPANIES

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

The Accounts and Auditors' Report of the wholly owned Indian Subsidiary Company, wholly owned subsidiary Company in Hongkong and Subsidiary Company in China were placed before and reviewed by the Board of Directors.

The Company is in compliance with corporate governance clause 49(V) of the Listing Agreement with regard to its subsidiary companies. The Board of Directors of the Company regularly review the minutes of the Board Meetings, financial statements (in particular investments made) and significant transactions and arrangements (if any) entered into by the unlisted subsidiary companies. The Audit Committee reviews the financial statements, in particular, the investments made by the unlisted Subsidiary Company. The Company has duly formulated a policy for determining 'material' subsidiaries. The main objective of the policy is to ensure governance of material subsidiary companies. The web link for the same as placed on the website of the Company is www.himadri.com/Himadri_Policy_for_determining_material_subsidiary.pdf



12. DISCLOSURES

i. Related party transactions

The Company has not entered into any materially significant related party transaction during the year with any of the related parties which may have potential conflict with the interest of the Company.

Related party transactions are defined as the transactions of the Company of a material nature, with its promoters, directors or the management, or their subsidiaries or relatives, among others, that may have potential conflict with the interest of the Company at large.

Among the related party transactions are the contracts or arrangements, made by the Company from time to time, with Companies in which Directors are interested. The Audit Committee reviews periodically the significant related party transactions and the Committee provided omnibus approval for related party transaction which are in ordinary course of business (repetitive in nature) and are on Arm's Length basis. All transactions covered under the related party transactions are regularly ratified and / or approved by the Board. There were no material transactions during FY2015 that were prejudicial to the Company's interest.

The Board has obtained certificates / disclosures from key management personnel and senior management personnel confirming that they did not have any material, financial and commercial interest in transactions with the Company that may have a potential conflict with the Company's interest at large.

There are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management and their subsidiaries or relatives that may have potential conflict with Company's interest at a large.

Related party transactions as per requirements of Accounting Standard 18 (AS18) "Related Party Disclosures" are disclosed in the Notes to the Annual Accounts of the Company for the year ended 31 March 2015.

The Company has duly formulated a Policy on dealing with Related Party transactions. The Company recognizes that certain transactions present a heightened risk of conflicts of interest or the perception thereof and therefore has adopted this Policy to ensure that all Related Party Transactions with Related Parties shall be subject to this policy and approval or ratification in accordance with Applicable Law. This Policy contains the policies and procedures governing the review, determination of materiality, approval and reporting of such Related Party Transactions. The link for the same as placed on the website of the Company is www.himadri.com/Himadri_Policy_on_materiality_of_Related_Party.pdf

ii. Reconciliation of Share Capital Audit Report

A qualified Practising Company Secretary has carried out exercise of Reconciliation of Share Capital to the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Reconciliation of Share Capital confirms that the total issued / paid up capital was in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

iii. Statutory compliances, penalties & strictures related to capital markets

The Company complied with the requirements of the stock exchange(s)/ SEBI and statutory authorities on all matters related to capital markets. There were no instances of non-compliance on any matter relating to the capital market during the last three years. There were no penalties or strictures imposed on the Company by the stock exchange(s), SEBI or any statutory authority in any matter related to capital markets.

iv. Whistle Blower Policy

The Company has adopted a Vigil Mechanism and Whistle Blower Policy and the same is uploaded on the website of the Company. Mr. Bajrang Lal Sharma, Company Secretary is appointed as Vigilance Officer by the Board for this purpose. During the year, Vigilance Officer has conducted various workshops and awareness programmes for the employees of the Company working at various locations. The scope of

the Vigil Mechanism and Whistle Blower Policy of the Company enable employees to access the Chairman of the Audit Committee in exceptional circumstances.

v. Mandatory and non-mandatory requirements

The Company has complied with the mandatory requirements and has adopted a few non-mandatory requirements under Clause 49 of the Listing Agreement, which are reviewed by the management from time to time.

vi. Non-Mandatory Requirements

a. Shareholders' Rights

The Company's financial results are published in the newspapers and also posted on its own website (www.himadri.com). Hence, the Financial Results deemed to be sent to the shareholders. However, the Company furnishes the financial results on receipt of request from the shareholders.

b. Audit Qualification

The Company, at present, does not have any audit qualification pertaining to the financial statements.

c. Reporting of Internal Auditor

The Company's Internal Auditor reports directly to the Audit Committee.

vii. Inter-se Relationship amongst Directors

Except the Promoter Director, the other Directors of the Company do not have any inter-se relationship amongst each other.

viii. Proceeds from Public Issues, rights issue, preferential issues, etc.

The Company has not raised any money through an issue of Securities by means of Public issue, Rights Issue, Preferential Issue, etc. during the financial year ended 31 March 2015

13. MEANS OF COMMUNICATION

a. Quarterly/Annual Financial Results: The unaudited quarterly financial results are announced within 45 days from the end of each quarter and the audited annual results are announced within 60 days from the end of the last quarter. These financial results, after being taken

on record by the Audit Committee and Board of Directors, are communicated to the Stock Exchanges where the shares of the Company are listed. Any news, updates, or vital/useful information to shareholders are being intimated to Stock Exchanges and are being displayed on the Company's website: www.himadri.com

b. Newspapers: During FY2015, financial results (Quarterly & Annual) were published in newspapers viz. The Financial Express, Economic Times, Times of India, Business Standard in English (all editions), Jansatta (Hindi) and Arthik Lipi/ Ei Samay (Vernacular) in the format prescribed under Clause 41 of the Listing agreement with the Stock Exchanges where the shares of the Company are listed.

c. Website: The financial results are also posted on the Company's Website at www.himadri.com. The Company's website provides information about its business and the section on "Investor Relations" serves to inform and service the Shareholders allowing them to access information at their convenience.

d. Annual Report: Annual Report is circulated to all the members within the required time frame, physically through post and via E-mail, wherever the E-mail ID is available in accordance with the "Green Initiative Circular" issued by MCA. The shareholders have been provided e-voting option for the resolutions passed at the general meeting to vote as per their convenience.

e. E-mail ID of the Registrar & Share Transfer Agent: All the share related requests/queries/ correspondence, if any, are to be forwarded by the investors to the Registrar and Transfer Agent of the Company, M/s S.K. Infosolutions Pvt. Ltd 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006 and/ or e-mail them to skcdilip@gmail.com

f. Designated E-mail ID for Complaints/ Redressal: In compliance of clause 47(f) of the Listing Agreement entered into with the Stock Exchanges, the Company has designated an e-mail ID investors@himadri.com exclusively for the purpose of registering complaints/ grievances by investors. Investors whose requests/ queries/correspondence remain unresolved can send



their complaints/ grievances to the above referred e-mail ID and the same would be attended to promptly by the Company.

g. NSE Electronic Application Processing System (NEAPS):

The NEAPS is a web-based application designed by NSE for Corporates. The Shareholding Pattern, Corporate Governance Report, Financial Results and Board Meeting / Corporate Action Announcements are filed electronically on NEAPS.

h. BSE Corporate Compliance & Listing Centre:

The Listing Centre is a web-based application designed by BSE for Corporates. The Shareholding Pattern, Corporate Governance Report, Financial Results, and other intimations are filed electronically on BSE's Listing Centre.

i. SEBI Complaints Redress System (SCORES):

The investor complaints are processed in a centralized web-based complaints redressal system through SCORES. The Action Taken Reports are uploaded online by the Company for any complaints received on SCORES platform, thereby making it convenient for the investors to view their status online.

j. News releases/Investor Updates and Investor presentations:

The Company during the year has not made any specific presentation to any Investor, however, the Company usually uploads a general presentation, press release, earning release periodically about the Company and its business on the website for the benefit of all the stakeholders.

14. GENERAL SHAREHOLDER INFORMATION

i) Annual General Meeting for FY2015 is proposed to be held at “Kala Kunj Hall” 48, Shakespeare Sarani, Kolkata – 700017 on Tuesday, 22 September 2015 at 10.00 am. The shareholders may exercise their right to vote through electronic means as provided in the notice convening the meeting.

ii) Financial Calendar for 2015-16 (tentative schedule)

Financial Year	2015-16
Board meetings for approval of quarterly results	
- Quarter ended 30 June 2015	Within 2 nd Week of August 2015
- Quarter ended 30 September 2015	Within 2 nd week of November 2015
- Quarter ended 31 December 2015	Within 2 nd week of February 2016
- Annual Result for the year ended 31 March 2016 (Audited)	Within 60 days from the end of the financial year
Annual General Meeting for FY2016	In accordance with Section 96 of the Companies Act, 2013
Posting of Annual Report	21 (clear) days before the meeting
Receipt of proxy forms	At least 48 hrs before the meeting

iii) Date of Book Closures

The Share Transfer and Register of Members of the Company will remain closed from 16 September 2015 to 22 September 2015 (both days inclusive).

iv) Listing of Securities on stock exchange(s)

Equity Shares: The Company's shares are presently listed on the following stock exchange(s):

Sl. No.	Stock exchange	Listing code
1	BSE Limited P. J. Towers, Dalal Street, Fort Mumbai- 400 001	500184
2	National Stock Exchange of India Ltd “Exchange Plaza” Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051	HCIL

The Company has remitted the listing fee to the stock exchanges as per the schedule.

Non-Convertible Debentures: The Non-Convertible Debentures (NCDs) issued by the Company on private placement basis aggregating to ₹ 250 Crores are listed at Bombay Stock Exchange Limited. The details are given hereunder:

Sl. No.	Details of NCD	Stock exchange	Listing Code	ISIN Number
1	9.60% Secured, Redeemable Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹100 Crores issued on Private placement basis to ICICI Bank Limited	Bombay Stock Exchange Limited	946770	INE019C07015
2	10.00 % Secured, Redeemable Non-Convertible Debentures of ₹400/- each aggregating to ₹100 Crores issued on Private placement basis to LIC of India	Bombay Stock Exchange Limited	946887	INE019C07023
3	12.50% Secured, Redeemable Non-Convertible Debentures of ₹10,00,000/- each aggregating to ₹50 Crores issued on Private placement basis to LIC of India	Bombay Stock Exchange Limited	949610	INE019C07031

The Company has been regular in making payment of interest on these debentures. The Company has remitted the listing fee to the Stock Exchange(s) as per schedule.

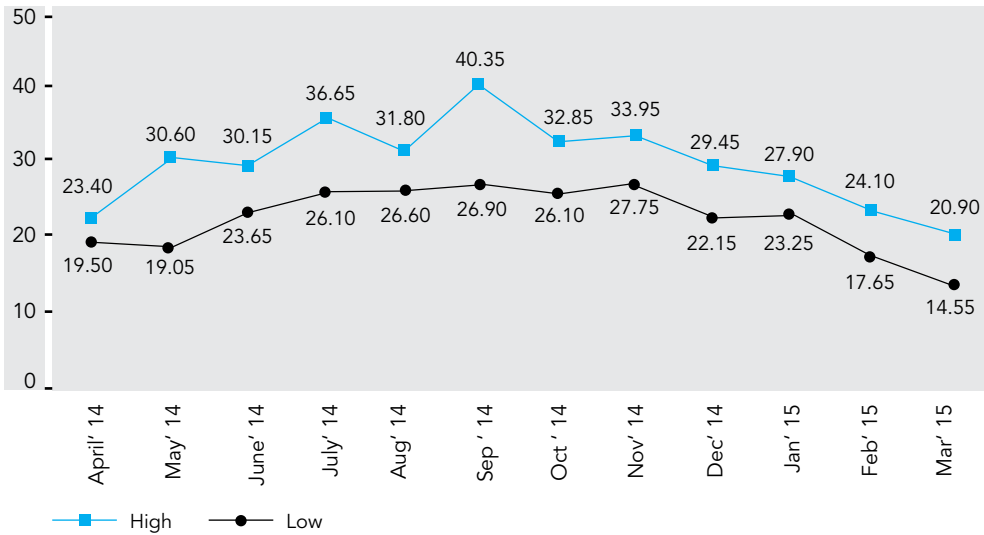
v) Market price data

Monthly high / low market price of the shares during FY2015 at the BSE Limited and at National Stock Exchange of India Ltd were as under: -

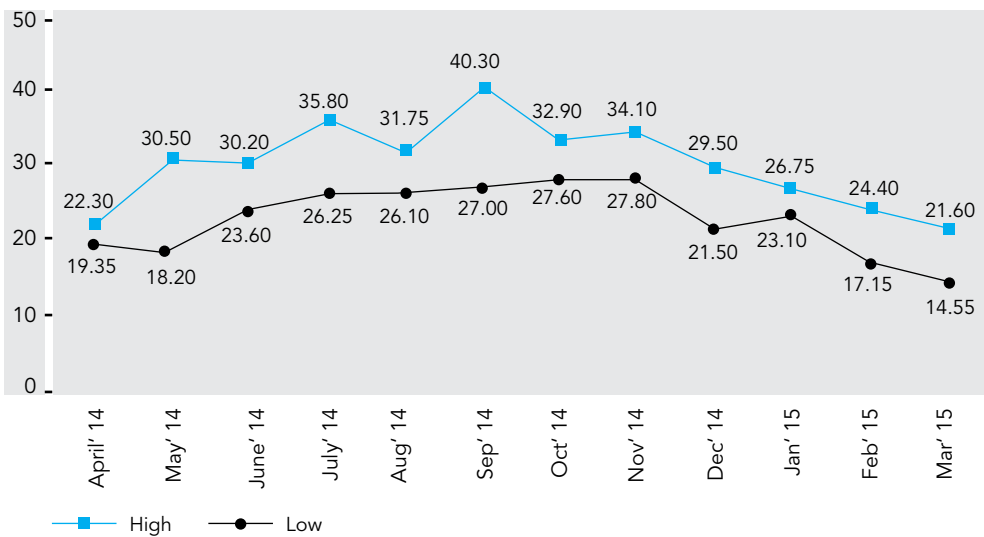
Month	BSE		NSE	
	Amount in ₹		Amount in ₹	
	High	Low	High	Low
Apr-14	23.40	19.50	22.30	19.35
May-14	30.60	19.05	30.50	18.20
Jun-14	30.15	23.65	30.20	23.60
Jul-14	36.65	26.10	35.80	26.25
Aug-14	31.80	26.60	31.75	26.10
Sep-14	40.35	26.90	40.30	27.00
Oct-14	32.85	26.10	32.90	27.60
Nov-14	33.95	27.75	34.10	27.80
Dec-14	29.45	22.15	29.50	21.50
Jan-15	27.90	23.25	26.75	23.10
Feb-15	24.10	17.65	24.40	17.15
Mar-15	20.90	14.55	21.60	14.55



Market Price BSE



Market Price NSE



vi) Registrar and Share Transfer Agent

The Company engaged the services of M/s S.K. Infosolutions Pvt. Ltd of 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006, a SEBI registered Registrar as its Share Transfer Agent for processing the transfer, sub-divisions, consolidation, splitting of securities among others. Since the shares are compulsorily required to be traded in dematerialized form, shareholders are requested to get their physical shareholdings converted into DEMAT form through their depository.

All the queries related with shares may be forwarded directly to the Company's Registrar. The Company has made necessary arrangements with Depositories NSDL/CDSL for Dematerialization of shares. M/s S.K. Infosolutions Pvt. Ltd was appointed as common agency to act as transfer agent for both physical and demat shares.

Shareholders are requested to surrender the old share certificates having Face Value of ₹ 10/- each to the Registrar and Share Transfer Agent for cancellation and issue of new certificates of face Value of ₹1/- each pursuant to stock split approved by the shareholders at the Annual General Meeting held on 28 September 2010, for which the Record Date was fixed on 9 November 2010.

vii) Share Transfer System

The Company ensures that all transfers are duly affected within a period of fifteen days from the date of their lodgment. The Board constituted a Share Transfer Committee for approval of the Transfers, which meets on regular intervals. Share Transfer, Duplicate issue of shares and all other investors' related activities are attended to and processed at the office of the Registrar and Share Transfer Agent, M/s S.K. Infosolutions Pvt. Ltd, Kolkata.

Pursuant to Clause 47(c) of the Listing Agreement with the stock exchange(s), certificate on half-yearly basis is filed with the stock exchange(s) for due compliance of share transfer formalities by the Company.

viii) Nomination facilities

Section 72 of the Companies Act, 2013 read with Rule 19(1) of Companies (Share Capital and Debentures) Rules, 2014, provides for the facility of nomination to shares and debentures. This facility is mainly useful in case of those holders who hold their shares in single name. Investors are advised to avail of this facility, especially those holding shares in single name to avoid any complication in the process of transmission, in case of death of the holders.

In case the shares are held in physical mode, the nomination form may be obtained from the Registrar & Share Transfer Agent. In case of shares held in Demat form, such nomination is to be conveyed to the D/P as per the formats prescribed by them.

ix) Unclaimed / Unpaid Dividend

The amount of unclaimed dividend are lying credit in separate bank accounts. Members may please note that pursuant to Section 125 of the Companies Act, 2013 the amount lying in credit of any unpaid dividend account if remained un-claimed for 7 years from the date they became due for payment shall be transferred to the Investor Education and Protection Fund. As on 31 March 2015, the following amounts are unclaimed and lying credit in separate bank accounts with various banks.



Financial Year	Date of declaration	Amount Unpaid/ unclaimed as on 31.03.2015	Due date for transfer to Investor Education and Protection Fund	Banker's name in which the unpaid amount is lying
2007-08	26 September 2008	1,153,028.00	1 November 2015	HDFC Bank Ltd
2008-09	17 September 2009	594,208.00	23 October 2016	State Bank of India
2009-10	28 September 2010	592,868.00	3 November 2017	State Bank of India
2010-11	28 September 2011	579,449.20	3 November 2018	State Bank of India
2011-12	29 September 2012	597,288.70	4 November 2019	State Bank of India
2012-13	23 September 2013	637,130.10	29 October 2020	State Bank of India
2013-14	24 September 2014	582,056.30	30 October 2021	State Bank of India

Therefore, members who have so far not encashed their dividend warrants or have not received the dividend warrants may write to the Company or its' Share Transfer Agents for issue of duplicate dividend warrants / drafts.

x) Distribution of Shareholding and Shareholding Pattern as on 31 March 2015

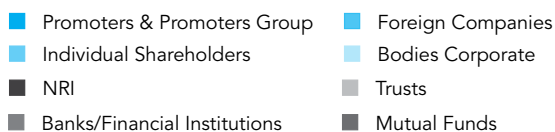
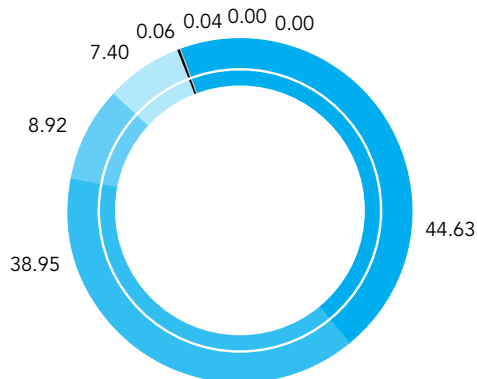
Distribution of Shareholding as on 31 March 2015

No. of shares	No. of Shareholders	% of total number of shareholders	Number of shares held	% of the total number of shares
Up to 500	5,822	36.56	11,46,525	0.30
501 - 1000	5,364	33.67	51,82,282	1.34
1001 - 2000	2,478	15.55	44,75,663	1.16
2001 - 3000	956	6.00	24,33,238	0.63
3001 - 4000	322	2.02	12,27,598	0.32
4001 - 5000	301	1.89	14,68,797	0.38
5001 - 10000	337	2.12	26,65,341	0.70
10001 - 50000	270	1.69	56,47,903	1.46
50001 - 100000	31	0.19	21,62,219	0.56
100000 and above	50	0.31	35,93,23,004	93.15
Total	15,931	100.00	38,57,32,570	100.00

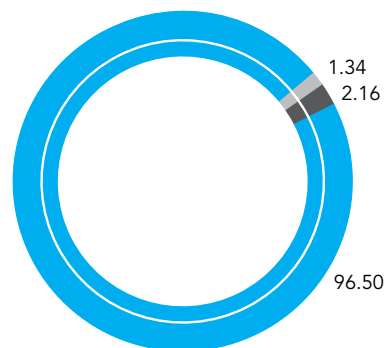
Shareholding pattern as on 31 March 2015

	Category of shareholders	Number of shareholders	Number of shares	% of holding
(A)	Promoter Group			
(a)	Directors & relatives	8	1,27,28,600	3.30
(b)	Bodies corporate	4	15,94,11,310	41.33
	Sub- total (A)	12	17,21,39,910	44.63
(B)	Non-promoters			
(a)	Mutual funds / UTI	1	3,000	0.00
(b)	Financial institutions / banks	4	16,000	0.00
(c)	Foreign Company	2	15,02,32,285	38.95
(d)	Bodies corporate	414	2,85,47,841	7.40
(e)	Individuals	15,413	3,44,11,739	8.92
(f)	NRI(s)	80	2,24,128	0.06
(g)	Trustee	5	1,57,667	0.04
	Sub Total (B)	15,919	21,35,92,660	55.37
	Total (A) + (B)	15,931	38,57,32,570	100.00

Shareholding Pattern as on 31 March 2015 (%)



Distribution of Shareholding FY2015 (%)



xi) Dematerialization of shares and liquidity

The shares of the Company are under compulsory demat list of SEBI and it has joined as a member of the Depository services with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as an Issuer Company for dematerialization of its' shares. Shareholders can get their shares dematerialized with either NSDL or CDSL.

Pursuant to stock split approved by the shareholders at the Annual General Meeting held on 28th September 2010, each equity shares of face value of ₹10/- each has been sub-divided into ten equity shares of ₹1/- each and the depositories allotted the following new ISIN number to the Company:

NSDL - INE 019C01026
CDSL - INE 019C01026

As on 31 March 2015, out of the 38,57,32,570 equity shares of the Company 37,73,98,949 shares were held in Electronic form representing 97.84 % to the total paid up capital, whereas balance of 83,33,621 shares were held in physical form representing 2.16% to the total paid up share capital of the Company.

xii) Outstanding Foreign Currency Convertible Bonds

In the year 2009-10, the Company had issued to International Finance Corporation (IFC), 70 Foreign Currency Convertible Bonds (FCCBs) having a face value of USD 100,000 each aggregating to USD 7 million. FCCBs are hybrid instruments with an option of conversion into Equity shares and an underlying foreign currency liability with redemption in the event of non- conversion at the end of the period.

The bondholder has an option of converting these bonds into Equity shares at any time within a period of 7 years from the date of issue at an initial conversion price of ₹13.50/- per share (face value of ₹1/- each) at the exchange rate prevailing on the date of conversion request. Unless the conversion option is exercised, the outstanding FCCBs will be redeemed in full at their par value together with interest @ 6 month LIBOR + 3.35% p.a. accrued on a compounded six monthly basis.

As at 31 March 2015 conversion option has not been exercised in respect of any Bond. The Company expects that the bondholder will opt for conversion rather than redemption.



xiii) Locations of Plants

Sr. No.	Location of Plant
1	Unit No. 1 at Liluah (Howrah), 58, N.S. Road, Liluah, Howrah - 711 204 (W. B.)
2	Unit No. 2 at Liluah (Howrah), 27-B, Gadadhar Bhatt Road, Liluah, Howrah- 711 204 (W.B.)
3	Mahistikry, P.S. - Haripal, District- Hooghly (W.B.)
4	Plot No. 67, 68 & 69, Ancillary Industrial Estate, Vill: Pedagantyada, PIN- 530 013 (A. P.)
5	Vill- Jhagrah, Rajgamar Colliery, Korba- 495683 (Chhattisgarh)
6	Wind Mills Division: a. Vill- Amkhel: Taluka- Sakri, District- Dhule, Maharashtra b. Vill- Titane, Taluka- Sakri, District- Dhule, Maharashtra
7	Vapi Unit G.I.D.C., Phase I, Vapi, Gujarat
8	Falta Special Economic Zone J.L. No 1, Dag No: 49,50,51, Sector- II, Vill- Simulberia, P.O. - Falta, Dist- 24 Pgs (South) West Bengal -743504
9	China Unit, Longkou, Shandong, China.

xiv) Address for correspondence

All communication may be sent to Mr. B.L. Sharma, Company Secretary and Compliance Officer at the following address:

Himadri Chemicals & Industries Limited,

'Ruby House',

8, India Exchange Place, 2nd floor,

Kolkata - 700 001

Phone number: (033) 2230 9953/ 2230 4363

Fax No 91-33-2230-9051,

e-mail: investors@himadri.com.

All shares related queries may be sent to the Company's Registrar and Share Transfer Agent, M/s S. K. Infosolutions Pvt. Ltd, 34/1A, Sudhir Chatterjee Street, Kolkata - 700 006. Ph No: 91-033- 22196797/ 4815

For and on behalf of the Board

Sd/-

Bankey Lal Choudhary

Managing Director

(DIN: 00173792)

Sd/-

Shyam Sundar Choudhary

Executive Director

(DIN: 00173732)

Place: Kolkata

Date: 26 May 2015

Practising Company Secretaries' Certificate on Corporate Governance

To

The Members

Himadri Chemicals & Industries Ltd

We have examined the compliance of Corporate Governance by **Himadri Chemicals & Industries Limited** for the period between 1 April 2014 and 31 March 2015, as stipulated under Clause 49 of the Equity Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the directors, the management and the Company's officers, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs.

Address:

224, A. J. C Bose Road,

Kolkata – 700 017

Dated: 26 May 2015

For **Vinod Kothari & Company**

Practising Company Secretaries,

Sd/-

Vinod Kothari

CP No. 1391

Declaration by the Managing Director

To

The Members

Himadri Chemicals & Industries Ltd

Sub: Declaration under Clause 49 of the Listing Agreement

I hereby declare that all Directors and the designated personnel in the Senior Management of the Company affirmed compliance with the Code of Conduct as applicable to them for the financial year ended 31 March 2015.

Place: Kolkata

Dated: 26 May 2015

For **Himadri Chemicals & Industries Ltd**

Sd/-

B.L. Choudhary

Managing Director

(DIN: 00173792)



CEO / CFO Certification

To
The Members of
Himadri Chemicals & Industries Limited
8, India Exchange Place, 2nd Floor
Kolkata - 700 001

Sub: CEO / CFO certification in terms of Clause 49(ix) of the Listing Agreement

We,

- 1) Bankey Lal Choudhary, the Managing Director and
- 2) Kamlesh Kumar Agarwal – Chief Financial Officer

Certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2015 and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control over financial reporting during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 26 May 2015

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Independent Auditors' Report

To
The Members of
Himadri Chemicals & Industries Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Himadri Chemicals & Industries Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2015 we give in the Annexure a statement on the matters specified in paragraphs 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 purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act,

read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representation received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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 financial statements - refer note 31 (a) and (b) to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - refer note 35 to the 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.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 26 May 2015

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013. Registered office: Lodha Excelus, 1 Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400011.

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Place: Kolkata
Date: 26 May 2015

Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, a portion of fixed assets have been physically verified during the year and no material discrepancies were noticed on such verification.
 - (ii) (a) The inventory, except stock lying with third parties and goods in transit, has been physically verified by the management 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 by the management.
 - (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
 - (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
 - (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of the audit.
 - (v) The Company has not accepted any deposits from the public during the year.
 - (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 Companies Act, 2013 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 records.
 - (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 (VAT), Wealth tax, Service tax, Customs duty, Excise duty, Cess and 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 (VAT), Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2015, 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 (VAT), Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess 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	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales tax	462.30	2005 to 2008	Appellate and Revision Board
		22.84	2005-2006	Sales Tax Appellate Tribunal
		267.30	2009-2010	Appellate and Revision Board
		260.75	2011-2012	Learned Appellate Forum of Sales Tax – Corporate Division - 2
West Bengal Value Added Tax Act, 2003	Value added tax	2,119.43	2005 to 2011	Appellate and Revision Board
		257.91	2005-2006	Learned Senior Joint Commissioner - Special Cell
Central Excise Act, 1944	Excise duty	433.42	2006 to 2008	Custom Excise and Service Tax Appellate Tribunal
		6.11	2010 to 2012	Assistant Commissioner of Central excise
		6.13	2005 - 2006	Hon'ble Supreme Court
		1.33	2005 to 2008	Commissioner (Appeals) of Central excise
		17.96	2011 - 2012	Additional Commissioner of Central excise
The Custom Act, 1962	Custom duty	25.83	2000-2001	Custom Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service tax	50.33	2010-2011	Commissioner of Service Tax
Chhattisgarh Entry Tax Act, 1976	Entry tax	184.24	2012-15	Hon'ble High Court of Judicature Chhattisgarh at Bilaspur.
TOTAL		4,135.85		

- (c) According to the information and explanations given to us, the amounts which were required to be transferred to Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act, 1956 and rules made thereunder has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company has been applied for the purpose for which they were raised.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Balance Sheet

as at 31 March 2015

	Note No.	Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	3,857.33	3,857.33
(b) Reserves and surplus	4	78,856.92	79,564.56
		82,714.25	83,421.89
2) Non-current liabilities			
(a) Long-term borrowings	5	52,364.34	57,058.29
(b) Deferred tax liabilities (net)	6	5,219.71	6,605.74
(c) Other long-term liabilities	7	6,979.75	10,970.63
(d) Long-term provisions	8	78.42	91.47
		64,642.22	74,726.13
3) Current liabilities			
(a) Short-term borrowings	9	50,762.93	57,785.99
(b) Trade payables	10	9,157.46	8,402.54
(c) Other current liabilities	11	13,837.38	20,809.97
(d) Short-term provisions	8	77.92	470.10
		73,835.69	87,468.60
TOTAL		221,192.16	245,616.62
II. ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12	114,762.12	113,947.66
(ii) Capital work-in-progress	13	1,019.42	5,592.85
		115,781.54	119,540.51
(b) Non-current investments	14	8,198.09	8,198.09
(c) Long-term loans and advances	15	11,586.85	9,684.05
(d) Other non-current assets	16	839.75	893.64
		136,406.23	138,316.29
2) Current assets			
(a) Current investments	17	2,100.00	16,613.17
(b) Inventories	18	35,933.28	37,204.47
(c) Trade receivables	19	31,565.94	35,322.27
(d) Cash and bank balances	20	3,662.91	4,108.36
(e) Short-term loans and advances	21	11,063.47	13,574.75
(f) Other current assets	22	460.33	477.31
		84,785.93	107,300.33
TOTAL		221,192.16	245,616.62
Significant accounting policies	2		
Notes to financial statements	1 to 49		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015



Statement of Profit and Loss

for the year ended 31 March 2015

	Note No.	Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
I. Revenue from operations	23		
Sale of products (gross)		155,359.62	153,430.42
Less: Excise duty		17,777.72	17,139.98
Sale of products (net)		137,581.90	136,290.44
Other operating revenue		167.96	37.15
Total revenue from operations		137,749.86	136,327.59
II. Other Income	24	1,495.92	1,408.42
III. Total revenue (I + II)		139,245.78	137,736.01
IV. Expenses			
Cost of materials consumed	25	113,405.09	109,228.41
Changes in inventories of finished goods and work-in-progress	26	(6,249.07)	(5,264.80)
Employee benefits expense	27	2,937.41	2,434.42
Finance costs	28	10,150.66	11,651.47
Depreciation expense	12	5,535.87	5,452.43
Foreign exchange fluctuation		725.06	7,802.12
Other expenses	29	15,377.25	12,723.31
Total expenses		141,882.27	144,027.36
V. Profit / (Loss) before exceptional item and tax		(2,636.49)	(6,291.35)
VI. Exceptional item			
Profit on sale of investment in subsidiary (refer note 42)		-	704.99
VII. Profit / (Loss) before tax		(2,636.49)	(5,586.36)
VIII. Tax expenses			
Current tax [including ₹ Nil (previous year : ₹ 0.46 Lakhs) relating to earlier years]		-	0.46
MAT credit (entitlement)/reversal		64.10	-
Net current tax		64.10	0.46
Deferred tax charge/(credit)		(1,260.52)	(1,675.93)
IX. Profit / (Loss) for the year		(1,440.07)	(3,910.89)
Earnings/(Loss) per equity share [nominal value of share ₹ 1 each (previous year ₹ 1 each)]	30		
Basic and Diluted		(0.37)	(1.01)
Significant accounting policies	2		
Notes to financial statements	1 to 49		
The notes referred to above form an integral part of the financial statements			

As per our report of even date attached

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

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Cash Flow Statement

for the year ended 31 March 2015

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	(2,636.49)	(5,586.36)
Adjustments for :		
Depreciation expense	5,535.87	5,452.43
Finance costs	10,150.66	11,651.47
Interest income	(398.79)	(263.64)
Dividend received	(0.43)	(0.24)
Guarantee fee	(65.99)	(65.71)
Profit on sale of mutual funds (current investments)	(883.69)	(55.66)
Profit on sale of long-term investment in subsidiary	-	(704.99)
Liabilities no longer required written back	-	(771.77)
Provision for doubtful debts and advances	-	592.57
Provision for contingencies	-	78.42
Foreign exchange fluctuation	1,266.45	6,463.68
Loss on sale of fixed assets	2.31	2.52
	15,606.39	22,379.08
Operating cash flows before working capital changes	12,969.90	16,792.72
Adjustments for :		
(Increase)/ decrease in inventories	1,271.19	3,156.37
(Increase)/ decrease in trade receivables	3,849.62	(11,475.97)
(Increase)/ decrease in loans and advances	1,051.14	1,322.12
(Increase)/ decrease in other assets	205.28	6.65
Increase/ (decrease) in trade payables	754.92	4,634.35
Increase/ (decrease) in other liabilities and provisions	858.00	(48.56)
	7,990.15	(2,405.04)
Cash generated from operations	20,960.05	14,387.68
Direct tax refunded	249.34	23.35
Net cash provided by operating activities	21,209.39	14,411.03
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets #	(2,424.65)	(7,235.23)
(including capital work-in-progress and capital advances)		
Proceeds from sale of fixed assets	8.65	215.28
Interest income received	275.08	164.88
Dividend income received	0.43	0.24
Loan to subsidiary (net)	(250.00)	(5,554.07)
Proceeds from sale of investments (mutual funds)	15,396.86	7,929.88
Proceeds from sale of investments in subsidiary company	-	5,202.60
Purchase of investments in mutual funds	-	(9,600.00)
Purchase of investment in subsidiary	-	(1.00)
Increase in fixed deposits with banks (having maturity of more than 3 months)	(70.09)	(441.57)
Net cash provided/ (used) in investing activities	12,936.28	(9,318.99)



Cash Flow Statement

for the year ended 31 March 2015

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Non Convertible Debentures	-	5,000.00
Debenture issue expenses	-	(162.30)
Proceeds from long-term borrowings	83.11	8,500.00
Repayment of long-term borrowings	(17,810.36)	(5,664.63)
Increase/ (decrease) in working capital borrowings	(8,358.30)	(11,098.00)
Interest paid	(8,096.67)	(7,233.04)
Dividend paid	(385.73)	(385.73)
Dividend tax paid	(65.56)	(65.56)
Net cash used in financing activities	(34,633.51)	(11,109.26)
Net decrease in cash and cash equivalents (A+B+C)	(487.84)	(6,017.22)
Cash and cash equivalents at the beginning of the year (refer note 20 to the financial statements)	1,724.36	7,694.22
Effect of exchange gain on cash and cash equivalents held in foreign currency (EEFC accounts)	32.38	47.36
Cash and cash equivalents at the end of the year (refer note 20 to the financial statements)	1,268.90	1,724.36

Includes interest capitalised ₹ Nil (previous year ₹ 1,015.75 Lakhs).

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard- 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
- During the previous year long term loan of ₹ 8,000 Lakhs extended to Equal Commodeal Pvt Ltd., a wholly owned subsidiary, was converted into optionally convertible debentures.
- Figures in brackets indicate cash outflows.

As per our report of even date attached

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number: 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Notes to Financial Statements

for the year ended 31 March 2015

1. COMPANY OVERVIEW

Himadri Chemicals & Industries Limited ("the Company") is a public company domiciled and headquartered in India. It was incorporated on 28 July 1987 and its shares are listed on the 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 Commodore Private Limited and step down subsidiary in the name of AAT Global Limited (previously known as Himadri Global Investment Limited), incorporated in Hong Kong and another subsidiary having 94% shareholding in Shandong Dawn Himadri Chemical Industry Limited incorporated in China.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1. Basis of preparation of financial statements

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP primarily comprises mandatory accounting standards as specified under section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014, the provision of the Act, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting pronouncements of the Institute of Chartered Accountants of India, to the extent applicable.

2.2. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure

of contingent liabilities on the date of the financial statements. 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.

2.3. Current – 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 Companies Act, 2013.

2.3.1. 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.

2.3.2. 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



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.4. Fixed assets and depreciation

2.4.1. *Tangible fixed assets*

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Foreign currency exchange differences are capitalised as per the policy stated in note 2.10 below.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. 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'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

2.4.2. *Depreciation*

Depreciation for the year is recognised in the Statement of Profit and Loss.

Depreciation on fixed assets situated at Liluah Unit - I (Howrah), Vapi and Vizag are provided on written down value method and on fixed assets 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 Companies Act, 2013.

The rates of depreciation as prescribed in Part C of Schedule II of the Companies Act, 2013 are considered as the minimum rates.

Freehold land is not depreciated. Leasehold land is amortised on a straight line basis over the period of respective lease, except land acquired on perpetual lease.

2.4.3. *Impairment of assets*

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets ("Cash Generating Unit" or "CGU") that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of the assets or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present

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for the year ended 31 March 2015 (Contd.)

value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset or CGU.

Impairment losses are recognised in the Statement of Profit and Loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists or has decreased, the asset or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed 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 has been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.5. Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

2.6. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of the revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, bonds etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

2.7. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock in trade, packing materials, stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, First in First out (FIFO) method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty liability is included in the valuation of closing inventory of the finished goods.

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

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



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for the year ended 31 March 2015 (Contd.)

necessary to make the sale. The comparison of cost and net realisable value is made on an item-by-item basis.

2.8. Employee benefits

2.8.1. *Short-term employee benefits*

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries, wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by the employees.

2.8.2. *Post-employment benefits*

2.8.2.1. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified contributions towards employee provident fund to Government administered provident fund scheme, and to Life Insurance Corporation of India (LIC) under superannuation scheme which are defined contribution plans. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

2.8.2.2. *Defined benefit plan*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. The Company recognises all actuarial

gains and losses arising from defined benefit plan immediately in the Statement of Profit and Loss. All expenses related to defined benefit plan are recognised in employee benefits expense in the Statement of Profit and Loss.

The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. 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. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

2.8.2.3. *Compensated absences*

The 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 short-term 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.

2.9. Revenue recognition

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.

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax and value added tax (VAT) and is net of returns, trade discounts and quantity discounts. Excise duty relating to sales is reduced from gross sales for disclosing net revenue from operations.

Export incentives are recognised on accrual basis against goods exported.

Revenue from job work charges (excluding excise duty) is recognised on completion of job work in accordance with terms of the agreement.

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

Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.10. Foreign exchange 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 Indian rupees 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, except for:

- a) Exchange differences relating to long term foreign currency monetary items accounted for in accordance with Para 46A of Accounting Standard 11 "The Effects of changes in Foreign Exchange Rates". Such exchange differences arising on long term foreign currency monetary items (original maturity of one year or more) in so far as they relate to the acquisition of depreciable capital asset have been added or deducted from the cost of the asset and depreciated over the balance useful life of the asset and in other cases have been accumulated in a Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortized over the balance period of such long term monetary item.
- b) Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognised as income or as expense.
- c) The premium or discount on a forward exchange contract taken to hedge foreign currency risk of an existing asset/liability is recognised over the period of the contract. The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.

2.11. Derivative instruments and hedge accounting

The Company enters into derivative financial instruments with banks to hedge foreign currency risk of firm commitments and highly probable forecasted transactions and interest rate risks.

The method of recognising the resultant gain or loss depends on whether the derivative is designated as



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for the year ended 31 March 2015 (Contd.)

hedging instrument, and if so, the nature of the item being hedged. To designate a derivative contract as an effective hedge, management objectively evaluates and evidence with appropriate supporting documents at the inception of each contract whether the contract is effective in offsetting cash flow attributable to the hedged risk.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the AS 30 "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.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting date at fair value. Changes in the fair value of these derivative contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and Surplus and the ineffective portion is recognised immediately in the Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Statement of Profit and Loss in the period during which the forecasted transaction affects profit or loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Statement of Profit and Loss.

2.12. Provisions

A provision is recognised 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. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.13. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.14. Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. 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

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

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.

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case maybe) to be realised.

2.15. 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 in the period in which they are incurred and include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Discount on issue of Deep Discount Debentures is amortized during the tenure of the debentures which is 20 years from the date of allotment.

2.16. Research and Development Expenses

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.

2.17. 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.

2.18. Government Grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant relates to a depreciable asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Grants related to non-depreciable assets are credited to Capital Reserve.

2.19. Cash flow statement

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.



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for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 3 - SHARE CAPITAL		
Authorised		
700,000,000 (previous year 700,000,000) equity shares of ₹ 1 each	7,000.00	7,000.00
Issued, subscribed and fully paid up		
385,732,570 (previous year 385,732,570) equity shares of ₹ 1 each	3,857.33	3,857.33

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	385,732,570	3,857.33	385,732,570	3,857.33
Add: Issued during the year	-	-	-	-
At the end of the year	385,732,570	3,857.33	385,732,570	3,857.33

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. 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. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2015		31 March 2014	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
BC India Investments	103,178,860	26.75%	103,178,860	26.75%
VCIGPM Limited (formerly CITI Group Venture Capital International)	47,053,425	12.20%	47,053,425	12.20%
Himadri Dyes & Intermediates Limited	98,284,310	25.48%	98,284,310	25.48%
Himadri Industries Limited	46,140,000	11.96%	46,140,000	11.96%

d. Shares reserved for issue under options:

For details of equity shares reserved for issue on conversion of Foreign Currency Convertible Bonds (FCCB) which were issued by the Company on 13 April 2009, refer note 5 regarding terms of conversion/ redemption of Foreign Currency Convertible Bonds.

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 4 - RESERVES AND SURPLUS		
Capital reserve		
At the commencement and at the end of the year	1,280.50	1,280.50
Securities premium account		
At the commencement of the year	39,469.84	39,576.97
Debenture issue expenses on redeemable non convertible debentures written off [Net of deferred tax of ₹ Nil (previous year ₹ 55.17 Lakhs)]	-	(107.13)
At the end of the year	39,469.84	39,469.84
Debenture redemption reserve		
At the commencement of the year	4,177.32	3,345.00
Amount transferred from surplus	832.32	832.32
At the end of the year	5,009.64	4,177.32
General reserve		
At the commencement and at the end of the year	11,517.44	11,517.44
Hedging reserve [refer note 35(c)]		
At the commencement of the year	(4,889.44)	(2,634.80)
Movement during the year	963.69	(2,254.64)
At the end of the year	(3,925.75)	(4,889.44)
Foreign currency monetary item translation difference account (FCMITDA)		
At the commencement of the year	(46.12)	(40.50)
Exchange gain/ (loss) during the year on foreign currency term loan	(40.50)	(397.83)
Amortisation of exchange fluctuation for the year	46.38	392.21
At the end of the year	(40.24)	(46.12)
Surplus (Profit and loss balance)		
At the commencement of the year	28,055.02	33,249.52
Depreciation charge (Net of deferred tax of ₹ 125.51 Lakhs) (refer note 12)	(237.14)	-
Loss for the year	(1,440.07)	(3,910.89)
Appropriations		
Proposed equity dividend [Amount ₹ Nil per share (previous year ₹ 0.10 per share)]	-	(385.73)
Tax on proposed equity dividend	-	(65.56)
Transfer to debenture redemption reserve	(832.32)	(832.32)
At the end of the year	25,545.49	28,055.02
Total reserves and surplus	78,856.92	79,564.56



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for the year ended 31 March 2015 (Contd.)

Amount in ₹ Lakhs

	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
NOTE 5 - LONG-TERM BORROWINGS				
Bonds / debentures				
12,300 (previous year 12,300) Deep Discount Debentures of ₹ 100,000 each (unsecured)	12,300.00	12,300.00	-	-
Less: Discount on issue of Deep Discount Debentures to the extent not written off or adjusted	6,471.69	7,104.66	-	-
	5,828.31	5,195.34	-	-
500 (previous year 500) 12.50% Redeemable Non-Convertible Debentures of ₹ 1,000,000 each (secured)	5,000.00	5,000.00	-	-
2,500,000 (previous year 2,500,000) 10% Redeemable Non-Convertible Debentures of ₹ 400 each (secured)	10,000.00	10,000.00	-	-
1,000 (previous year 1,000) 9.60% Redeemable Non-Convertible Debentures of ₹ 1,000,000 each (secured)	10,000.00	10,000.00	-	-
70 (previous year 70) Foreign Currency Convertible Bonds of USD 100,000 each (unsecured)	4,381.36	4,206.99	-	-
	35,209.67	34,402.33	-	-
Term loans				
Rupee loans (secured)				
From banks	7,625.00	8,125.00	500.00	9,025.00
Foreign currency loans (secured)				
From banks	5,618.23	9,697.73	4,047.69	7,493.19
From others	3,677.21	4,582.61	1,095.34	1,051.75
	16,920.44	22,405.34	5,643.03	17,569.94
Loan against vehicles and equipments (secured)	70.36	45.65	51.78	71.89
Deferred payment liabilities				
Sales tax deferment (unsecured)	163.87	204.97	41.10	65.03
	52,364.34	57,058.29	5,735.91	17,706.86
The above amount includes:				
Secured borrowings	41,990.80	47,450.99	5,694.81	17,641.83
Unsecured borrowings	10,373.54	9,607.30	41.10	65.03
Amount disclosed under the head - "Other current liabilities" (refer note 11)	-	-	(5,735.91)	(17,706.86)
	52,364.34	57,058.29	-	-

(A) Terms of repayment/ conversion/ redemption

(i) Bonds / debentures

- a) The Company on 24 September 2001 had issued Deep Discount Debentures of face value of ₹ 100,000 each aggregating ₹ 12,300.00 Lakhs at a discount of 90% on face value and are redeemable at par at the

end of 20 years from the date of allotment. The Deep Discount Debentures carry an implicit rate of interest of approximately 12.18% compounded annually.

- b) The Company on 29 October 2013 had issued 12.50% Redeemable Non-

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

- convertible Debentures of face value of ₹ 1,000,000 each aggregating ₹ 5,000.00 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.
- c) The Company on 24 August 2010 had issued 10% Redeemable Non-convertible Debentures of face value of ₹ 400 each aggregating ₹ 10,000.00 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.
- d) The Company on 28 June 2010 had issued 9.60% Redeemable Non-convertible Debentures of face value of ₹ 1,000,000 each aggregating ₹ 10,000.00 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.
- e) The Company on 13 April 2009 had issued 70 Foreign Currency Convertible Bonds (FCCB) of face value of USD 100,000 each aggregating USD 70 Lakhs to International Finance Corporation (IFC). As per the terms of the issue, the bond holder has an option of converting these bonds into equity shares within a period of 7 years from the date of issue at an initial conversion price of ₹ 13.50 per equity share of face value of ₹ 1 each at the foreign exchange rate prevailing on the date of conversion request. In case the conversion option is not exercised, the outstanding FCCBs would be redeemed at par together with interest accrued at the rate of 6 months LIBOR + spread of 3.35% per annum accrued on a compounded 6 monthly basis. As at 31 March 2015, conversion option has not been exercised in respect of the above FCCBs. Till 31 March 2015, the Company made provision of ₹ 1,169.27 Lakhs (previous year ₹ 935.58 Lakhs) as interest on outstanding FCCBs.

(ii) Term loans

a) Name of the lender	Loan Outstanding as at 31 March 2015 (₹ in Lakhs)	Period of maturity with respect to Balance Sheet date	Number of installments outstanding as at 31 March 2015	Installment Amount (₹ in Lakhs)
Rupee loans (secured)				
The Hongkong and Shanghai Banking Corporation Limited	- (₹ 4,150.00)	- (1 month)	- (1)	₹ 4,150.00 - bullet repayment
Deutsche Bank AG	- (₹ 4,500.00)	- (85 days)	- (1)	₹ 4,500.00 - bullet repayment
Axis Bank Limited	₹ 8,125.00 (₹ 8,500.00)	8 years 3 months (9 years 3 months)	33 (36)	Repayable at quarterly rest : 5 of ₹ 125.00 each 8 of ₹ 150.00 each 4 of ₹ 250.00 each 8 of ₹ 300.00 each 8 of ₹ 362.50 each

An average interest rate on rupee term loans is **11.15%** per annum (previous year 10.69% per annum).



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for the year ended 31 March 2015 (Contd.)

(ii) Term loans (continued)

a) Name of the lender	Loan Outstanding as at 31 March 2015 (₹ in Lakhs)	Period of maturity with respect to Balance Sheet date	Number of installments outstanding as at 31 March 2015	Installment Amount (₹ in Lakhs)
Foreign currency borrowings				
ICICI Bank Limited (ECB)	₹ 2,467.99 JPY 4,736.11 (₹ 3,292.85) (JPY 5,597.22)	5 years 5 months (6 years 5 months)	11 (13)	JPY 430.56 - repayable at half yearly rest
The Hongkong and Shanghai Banking Corporation Limited (ECB)	₹ 4,694.31 USD 75.00 (₹ 6,761.23) (USD 112.50)	1 year 11 months (2 years 11 months)	8 (12)	USD 9.38 - repayable at quarterly rest
DBS Bank Limited (ECB)	₹ 2,503.63 USD 40.00 (₹ 3,605.99) (USD 60.00)	1 year 9 months (2 years 9 months)	4 (6)	USD 10.00 - repayable at half yearly rest
International Finance Corporation (ECB)	₹ 2,190.68 USD 35.00 (₹ 2,704.49) (USD 45.00)	3 years 6 months (4 years 6 months)	7 (9)	USD 5.00 - repayable at half yearly rest
DEG - Deutsche Investitionsund Entwicklungsgesellschaft MBH (ECB)	₹ 2,581.86 USD 41.25 (₹ 2,929.86) (USD 48.75)	5 years 6 months (6 years 6 months)	22 (26)	USD 1.88 - repayable at quarterly rest
Citibank N.A. (FCNRB)	- (₹ 3,530.86) (USD 58.75)	- (1 month)	- (1)	USD 58.75 - bullet repayment

An average interest rate on foreign currency loans is **LIBOR + 2.81%** per annum (previous year - LIBOR + 3.02% per annum).

- b) 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.
- c) Loans against vehicles and equipments are for a period of three years and repayable by way of equated monthly instalments.
- issued to Life Insurance Corporation of India and 9.60% Redeemable Non-convertible Debentures issued to ICICI Bank Limited, aggregating to ₹ 25,000.00 Lakhs are secured by way of Equitable Mortgage on land situated at Mouza Maharaj Pura Dist – Mahsana (Gujarat), First Pari Passu charge on immovable properties (Leasehold Land) situated at Mahistikry and hypothecation of all movable fixed assets (including plant and machinery) of the Company in favour of Axis Trustee Services Limited, being the trustee of the Debenture Holders.

(B) Details of security

- i) 12.50% Redeemable Non-convertible Debentures and 10% Redeemable Non-convertible Debentures
- ii) Rupee term loan from Axis Bank Limited, Foreign currency borrowings from International Finance Corporation (IFC), The Hongkong and

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

Shanghai Banking Corporation Limited (HSBC) and DBS Bank Limited (DBS) are secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of all movable fixed assets (including plant and machinery) on pari passu basis with other lenders.

- iii) Foreign currency borrowings from DEG-Deutsche Investitionsund Entwicklungsgesellschaft MBH

(DEG) and ICICI Bank Limited are secured by way of mortgage of immovable properties (Leasehold Land) and hypothecation of movable fixed assets (including plant and machinery) situated at Mahistikry on pari passu basis with other lenders.

- iv) Loans against vehicles and equipment are secured by way of hypothecation of the underlying asset financed.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 6 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	17,727.13	15,834.64
Deferred tax assets		
Unabsorbed depreciation	9,224.66	6,289.68
Debenture issue expenses on Redeemable Non Convertible Debentures	-	55.17
Disallowances under Income Tax Act, 1961	3,282.76	2,884.05
	12,507.42	9,228.90
Deferred tax liability (net)	5,219.71	6,605.74

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 7 - OTHER LONG-TERM LIABILITIES		
Derivative contracts payable [refer note 35(b)]	5,764.15	9,956.27
Interest accrued but not due on borrowings	1,169.27	935.58
Trade payables	20.56	47.97
Other payables	25.77	30.81
	6,979.75	10,970.63



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs			
	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
NOTE 8 - PROVISIONS				
Provision for employee benefits:				
Gratuity (refer note 38)	-	13.05	56.91	5.57
Compensated absences	-	-	21.01	13.24
Other provisions:				
Provision for contingencies (refer note 40)	78.42	78.42	-	-
Proposed equity dividend	-	-	-	385.73
Tax on proposed equity dividend	-	-	-	65.56
	78.42	91.47	77.92	470.10

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 9 - SHORT-TERM BORROWINGS		
Working capital loans		
From banks (secured)		
Rupee loans	23,357.81	22,417.89
Foreign currency loans	24,405.23	32,432.30
	47,763.04	54,850.19
From banks (unsecured)		
Rupee loans	2,999.89	2,935.80
	2,999.89	2,935.80
	50,762.93	57,785.99

Details of security

Working capital loans from banks aggregating ₹ **47,763.04 Lakhs** (previous year ₹ 54,850.19 Lakhs) are secured by hypothecation of current assets of the Company both present and future on pari passu basis. These loans include ₹ **4,431.12 Lakhs** (previous year ₹ 4,494.36 Lakhs), being personally guaranteed by the promoter directors of the Company.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 10 - TRADE PAYABLES		
Trade payables	9,157.46	8,402.54
	9,157.46	8,402.54

For dues to Micro, Small and Medium Enterprises (refer note 36)

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 11 - OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (refer note 5)	5,735.91	17,706.86
Interest accrued but not due on borrowings	582.97	643.06
Unclaimed dividend *	47.35	69.43
Capital creditors	126.07	293.91
Derivative contracts payable [refer note 35(b)]	4,672.71	1,465.96
Statutory dues	2,540.87	547.85
Advances received from customers	82.84	34.69
Other payables#	48.66	48.21
	13,837.38	20,809.97

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2015.

Includes amount due towards employee benefits and security deposits.

	Amount in ₹ Lakhs							
	Freehold Land	Leasehold Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
NOTE 12 - TANGIBLE ASSETS								
Gross Block								
Balance as at 31 March 2013	3,584.09	304.35	6,236.65	93,629.46	678.68	771.68	1,364.22	106,569.13
Additions during the year	7.30	-	698.33	27,988.66	47.61	62.57	117.00	28,921.47
Disposals	-	-	-	(275.08)	-	(2.62)	-	(277.70)
Other adjustments:								
- Exchange differences	-	-	-	2,921.88	-	-	-	2,921.88
- Borrowing costs	-	-	26.66	2,833.77	1.20	-	7.03	2,868.66
Balance as at 31 March 2014	3,591.39	304.35	6,961.64	127,098.69	727.49	831.63	1,488.25	141,003.44
Additions during the year	9.55	-	254.90	5,941.22	5.18	71.99	41.31	6,324.15
Disposals	-	-	-	-	-	(51.89)	-	(51.89)
Other adjustments:								
- Exchange differences	-	-	-	399.79	-	-	-	399.79
Balance as at 31 March 2015	3,600.94	304.35	7,216.54	133,439.70	732.67	851.73	1,529.56	147,675.49
Depreciation								
Balance as at 31 March 2013	-	-	1,172.96	19,184.59	191.93	402.10	711.67	21,663.25
Depreciation for the year	-	-	212.21	4,964.65	43.05	55.16	177.36	5,452.43
Accumulated depreciation on disposals	-	-	-	(57.49)	-	(2.41)	-	(59.90)
Balance as at 31 March 2014	-	-	1,385.17	24,091.75	234.98	454.85	889.03	27,055.78
Depreciation for the year	-	-	228.40	5,023.17	103.05	96.19	447.71	5,898.52
Accumulated depreciation on disposals	-	-	-	-	-	(40.93)	-	(40.93)
Balance as at 31 March 2015	-	-	1,613.57	29,114.92	338.03	510.11	1,336.74	32,913.37
Net Block								
As at 31 March 2014	3,591.39	304.35	5,576.47	103,006.94	492.51	376.78	599.22	113,947.66
As at 31 March 2015	3,600.94	304.35	5,602.97	104,324.78	394.64	341.62	192.82	114,762.12

Note : In compliance with Schedule II of the Companies Act, 2013, the management has reassessed the estimate useful lives of the fixed assets and made necessary changes with effect from 1 April 2014. As a consequence of this change, depreciation charge for the year is lower by ₹ 1,428.88 Lakhs. Further, based on transitional provision provided in note 7 (b) of Schedule II, depreciation amount of ₹ 237.14 Lakhs (net of deferred tax ₹ 125.51 Lakhs) has been adjusted against retained earnings.



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 13 - CAPITAL WORK-IN-PROGRESS		
At the beginning of the year	5,592.85	31,597.40
Incurred during the year	1,441.68	5,416.08
Capitalised during the year	(6,015.11)	(31,420.63)
At the end of the year	1,019.42	5,592.85
Capital work-in-progress includes:		
Expenditure during construction period on substantial expansion / new industrial units of the Company, given below:		
Opening Balance	503.25	3,640.96
Incurred during the year		
Consumables stores and spares	-	49.62
Employee benefits expense	2.39	0.03
Power and fuel	7.45	21.52
Rates and taxes	2.69	1.13
Finance cost		
Interest expense	0.53	1,015.75
Other borrowing costs	0.06	0.01
Rent	0.73	-
Miscellaneous expenses *	10.73	1,655.54
	24.58	2,743.60
Less:		
Capitalised during the year	418.73	5,881.31
	418.73	5,881.31
Closing balance	109.10	503.25

* Includes consultancy charges, inspection charges, testing charges, etc.

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs			
	Number of units as at 31 March 2015	Number of units as at 31 March 2014	31 March 2015	31 March 2014
NOTE 14 - NON-CURRENT INVESTMENTS				
<i>(Valued at cost)</i>				
Trade investments - unquoted:				
Investment in equity instruments				
Equal Commedeal Private Limited, a wholly owned subsidiary (face value - ₹ 10 each, fully paid up)	10,000	10,000	1.00	1.00
			1.00	1.00
Investment in Debentures or Bonds				
1.50% Optionally Convertible Debentures of ₹ 1,000,000 each in Equal Commedeal Private Limited, a wholly owned subsidiary (unsecured)	800	800	8,000.00	8,000.00
			8,000.00	8,000.00
Other non-current investments:				
Quoted investments				
Investment in equity instruments (fully paid up)				
ACC Limited (face value - ₹ 10 each)	1,275	1,275	1.95	1.95
Himadri Credit & Finance Limited (face value - ₹ 10 each)	334,900	334,900	33.49	33.49
New Delhi Television Limited (face value - ₹ 4 each)	1,400	1,400	0.98	0.98
Transchem Limited (face value - ₹ 10 each)	8,000	8,000	2.40	2.40
			38.82	38.82
Unquoted investments				
Investment in equity instruments (fully paid up)				
Himadri Dyes & Intermediates Limited (face value - ₹ 10 each)	720,000	720,000	72.00	72.00
Himadri E-Carbon Limited (face value - ₹ 10 each)	17,000	17,000	1.70	1.70
Himadri Industries Limited (face value - ₹ 10 each)	493,300	493,300	84.50	84.50
			158.20	158.20
Investment in Government securities (unquoted)				
Kisan Vikas Patra (Deposited with sales tax authorities)			0.07	0.07
			0.07	0.07
			8,198.09	8,198.09

The aggregate book value of unquoted non-current investments and book value and market value of quoted non-current investments are as follows:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Aggregate book value of unquoted non-current investments	8,159.27	8,159.27
Quoted non-current investments		
Aggregate book value	38.82	38.82
Aggregate market value	56.76	54.09

[includes ₹ 33.49 Lakhs (previous year ₹ 33.49 Lakhs) where cost has been considered as market value in absence of availability of market quote]



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 15 - LONG-TERM LOANS AND ADVANCES		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Capital advances	1,301.70	795.60
Security and other deposits	4,284.15	3,037.82
Deposit against demand in dispute	158.81	-
MAT credit entitlement	5,208.57	5,272.67
Advance income tax	362.22	556.56
[net of provision for income tax ₹ 4,731.29 Lakhs (previous year ₹ 4,731.29 Lakhs)]		
To related party - wholly owned subsidiary		
Loan given to Equal Commodial Private Limited *	271.40	21.40
	11,586.85	9,684.05

* Given for business purpose

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 16 - OTHER NON-CURRENT ASSETS		
<i>(Unsecured, considered good)</i>		
Trade receivables (refer note 19 and 37)	798.10	891.39
Bank deposits due to mature after 12 months of the reporting date (refer note 20)	40.03	2.03
Interest accrued on fixed deposits	1.62	0.22
	839.75	893.64

	Amount in ₹ Lakhs			
	Number of units as at 31 March 2015	Number of units as at 31 March 2014	31 March 2015	31 March 2014
NOTE 17 - CURRENT INVESTMENTS				
(i) Current portion of long-term investments (at cost)				
Mutual funds- quoted				
Birla Sun Life Income Plus - Growth Regular Plan	-	4,687,811	-	2,500.00
IDFC Super Saver Income Fund - Investment Plan	-	8,754,145	-	2,500.00
(ii) Other investments (valued at the lower of cost and fair value)				
Mutual funds - quoted				
UTI Bond Fund - Growth Plan - Regular	-	14,405,153	-	5,013.17
UTI Short term Income Fund - Institutional option - Growth Plan	14,935,564	14,935,564	2,100.00	2,100.00
Reliance Dynamic Bond Fund - Growth Plan	-	12,956,641	-	2,000.00
Reliance Short term Fund - Growth Plan	-	11,379,309	-	2,500.00
			2,100.00	16,613.17
Quoted current investments				
Aggregate book value			2,100.00	16,613.17
Aggregate market value			2,512.71	17,380.94

Investments amounting to ₹ 2,100.00 Lakhs (previous year ₹ 16,613.17 Lakhs) are pledged with banks against various credit facilities availed by the Company.

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 18 - INVENTORIES		
<i>(Valued at the lower of cost and net realisable value)</i>		
Raw materials [including goods-in-transit ₹ 2,357.34 Lakhs (previous year ₹ 5,129.33 Lakhs)]	6,186.31	13,907.17
Work-in-progress	8,980.44	15,128.90
Finished goods	18,885.89	6,488.36
Packing materials	155.43	149.95
Stores and spares	1,725.21	1,530.09
	35,933.28	37,204.47

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 19 - TRADE RECEIVABLES		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, Considered good	1,446.49	1,304.67
Less: Non current portion disclosed under note 16	798.10	891.39
	648.39	413.28
Considered doubtful	545.81	545.81
Less : Provision for doubtful debts	545.81	545.81
	-	-
Other receivables		
Unsecured, Considered good	30,917.55	34,908.99
	31,565.94	35,322.27

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 20 - CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	31.90	16.73
Balances with banks		
On current accounts	387.68	827.55
On EEFC accounts	0.01	237.29
On deposit accounts (with original maturity of 3 months or less)	849.31	642.79
	1,268.90	1,724.36
Other bank balances		
Bank deposits due to mature within 12 months of the reporting date	2,346.39	2,314.30
Fixed deposits held as margin money	0.27	0.27
Unpaid dividend accounts	47.35	69.43
	2,394.01	2,384.00
	3,662.91	4,108.36
Details of balance with banks on deposit accounts ^		
Deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	849.31	642.79
Deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,346.39	2,314.30
Deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 16)	40.03	2.03
	3,235.73	2,959.12

^ Bank deposits aggregating ₹ 3,235.73 Lakhs (previous year ₹ 2,832.12 Lakhs) have been pledged with the banks against various credit facilities availed by the Company.



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 21 - SHORT-TERM LOANS AND ADVANCES		
<i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Advances for supplies	7,216.52	9,089.54
Advance to employees	63.61	60.89
Other advances [§]	389.90	227.13
Balance with central excise and cenvat receivable	2,689.76	2,161.09
Sales tax deposit and VAT receivable	446.45	1,111.08
Income tax refundable	3.08	58.08
Security and other deposits	61.47	48.35
	10,870.79	12,756.16
Advances for supplies (considered doubtful)	46.76	46.76
Less : Provision for doubtful advances	46.76	46.76
	-	-
To related parties		
Advance for supplies to:		
Shandong Dawn Himadri Chemical Industry Limited	-	288.48
AAT Global Limited (formerly Himadri Global Investment Limited)	192.68	530.11
	192.68	818.59
	11,063.47	13,574.75

§ Includes prepaid expenses and advance for expenses.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 22 - OTHER CURRENT ASSETS		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Interest accrued on fixed deposits	102.75	104.62
Incentive receivable	28.70	332.14
Insurance claim receivable	99.82	-
Other receivables	38.89	40.55
To related parties		
Interest receivable from subsidiary - Equal Commodeal Private Limited	124.18	-
Guarantee fee receivable from subsidiary - AAT Global Limited	65.99	-
	460.33	477.31

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 23 - REVENUE FROM OPERATIONS		
Sale of products		
Carbon materials and chemicals	154,786.57	152,645.85
Power	573.05	784.57
Sale of products (gross)	155,359.62	153,430.42
Less: Excise duty	17,777.72	17,139.98
Sale of products (net)	137,581.90	136,290.44
Other operating revenue		
Job work charges	139.26	37.15
Export incentives	28.70	-
	167.96	37.15
	137,749.86	136,327.59

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 24 - OTHER INCOME		
Interest on fixed deposits with banks	227.16	151.33
Interest on loan to a subsidiary company	137.98	111.83
Interest on others	33.65	0.48
Dividend income		
- Long-term investments	0.43	0.24
Profit on sale of investments		
- Current investments - mutual funds	883.69	55.66
Insurance and other claims	43.72	69.48
Liabilities no longer required written back [refer note 31 (c)]	-	771.77
Miscellaneous income	169.29	247.63
	1,495.92	1,408.42

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 25 - COST OF MATERIALS CONSUMED		
Inventory of raw materials at the beginning of the year	13,907.17	22,486.39
Purchases	105,684.23	100,649.19
	119,591.40	123,135.58
Less : Inventory of raw materials at the end of the year	6,186.31	13,907.17
	113,405.09	109,228.41
Details of raw materials consumed		
Coal tar / Coal tar based chemicals, Pitch	106,770.72	103,000.46
Other chemicals	6,634.37	6,227.95
	113,405.09	109,228.41



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

Break-up into imported and indigenous

	31 March 2015		31 March 2014	
	% of total consumption	Amount	% of total consumption	Amount
Imported	54.04%	61,285.16	38.48%	42,025.84
Indigenous	45.96%	52,119.93	61.52%	67,202.57
	100.00%	113,405.09	100.00%	109,228.41

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 26 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening stock		
Finished goods	6,488.36	6,737.31
Work-in-progress	15,128.90	9,615.15
	21,617.26	16,352.46
Closing stock		
Finished goods	18,885.89	6,488.36
Work-in-progress	8,980.44	15,128.90
	27,866.33	21,617.26
	(6,249.07)	(5,264.80)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 27 - EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus [@]	2,494.73	2,060.56
Contribution to provident and other funds	129.79	104.68
Gratuity (refer note 38)	41.75	11.73
Staff welfare expenses	271.14	257.45
	2,937.41	2,434.42

@ includes ₹ 224.43 Lakhs (previous year ₹ 216.04 Lakhs) relating to outsource manpower cost

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 28 - FINANCE COSTS		
Interest expense	7,636.96	7,219.17
Amortisation of discount on debenture	632.97	564.22
Other borrowing costs	592.81	555.08
Net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	1,287.92	3,313.00
	10,150.66	11,651.47

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 29 - OTHER EXPENSES		
Consumption of stores and spare parts [refer note (a) below]	400.57	289.04
Power and fuel* [refer note (b) below]	920.94	780.83
Excise duty related to increase/ (decrease) in inventory of finished goods	1,953.32	(19.35)
Rent	177.30	175.03
Rates and taxes	535.27	32.49
Repairs to:		
Building*	101.25	79.70
Plant and machinery*	1,409.25	788.08
Others*	339.89	265.24
Payment to auditors [refer note (c) below]	58.27	47.37
Rebates and discounts	58.84	109.76
Insurance	226.18	312.54
Provision for doubtful debts and advances	-	592.57
Provision for contingencies	-	78.42
Packing expenses	1,218.54	1,168.13
Freight and forwarding expenses	4,386.62	4,741.93
Commission on sales	828.53	933.73
Miscellaneous expenses	2,762.48	2,347.80
	15,377.25	12,723.31
* includes stores and spares consumed	1,227.75	615.15

a. Imported and indigenous consumable stores and spares:

	31 March 2015		31 March 2014	
	% of total consumption	Amount	% of total consumption	Amount
Imported	4.60%	74.87	1.51%	13.65
Indigenous	95.40%	1,553.45	98.49%	890.54
	100.00%	1,628.32	100.00%	904.19

b. Power and fuel includes expenses incurred on operation of the power plant:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Consumption of stores and spare parts	100.49	61.26
Fuel consumption	-	2.24
Repairs and maintenance	75.19	71.11
Other operational expenses	114.48	121.43
	290.16	256.04



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

c. Payments to auditors:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
As auditors:		
Statutory audit	31.00	21.00
Tax audit	2.00	2.00
Limited review of quarterly results	9.00	9.00
In other capacity:		
Company law matters	0.25	0.25
Other services	13.48	10.53
Reimbursement of expenses	2.54	4.59
	58.27	47.37

		Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
NOTE 30 - EARNINGS/(LOSS) PER SHARE (EPS)			
Loss attributable to Equity Shareholders (₹ in Lakhs) (used as numerator for calculating Basic EPS)	(a)	(1,440.07)	(3,910.89)
Add: Interest on Foreign Currency Convertible Bonds (net of tax)	(b)	126.33	167.26
Loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS (₹ in Lakhs)	(c) = (a) + (b)	(1,313.74)	(3,743.63)
Weighted average number of equity shares (used as denominator for calculating Basic EPS)	(d)	385,732,570	385,732,570
Add: Effect of potential equity shares to be issued under Foreign Currency Convertible Bonds (FCCBs)	(e)	14,564,101	6,401,317
Weighted average number of equity shares (used as denominator for calculating Diluted EPS)	(f) = (d) + (e)	400,296,671	392,133,887
Basic EPS of ₹ 1 each	(g) = (a) / (d)	(0.37)	(1.01)
Diluted EPS of ₹ 1 each *	(h) = (c) / (f)	(0.37)	(1.01)

* For the purpose of computation of dilutive EPS for the year ended 31 March 2015 and 31 March 2014, potential equity shares that could arise on conversion of Foreign Currency Convertible Bonds are not resulting in dilution of EPS. Hence, they have been considered as anti-dilutive.

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 31 - CONTINGENT LIABILITIES AND COMMITMENTS		
<i>(to the extent not provided for)</i>		
a) Contingent Liabilities:		
(i) Standby letter of credit issued on behalf of the Company to secure the financial assistance to its subsidiary	3,805.52	3,654.07
(ii) Sales tax matters in dispute/ under appeal	3,319.73	3,972.14
(iii) Excise/ Service Tax matters in dispute/under appeal	535.29	517.37
(iv) Customs matters in dispute/ under appeal	28.83	28.83
(v) Entry Tax in dispute/ under appeal	2,587.58	1,468.64
(vi) Income Tax in dispute/ under appeal	59.54	-

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
b) Commitments:		
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,332.82	1,119.90
ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods Scheme (EPCG)	1,333.65	7,246.49

- c) 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 previous 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 previous year. The liability relating to the period prior to 31 March 2013 amounting to ₹ 771.77 Lakhs was written back.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 32 - CIF VALUE OF IMPORTS		
Raw materials	50,951.17	32,842.11
Stores and spares	111.27	15.83
Packing materials	23.77	25.19
Capital goods	105.13	422.22
	51,191.34	33,305.35

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 33 - EXPENDITURE IN FOREIGN CURRENCY		
Travelling expenses	159.52	126.90
Professional and consultancy expenses	286.13	240.46
Commitment charges	-	13.61
Interest cost	1,225.12	1,994.91
Others	138.30	141.62



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 34 - EARNINGS IN FOREIGN CURRENCY		
F.O.B. value of exports	10,971.05	10,737.29
Interest on loan to subsidiary	-	96.69
Guarantee Fee	65.99	65.71

NOTE 35 - AMOUNTS RECEIVABLE/PAYABLE IN FOREIGN CURRENCY

- (a) The Company enters into various forms of derivative instruments such as foreign exchange forward contracts, options, cross currency swaps and interest rate swaps to hedge its exposure to movements in foreign exchange and interest rates.
- (b) The Company does not enter into any derivative instruments for trading or speculation purpose. Forward contracts / hedging instruments outstanding as at balance sheet date:

Nature and number of Contract	Currency Pair	Position	Amount (Foreign currency in Lakhs)	
			31 March 2015	31 March 2014
Forward contracts [5, (previous year 6)]	USD/INR	Buy	300.00	350.00
Cross currency swaps [8, (previous year 10)]	USD/INR	Sell	434.50	591.65
Cross currency swaps [1, (previous year 1)]	USD/JPY	Sell	4,736.11	5,597.22
Interest rate swaps [3, (previous year 3)]	USD/INR	Notional Principal	246.12	246.12
Interest rate swaps [4, (previous year 4)]	USD-Floating to Fixed	Notional Principal	191.25	266.25
Interest rate swaps [1, (previous year 1)]	JPY/INR	Notional Principal	4,733.69	4,733.69

- (c) All derivative contracts outstanding as at the year end are marked to market. The Company has applied the hedge accounting principles set out in the Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement as issued by The Institute of Chartered Accountants of India.

Accordingly, loss aggregating to ₹ 3,925.75 Lakhs (previous year ₹ 4,889.44 Lakhs), being the effective portion of the contracts designated as effective hedge for future cash flows has been recognised in the Hedging Reserve Account to be ultimately recognised in the Statement of Profit and Loss, depending on the exchange rate fluctuation till and when the underlying forecasted transactions occur.

Gain/(loss) on contracts not designated as effective hedge and ineffective portion of the contracts designated as effective hedge are included in foreign exchange fluctuation account, after adjustment of periodic premium received on cross currency/ interest rate swaps.

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

(d) Particulars of unhedged foreign currency exposure:

Particulars	Currency	31 March 2015		31 March 2014	
		Amount (in original currency, Lakhs)	Amount (₹ in Lakhs)	Amount (in original currency, Lakhs)	Amount (₹ in Lakhs)
a) Amounts payable in foreign currency	USD	468.03	29,294.40	754.07	45,266.10
b) Amounts payable in foreign currency	JPY	4,746.83	2,473.57	5,609.55	3,300.10
c) Amounts receivable in foreign currency	USD	95.23	5,961.76	109.30	6,515.49
d) Amounts receivable in foreign currency	EURO	-	-	2.29	189.05

NOTE 36 - DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
a) The amounts remaining unpaid to Micro, Small and Medium Enterprises as at the end of the year:		
- Principal	99.02	87.15
- Interest *	-	-
b) The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
c) The amounts of the payments made to Micro, Small and Medium Enterprises beyond the appointed day during each accounting year	-	-
d) 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	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) 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 the MSMED Act, 2006.	-	-

* Interest paid / payable by the Company on the aforesaid principle amount has been waived by the concerned suppliers

NOTE 37

Trade receivables include an amount of ₹ 798.10 Lakhs (previous year ₹ 798.10 Lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case, the management believes that the outcome of the said proceedings would be in favour of the Company.

NOTE 38 - EMPLOYEE BENEFITS: POST EMPLOYMENT BENEFIT PLANS

1. Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund, which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund for the year aggregated to ₹ 93.44 Lakhs (previous year ₹ 75.11 Lakhs) and ₹ 30.90 Lakhs (previous year ₹ 24.23 Lakhs) respectively.



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

2. Defined benefit plans

The following table summarises the position of assets and obligations relating to the gratuity plan:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Net Asset / (liability) recognised in Balance sheet as at the year end		
Fair value of plan assets	87.02	84.38
Present value of obligations	143.93	103.00
Asset/ (liability) recognised in balance sheet	(56.91)	(18.62)
Classification into current/ non-current		
Current portion	56.91	5.57
Non-current portion	-	13.05
Movement in present value of defined benefit obligations		
Defined benefit obligation at 1 April	103.00	85.63
Current service cost	24.18	16.13
Interest cost	7.91	7.66
Actuarial (gains) / losses	17.12	(5.28)
Benefits paid by the plan	(8.28)	(1.14)
Defined benefit obligation at 31 March	143.93	103.00
Movement in fair value of plan assets		
Fair value of plan assets at 1 April	84.38	69.55
Contributions paid into the plan	3.46	9.19
Benefits paid by the plan	(8.28)	(1.14)
Expected return on plan assets	7.59	6.09
Actuarial (losses) / gains	(0.13)	0.69
Fair value of plan assets at 31 March	87.02	84.38
Composition of plan assets		
Qualifying insurance policies	100%	100%
Expense recognised in statement of profit and loss		
Current service cost	24.18	16.13
Interest on obligation	7.91	7.66
Expected return on plan assets	(7.59)	(6.09)
Net actuarial (gain)/ loss recognised in the year	17.25	(5.97)
Total included in 'employee benefits'	41.75	11.73
Actual return on plan assets		
Expected return on plan assets	7.59	6.09
Actuarial gain/(loss) on plan assets	(0.13)	0.69
Actual return on plan assets	7.46	6.78
Principal actuarial assumptions		
Discount rate as at 31 March	8%	9%
Expected return on plan assets as at 1 April	9%	8.75%
Salary growth rate	6%	6%

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five-year information

Amounts for the current and previous four periods are as follows:

	Amount in ₹ Lakhs				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Gratuity					
Present Value of defined benefit obligation	143.93	103.00	85.63	53.92	33.70
Fair value of plan assets	87.02	84.38	69.55	44.37	35.01
Surplus / (deficit) in the plan	(56.91)	(18.62)	(16.08)	(9.55)	1.31
Experience adjustments arising on plan liabilities [(gain)/ loss]	(2.51)	(3.55)	19.42	10.42	2.98
Experience adjustments arising on plan assets [gain/ (loss)]	(0.35)	(0.98)	0.61	-	-

Proposed contribution for next year

The Company expects to pay ₹ 62.84 Lakhs as contribution to its defined benefit plan in the next year (previous year ₹ 5.57 Lakhs).

NOTE 39

Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006

(i) List of related party and relationship where control exists

(a) Enterprises over which the Company has control

Equal Commodeal Private Limited, India (ECPL)	Wholly owned subsidiary
AAT Global Limited, Hongkong (formerly Himadri Global Investment Limited) (AAT)	Wholly owned subsidiary of ECPL
Shandong Dawn Himadri Chemical Industry Limited, China (SDHCIL)	Subsidiary of AAT



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

(ii) Names of the other related parties with whom transactions have taken place during the year

(a) Key Managerial Personnel

Mr. Damodar Prasad Choudhary, Chairman (resigned w.e.f. 13.08.2013)
Mr. Bankey Lal Choudhary, Managing Director
Mr. Shyam Sundar Choudhary, Executive Director
Mr. Vijay Kumar Choudhary, Executive Director
Mr. Anurag Choudhary, Chief Executive Officer
Mr. Amit Choudhary, President - Projects
Mr. Tushar Choudhary, President - Operations

(b) Enterprises owned or significantly influenced 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

(c) Associate

BC India Investments
Himadri Dyes & Intermediates Limited

(iii) Details of transactions with related parties

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Loan given		
AAT Global Limited	-	484.92
Equal Commedeal Private Limited	250.00	5,000.00
Repayment of loan		
AAT Global Limited	-	41.17
Assignment to Equal Commedeal Private Limited of loan receivable from AAT Global Limited	-	3,007.77
Conversion of Loan by AAT to 1.5% optionally Convertible Debentures		
Equal Commedeal Private Limited	-	8,000.00
Investment in wholly owned subsidiary		
Equal Commedeal Private Limited	-	1.00
Sale of investments in AAT Global Limited		
Equal Commedeal Private Limited	-	5,202.60

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

(iii) Details of transactions with related parties (Contd.)

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Interest income		
AAT Global Limited	-	96.69
Equal Commoddeal Private Limited	137.98	15.14
Guarantee fee income		
AAT Global Limited	65.99	65.71
Payment for Supplies/(Refund) of advances against supplies		
AAT Global Limited	5,327.43	5,342.26
Shandong Dawn Himadri Chemical Industry Limited	(288.48)	1,705.19
Salaries / Managerial Remuneration		
Mr. Bankey Lal Choudhary	42.41	30.00
Mr. Shyam Sundar Choudhary	43.60	30.00
Mr. Vijay Kumar Choudhary	40.14	30.00
Mr. Anurag Choudhary	40.95	30.00
Mr. Amit Choudhary	40.95	30.00
Mr. Tushar Choudhary	40.95	30.00
Discount written off on Deep Discount Debentures		
Himadri Coke & Petro Limited	632.97	564.22
Rent paid		
Himadri Dyes & Intermediates Limited	0.07	0.07
Himadri Industries Limited	0.07	0.07
Sri Agro Himghar Limited	0.04	0.04
Purchases		
AAT Global Limited	5,687.38	4,787.56
Shandong Dawn Himadri Chemical Industry Limited	-	1,661.16
Dividend paid		
BC India Investments	103.18	103.18
Himadri Dyes & Intermediates Limited	98.28	98.28
Himadri Industries Limited	46.14	46.14
Himadri Credit & Finance Limited	9.49	9.49
Himadri Coke & Petro Limited	5.50	5.50
Vijay Kumar Choudhary	3.27	3.27
Shyam Sundar Choudhary	3.23	3.23
Bankey Lal Choudhary	1.48	1.48
Damodar Prasad Choudhary	1.48	1.48



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

(iv) Balances at the year end

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Loan given		
Equal Commodeal Private Limited	271.40	21.40
Stand by letter of credit		
AAT Global Limited	3,805.52	3,654.07
Advance for supplies (Net)		
AAT Global Limited	192.68	530.11
Shandong Dawn Himadri Chemical Industry Limited	-	288.48
Guarantee fees receivable		
AAT Global Limited	65.99	-
Interest receivable on 1.5% optionally Convertible Debentures		
Equal Commodeal Private Limited	108.00	-
Interest receivable on Loan		
Equal Commodeal Private Limited	16.18	-
Investments held		
Equal Commodeal Private Limited - Equity shares	1.00	1.00
Equal Commodeal Private Limited - Debentures	8,000.00	8,000.00
Himadri Credit & Finance Limited	33.49	33.49
Himadri Dyes & Intermediates Limited	72.00	72.00
Himadri Industries Limited	84.50	84.50
Himadri e-Carbon Limited	1.70	1.70
Deep Discount Debentures		
Himadri Coke & Petro Limited	5,828.31	5,195.34

NOTE 40

In accordance with Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', the Company as a prudent measure has made provisions in the earlier year amounting to ₹ 78.42 Lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities. The carrying amount at the beginning of the year was ₹ 78.42 Lakhs and provision of ₹ Nil made during the year 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

Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 41 - OPERATING LEASE

- a) The Company has taken various commercial premises and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.
- b) The Company has also taken certain commercial premises under non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

Particulars	Amount in ₹ Lakhs	
	Minimum Lease Payments	
	31 March 2015	31 March 2014
Not later than one year	26.40	26.40
Later than one year and not later than five years	-	26.40

- c) Lease payments recognized in Statement of Profit and Loss with respect to operating leases – ₹ **153.05 Lakhs** (previous year ₹ 151.43 Lakhs) included under head Rent in “note 29”.

NOTE 42 - EXCEPTIONAL ITEM

During the previous year, the Company had sold its investments in equity shares of its wholly owned subsidiary, AAT Global Limited for a consideration of ₹ 5,202.60 Lakhs. Profit on sale of above investment was ₹ 704.99 Lakhs.

NOTE 43 - RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses aggregating to ₹ **239.92 Lakhs** (previous year ₹ 268.43 Lakhs) in the nature of revenue expenditure and ₹ **Nil** (previous year ₹ 29.20 Lakhs) in the nature of capital expenditure have been included under the appropriate account heads.

NOTE 44 - SEGMENT INFORMATION

In accordance with Accounting Standard 17 “Segment Reporting”, 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 financial statements.

NOTE 45 - INFORMATION PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENTS WITH STOCK EXCHANGES

Particulars	Amount in ₹ Lakhs			
	31 March 2015	31 March 2014	Maximum balance during the current year	Maximum balance during the previous year
Loans and Advances in the nature of loans to subsidiary companies				
a) AAT Global Limited (formerly Himadri Global Investment Limited)	-	-	-	3,007.77
b) Equal Commoddeal Private Limited	271.40	21.40	271.40	8,021.40



Notes to Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 46

The Company does not make any direct remittances of dividends in foreign currencies to non-resident shareholders. Dividend to non-resident shareholders has been deposited into their Rupee account in banks in India.

NOTE 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 arms 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.

NOTE 48

Total expenditure incurred on Corporate Social Responsibility activities during the year ended 31 March 2015 is ₹ **27.99 Lakhs** (previous year ₹ 73.84 Lakhs) .

NOTE 49

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Independent Auditors' Report

To
The Members of
Himadri Chemicals & Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Himadri Chemicals & Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31 March 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to

fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of



their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / financial information of any of its subsidiaries, whose financial statements / financial information reflect total assets of ₹ 11,668.35 Lakhs as at 31 March 2015, total revenues of ₹ 6,065.69 Lakhs and net cash flows amounting to ₹ 89.76 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and Subsidiary Company incorporated in India, we give

in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its Subsidiary Company incorporated in India, none of the Directors of the Holding Company and its Subsidiary Company incorporated in India is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the other matters to be included in the Auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,

2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matters' paragraph:

- i. The Consolidated financial statements disclose the impact of the pending litigations on the consolidated financial position of the Group - Refer note 31(a) and (b) to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 32 to the consolidated financial statements; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its Subsidiary Company incorporated in India.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 26 May 2015

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Place: Kolkata
Date: 26 May 2015

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013. Registered office: Lodha Excelus, 1 Floor, Apollo Mills Compound, N. M. Joshi Marg, Mahalakshmi, Mumbai - 400011.



Annexure to the Independent Auditors' Report

(Referred to in our report of even date)

As stated in Para 1 of 'Report on Other Legal and Regulatory Requirements' in our Auditors' Report of even date, the following statement is based on the comments in the auditors' reports on the standalone financial statements of the Holding Company and its Subsidiary Company incorporated in India.

- (i) (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. The Subsidiary Company incorporated in India does not have any fixed assets, therefore paragraph 3(i) of the Order is not applicable to the Subsidiary Company.
- (b) The Holding 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 Holding Company and the nature of its fixed assets. In accordance with this programme, a portion of fixed assets have been physically verified during the year and no material discrepancies were noticed on such verification.
- (ii) (a) The inventory, except stock lying with third parties and goods in transit, has been physically verified by the management of the Holding Company during the year. In our opinion, the frequency of such verification by the management of the Holding Company is reasonable. For stock lying with third parties as at the year end of the Holding Company, written confirmations have been obtained by the management. The Subsidiary Company incorporated in India does not hold inventories, therefore paragraph 3(ii) of the Order is not applicable to the Subsidiary Company.
- (b) The procedures for the physical verification of inventory followed by the management as referred to above are reasonable and adequate in relation to size of the Holding Company and the nature of its business.
- (c) The Holding Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Holding Company and its Subsidiary Company incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly paragraph 3(iii) of the Order is not applicable
- (iv) In our opinion and according to the information and explanations given to us, the Holding Company has an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. According to the information and explanations given by the statutory auditors of the Subsidiary Company incorporated in India, the activities of the Subsidiary Company do not involve purchase of inventory and sale of goods and rendering of services. There is no purchase of fixed assets during the year by the Subsidiary Company incorporated in India. There are no major weakness in the internal control system in any of these companies.
- (v) The Holding Company and its Subsidiary Company incorporated in India have not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however,

not made a detailed examination of the records. According to the information and explanations given by the statutory auditors of the Subsidiary Company incorporated in India, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Companies Act, 2013, for the services of this company.

(vii) (a) According to the information and explanations given to us, in respect of the Holding Company and based on the statutory auditor's report of the Subsidiary Company incorporated in India, we report that 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 (VAT), Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, in respect of the Holding Company and based on statutory auditor's report of the Subsidiary Company incorporated in India, we report that no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales tax / Value added tax (VAT), Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2015, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, in respect of the Holding Company and based on statutory auditor's report of the Subsidiary Company incorporated in India, there are no dues of Income tax, Sales / Value added tax (VAT), Wealth tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Company	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Himadri Chemicals & Industries Limited - Holding Company	Central Sales Tax Act, 1956	Central Sales tax	462.30	2005 to 2008	Appellate and Revision Board
			22.84	2005 - 2006	Sales Tax Appellate Tribunal
			267.30	2009 - 2010	Appellate and Revision Board
			260.75	2011 - 2012	Learned Appellate Forum of Sales Tax – Corporate Division - 2
Himadri Chemicals & Industries Limited - Holding Company	West Bengal Value Added Tax Act, 2003	Value added tax	2,119.43	2005 to 2011	Appellate and Revision Board
			257.91	2005 - 2006	Learned Senior Joint Commissioner - Special Cell
Himadri Chemicals & Industries Limited - Holding Company	Central Excise Act, 1944	Excise duty	433.42	2006 to 2008	Custom Excise and Service Tax Appellate Tribunal
			6.11	2010 to 2012	Assistant Commissioner of Central excise
			6.13	2005 - 2006	Hon'ble Supreme Court
			1.33	2005 to 2008	Commissioner (Appeals) of Central excise
			17.96	2011 - 2012	Additional Commissioner of Central excise
19.97	2011 - 2012	Joint Commissioner of Central Excise			
Himadri Chemicals & Industries Limited - Holding Company	The Customs Act, 1962	Custom duty	25.83	2000 - 2001	Custom Excise and Service Tax Appellate Tribunal



Name of the Company	Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Himadri Chemicals & Industries Limited - Holding Company	Finance Act, 1994	Service tax	50.33	2010 - 2011	Commissioner of Service Tax
Himadri Chemicals & Industries Limited - Holding Company	Chhattisgarh Entry Tax Act, 1976	Entry tax	184.24	2012 to 2015	Hon'ble High Court of Judicature Chhattisgarh at Bilaspur.
	TOTAL		4,135.85		

- (c) According to the information and explanations given to us and on the basis of our examination in respect of the Holding Company, the amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time. The Subsidiary Company incorporated in India did not have any dues on account of Investor Education and Protection Fund.
- (viii) The Holding Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year. The Subsidiary Company incorporated in India has been registered for less than 5 years. Hence clause 3(viii) of the Order is not applicable to the Subsidiary Company.
- (ix) In our opinion and according to the information and explanations given to us, in respect of the Holding Company and based on the statutory auditor's report of the Subsidiary Company incorporated in India, none of the above Companies have defaulted in repayment of their respective dues to their financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanations given to us, in respect of the Holding Company and based on the auditor's report of the Subsidiary Company incorporated in India, none of the above Companies have given any guarantee for loan taken by others from bank or financial institution during the year. Hence clause 3(x) of the Order is not applicable to the Group.
- (xi) In our opinion and according to the information and explanations given to us, in respect of the Holding Company, the term loans has been applied for the purpose for which it was obtained. The Subsidiary Company incorporated in India did not avail any term loan during the year. Hence clause 3(xi) of the Order is not applicable to the Subsidiary Company.
- (xii) According to the information and explanations given to us, in respect of the Holding Company and based on auditor's report of the Subsidiary Company incorporated in India, no fraud on or by each of the above Company have been noticed or reported during the course of audit.

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

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Place: Kolkata
Date: 26 May 2015

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration No. 309005E

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Place: Kolkata
Date: 26 May 2015

Consolidated Balance Sheet

as at 31 March 2015

	Note No.	Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
I. EQUITY AND LIABILITIES			
1) Shareholders' funds			
(a) Share capital	3	3,857.33	3,857.33
(b) Reserves and surplus	4	74,993.47	75,720.28
		78,850.80	79,577.61
2) Minority interest		32.05	39.09
3) Non-current liabilities			
(a) Long-term borrowings	5	53,214.25	58,907.42
(b) Deferred tax liabilities (net)	6	5,219.71	6,605.74
(c) Other long-term liabilities	7	6,979.75	10,970.63
(d) Long-term provisions	8	78.42	91.47
		65,492.13	76,575.26
4) Current liabilities			
(a) Short-term borrowings	9	52,633.11	59,587.09
(b) Trade payables	10	10,847.42	10,370.86
(c) Other current liabilities	11	16,271.87	23,045.02
(d) Short-term provisions	8	77.92	470.10
		79,830.32	93,473.07
TOTAL		224,205.30	249,665.03
II. ASSETS			
1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	12(a)	122,826.32	122,095.95
(ii) Intangible assets	12(b)	-	-
(iii) Capital work-in-progress	13	1,412.30	5,926.87
		124,238.62	128,022.82
(b) Non-current investments	14	197.09	197.09
(c) Long-term loans and advances	15	11,315.45	9,662.65
(d) Other non-current assets	16	839.75	893.64
		136,590.91	138,776.20
2) Current assets			
(a) Current investments	17	2,100.00	16,613.17
(b) Inventories	18	36,753.46	38,825.07
(c) Trade receivables	19	32,125.72	35,354.15
(d) Cash and bank balances	20	4,133.02	4,864.62
(e) Short-term loans and advances	21	12,232.03	14,754.51
(f) Other current assets	22	270.16	477.31
		87,614.39	110,888.83
TOTAL		224,205.30	249,665.03
Significant accounting policies	2		
Notes to consolidated financial statements	1 to 42		
The notes referred to above form an integral part of the consolidated financial statements			

As per our report of even date attached

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

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015



Consolidated Statement of Profit and Loss

for the year ended 31 March 2015

		Amount in ₹ Lakhs	
	Note No.	31 March 2015	31 March 2014
I. Revenue from operations	23		
Sale of products (gross)		161,408.21	156,715.46
Less: Excise duty		17,777.72	17,139.98
Sale of products (net)		143,630.49	139,575.48
Other operating revenue		167.96	37.15
Total revenue from operations		143,798.45	139,612.63
II. Other Income	24	1,309.05	1,284.19
III. Total revenue (I + II)		145,107.50	140,896.82
IV. Expenses			
Cost of materials consumed	25	115,574.73	110,991.19
Changes in inventories of finished goods and work-in-progress	26	(5,842.97)	(5,446.17)
Employee benefits expense	27	3,259.07	2,775.15
Finance costs	28	10,263.02	11,762.47
Depreciation and amortisation expense	12(a) and 12(b)	5,917.62	5,843.82
Foreign exchange fluctuation		681.98	8,000.50
Other expenses	29	17,701.93	14,442.05
Total expenses		147,555.38	148,369.01
V. Profit / (Loss) before tax		(2,447.88)	(7,472.19)
VI. Tax expenses			
Current tax [including ₹ Nil (previous year : ₹ 0.46 Lakhs) relating to earlier years]		-	0.46
MAT credit (entitlement)/reversal		64.10	-
Net Current Tax		64.10	0.46
Deferred tax charge/(credit)		(1,260.52)	(1,675.93)
VII. Profit / (Loss) after tax (before adjustment of minority interest)		(1,251.46)	(5,796.72)
VIII. Minority interest		(8.45)	(98.51)
IX. Profit / (Loss) for the year		(1,243.01)	(5,698.21)
Earnings/(Loss) per equity share [nominal value of share ₹ 1 each (previous year ₹ 1 each)]	30		
Basic and Diluted		(0.32)	(1.48)
Significant accounting policies	2		
Notes to consolidated financial statements	1 to 42		

The notes referred to above form an integral part of the consolidated financial statements

As per our report of even date attached

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

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Consolidated Cash Flow Statement

for the year ended 31 March 2015

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before tax	(2,447.88)	(7,472.19)
Adjustments for :		
Depreciation and amortisation expense	5,917.62	5,843.82
Effect of changes on foreign currency translation	(214.55)	(573.95)
Finance costs	10,263.02	11,762.47
Interest income	(260.81)	(151.81)
Dividend received	(0.43)	(0.24)
Profit on sale of mutual funds (current investments)	(883.69)	(55.66)
Liabilities no longer required written back	-	(771.77)
Provision for doubtful debts and advances	-	592.57
Provision for contingencies	-	78.42
Foreign exchange fluctuation	1,266.45	6,842.20
Loss on sale of fixed assets	26.15	2.52
	16,113.76	23,568.57
Operating cash flows before working capital changes	13,665.88	16,096.38
Adjustments for :		
(Increase)/ decrease in inventories	2,071.61	2,292.35
(Increase)/ decrease in trade receivables	3,321.72	(11,129.23)
(Increase)/ decrease in loans and advances	1,062.34	946.01
(Increase)/ decrease in other assets	205.28	6.65
Increase/ (decrease) in trade payables	476.56	5,653.22
Increase/ (decrease) in other liabilities and provisions	194.75	1,049.46
	7,332.26	(1,181.54)
Cash generated from operations	20,998.14	14,914.84
Direct tax refunded	249.34	23.35
Net cash provided by operating activities	21,247.48	14,938.19
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets # (including capital work-in-progress and capital advances)	(2,806.69)	(8,134.24)
Proceeds from sale of fixed assets	8.65	243.65
Interest income received	261.28	53.05
Dividend income received	0.43	0.24
Proceeds from sale of investments	15,396.86	7,929.88
Purchase of investments in mutual funds	-	(9,600.00)
Increase in fixed deposits with banks (having maturity of more than 3 months)	(70.09)	(441.57)
Net cash provided/ (used) in investing activities	12,790.44	(9,948.99)



Consolidated Cash Flow Statement

for the year ended 31 March 2015

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Minority Contribution	1.41	8.70
Proceeds from issue of Non Convertible Debentures / Bonds	-	5,000.00
Debtenture issue expenses	-	(162.30)
Proceeds from long-term borrowings	83.11	8,500.00
Repayment of long-term borrowings	(17,952.77)	(5,486.89)
Increase/ (decrease) in working capital borrowings	(8,289.22)	(10,924.87)
Interest paid	(8,203.15)	(7,344.36)
Dividend paid	(385.73)	(385.73)
Dividend tax paid	(65.56)	(65.56)
Net cash used in financing activities	(34,811.91)	(10,861.01)
Net decrease in cash and cash equivalents (A+B+C)	(773.99)	(5,871.81)
Cash and cash equivalents at the beginning of the year (refer note 20 to the financial statements)	2,480.62	8,305.07
Effect of exchange gain on cash and cash equivalents held in foreign currency (EEFC accounts)	32.38	47.36
Cash and cash equivalents at the end of the year (refer note 20 to the financial statements)	1,739.01	2,480.62

Includes interest capitalised ₹ Nil (previous year ₹ 1,015.75 Lakhs).

Notes:

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard - 3 on 'Cash Flow Statement' notified by the Companies (Accounting Standards) Rules, 2006.
- Figures in brackets indicate cash outflows.

As per our report of even date attached

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

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

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Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Notes to Consolidated Financial Statements

for the year ended 31 March 2015

1. COMPANY OVERVIEW

Himadri Chemicals & Industries Limited (“the Holding Company” or “the Company”) is a public company domiciled and headquartered in India. It was incorporated on 28 July 1987 and its shares are listed on the 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 and step down subsidiary in the name of AAT Global Limited (previously known as Himadri Global Investment Limited), incorporated in Hong Kong and another stepdown subsidiary having 94% shareholding in Shandong Dawn Himadri Chemical Industry Limited incorporated in China collectively referred to as “the Group”.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these consolidated financial statements.

2.1. Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements relate to Himadri Chemicals & Industries Limited (‘the Holding Company’) and its subsidiaries, (collectively referred to as ‘the Group’). The consolidated financial statements are prepared in accordance with Accounting Standard 21 - “Consolidated Financial Statements” issued in

the Companies (Accounting Standard), Rules 2006 notified by the Central Government and as per General instruction for preparation of consolidated financial statements given in Schedule III of the Companies Act, 2013. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements. Appropriate disclosure, as applicable, is made of significant deviations from the Company’s accounting policies, which have not been adjusted.

These consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India. Indian GAAP primarily comprises mandatory accounting standards as specified under section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014, the provision of the Act, guidelines issued by the Securities and Exchange Board of India (SEBI) and other accounting pronouncements of the Institute of Chartered Accountants of India, to the extent applicable.

The consolidated financial statements are presented in Indian Rupees (in Lakhs), in the same format as that adopted by the parent Company for its standalone financial statements.

Subsidiaries considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Current Year Percentage Holding - Share	Previous Year Percentage Holding - Share
Equal Commodeal Private Limited	India	100%	100%
AAT Global Limited	Hong Kong	100%	100%
Shandong Dawn Himadri Chemical Industry Limited	China	94%	94%



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

2.2. Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiaries are combined on a line-by-line basis after fully eliminating the intra-group transactions, intra-group balances and unrealised profits in full in accordance with Accounting Standard 21 - "Consolidated Financial Statements".
- b) The difference between the costs of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries, is recognised in the consolidated financial statements as Goodwill or Capital Reserve as the case may be.
- c) Minority Interest's share of net profit/(loss) of consolidated subsidiaries for the year is identified and adjusted against the income/(loss) of the group in order to arrive at the net income/(loss) attributable to shareholders of the Group.
- d) The financial statements of the subsidiaries have been incorporated in the consolidated financial statements of the Group based on audited financial statements as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') and have been audited by other auditors duly qualified to act as auditors in those countries.

2.3. Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses

and the disclosure of contingent liabilities on the date of the consolidated financial statements. 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

2.4. Current – Non-current classification

All assets and liabilities are classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

2.4.1. Assets

An asset is classified as current when it satisfies any of the following criteria:

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

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

2.4.2. Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Group's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or
- d) the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

2.5. Fixed assets and depreciation

2.5.1. Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation/ amortisation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any

trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Foreign currency exchange differences are capitalised as per the policy stated in note 2.11 below.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. 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'.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Consolidated Statement of Profit and Loss.

2.5.2. Intangible fixed assets

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

2.5.3. Depreciation and amortisation

Depreciation and amortisation for the year is recognised in the Consolidated Statement of Profit and Loss.

Depreciation on fixed assets situated at Liluah Unit - I (Howrah), Vapi and Vizag (related to the Holding Company) in India are provided on written down value method and on fixed assets 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 Companies Act, 2013.

The rates of depreciation as prescribed in Part C of Schedule II of the Companies Act, 2013 are considered as the minimum rates.

Freehold land is not depreciated. Leasehold land is amortised on a straight line basis over the period of respective lease except land acquired on perpetual lease.

2.5.4. Impairment of Assets

Fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets (Cash Generating Unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of the assets or CGU is the greater of its value in use and its net selling price. In assessing value in use, the

estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset or CGU.

Impairment losses are recognised in the Consolidated Statement of Profit and Loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists or has decreased, the asset or CGU's recoverable amount is estimated. For assets, the impairment loss is reversed 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 has been recognised. Such a reversal is recognised in the Consolidated Statement of Profit and Loss.

2.6. Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Consolidated Statement of Profit and Loss over the lease term.

2.7. Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term

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investments” in consonance with the current/non-current classification of the revised Schedule VI.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments i.e., equity shares, bonds etc.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Consolidated Statement of Profit and Loss.

2.8. Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock in trade, packing materials and stores and spares are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, First in First out (FIFO) method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities. Excise duty liability is included in the valuation of closing inventory of the finished goods.

Raw materials 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 net realisable value of work-in-progress

is determined with reference to the selling prices of related finished products.

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. The comparison of cost and net realisable value is made on an item-by-item basis.

2.9. Employee benefits

2.9.1. Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by the employees.

2.9.2. Post-employment benefits

2.9.2.1. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified contributions towards employee provident fund to Government administered provident fund scheme and to Life Insurance Corporation of India (LIC) under superannuation scheme, which are defined contribution plans. The Group's contribution is recognised as an expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

2.9.2.2. Defined benefit plan

The Group's gratuity benefit scheme is a defined benefit plans. The Group's net



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under the plan is performed annually by a qualified actuary using the projected unit credit method. The Group recognises all actuarial gains and losses arising from defined benefit plan immediately in the Consolidated Statement of Profit and Loss. All expenses related to defined benefit plan are recognised in employee benefits expense in the Consolidated Statement of Profit and Loss.

The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. Contributions are deposited with the Life Insurance Corporation of India based on information received by the Group. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in profit and loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

2.9.2.3 *Compensated Absences*

The 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 short-term employee benefit. The Group records an obligation for such compensated absences in the year in which the employee renders the services that increase this entitlement. The obligation is measured at actuals at the year end as per the policy of the Group.

2.10. Revenue recognition

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

Revenue from sale of goods in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognised as revenue is exclusive of sales tax and value added tax (VAT) and is net of returns, trade discounts and quantity discounts. Excise duty relating to sales is reduced from gross sales for disclosing net revenue from operations.

Export incentives are recognised on accrual basis against goods exported.

Revenue from job work charges (excluding excise duty) is recognised on completion of job work in accordance with terms of the agreement.

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

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Dividend income is recognised when the right to receive payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

2.11. Foreign exchange 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 Indian rupees 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, except for:

- a) Exchange differences relating to long term foreign currency monetary items accounted for in accordance with Para 46A of AS 11 "The Effects of changes in Foreign Exchange Rates". Such exchange differences arising on long term foreign currency monetary items (original maturity of one year or more) in so far as they relate to the acquisition of depreciable capital asset have been added or deducted from the cost of the asset and depreciated over the balance useful life of the asset and in other cases have been accumulated in a Foreign Currency Monetary Item Translation Difference Account (FCMITDA) and amortised over the balance period of such long term monetary item.
- b) The premium or discount on a forward exchange contract taken to hedge foreign currency risk of an existing asset / liability is recognised over the period of the contract. The forward exchange contracts taken to hedge existing assets or liabilities are translated at the closing exchange rates and resultant exchange differences are recognised in the same manner as those on the underlying foreign currency asset or liability.
- c) In case of foreign subsidiaries, revenue items are consolidated at the average exchange rate prevailing during the year. All assets and liabilities are converted at exchange rates prevailing at the end of the year. All resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment in the subsidiaries.

2.12. Derivative instruments and hedge accounting

The Group enters into derivative financial instruments with banks to hedge foreign currency risk of firm commitments and highly probable forecasted transactions and interest rate risks.

The method of recognising the resultant gain or loss depends on whether the derivative is designated as hedging instrument, and if so, the nature of the item being hedged. To designate a derivative contract as an effective hedge, management objectively evaluates and evidence with appropriate supporting documents at the inception of each contract whether the contract is effective in offsetting cash flow attributable to the hedged risk.

These derivative contracts which qualify as cash flow hedges are recorded in accordance with the recognition and measurement principles set out in the AS 30 "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India. The use of hedge instruments is governed by the Group's policies approved by the



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Board of Directors. The Group does not use these contracts for trading or speculative purposes.

Hedging instruments are initially measured at fair value and are re-measured at subsequent reporting date at fair value. Changes in the fair values of these derivatives contracts that are designated and effective as hedges of future cash flows are recognised directly in "Hedging reserve account" under Reserves and Surplus and the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. Amounts accumulated in the "Hedging reserve account" are reclassified to the Consolidated Statement of Profit and Loss in the same period during which the forecasted transaction affects profit and loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in "Hedging reserve account" is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in "Hedging reserve account" is immediately transferred to the Consolidated Statement of Profit and Loss."

2.13. Provisions

A provision is recognised if, as a result of a past event, the Group 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. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Contingencies

Provision in respect of loss contingencies relating to claims, litigations, assessments, fines, penalties, etc.

are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

2.14. Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.15. Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT 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.

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for the year ended 31 March 2015 (Contd.)

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

2.16. Borrowing costs

Borrowing costs are interest and other costs incurred by the Group 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 in the period in which they are incurred and include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Discount on issue of Deep Discount Debentures is amortised during the tenure of the debentures which is 20 years from the date of allotment.

2.17. Research and Development Expenses

Revenue expenditure on Research and Development is charged as an expense through the normal

heads of account in the year in which the same is incurred. Capital expenditure incurred on equipment and facilities that are acquired for research and development activities is capitalised and is depreciated according to the policy followed by the Group.

2.18. 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.

2.19. Government Grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant relates to a depreciable asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset. Grants related to non-depreciable assets are credited to Capital Reserve.

2.20. Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.



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for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 3 - SHARE CAPITAL		
Authorised		
700,000,000 (previous year 700,000,000) equity shares of ₹ 1 each	7,000.00	7,000.00
Issued, subscribed and fully paid up		
385,732,570 (previous year 385,732,570) equity shares of ₹ 1 each	3,857.33	3,857.33

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting year

	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Equity Shares				
At the commencement of the year	385,732,570	3,857.33	385,732,570	3,857.33
Add: Issued during the year	-	-	-	-
At the end of the year	385,732,570	3,857.33	385,732,570	3,857.33

b. Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares with par value of ₹ 1 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. 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. Particulars of shareholders holding more than 5% shares of fully paid up equity shares

	31 March 2015		31 March 2014	
	Number	% of total shares in the class	Number	% of total shares in the class
Equity shares of ₹ 1 each fully paid up held by:				
BC India Investments	103,178,860	26.75%	103,178,860	26.75%
VCIGPM Limited (formerly CITI Group Venture Capital International)	47,053,425	12.20%	47,053,425	12.20%
Himadri Dyes & Intermediates Limited	98,284,310	25.48%	98,284,310	25.48%
Himadri Industries Limited	46,140,000	11.96%	46,140,000	11.96%

d. Shares reserved for issue under options:

For details of equity shares reserved for issue on conversion of Foreign Currency Convertible Bonds (FCCB) which were issued by the Company on 13 April 2009, refer note 5 regarding terms of conversion/ redemption of Foreign Currency Convertible Bonds.

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 4 - RESERVES AND SURPLUS		
Capital reserve		
At the commencement and at the end of the year	1,280.50	1,280.50
Securities premium account		
At the commencement of the year	39,469.84	39,576.97
Debenture issue expenses on redeemable non convertible debentures written off [Net of deferred tax of ₹ Nil (previous year ₹ 55.17 Lakhs)]	-	(107.13)
At the end of the year	39,469.84	39,469.84
Debenture redemption reserve		
At the commencement of the year	4,177.32	3,345.00
Amount transferred from surplus	832.32	832.32
At the end of the year	5,009.64	4,177.32
General reserve		
At the commencement and at the end of the year	11,517.44	11,517.44
Foreign exchange translation reserve		
At the commencement of the year	82.10	656.05
Movement during the year	(214.55)	(573.95)
At the end of the year	(132.45)	82.10
Hedging reserve [refer note 32(c)]		
At the commencement of the year	(4,889.44)	(2,634.80)
Movement during the year	963.69	(2,254.64)
At the end of the year	(3,925.75)	(4,889.44)
Foreign currency monetary item translation difference account (FCMITDA)		
At the commencement of the year	(46.12)	(40.50)
Exchange gain/ (loss) during the year on foreign currency term loan	(40.50)	(397.83)
Amortisation of exchange fluctuation for the year	46.38	392.21
At the end of the year	(40.24)	(46.12)
Surplus (Profit and loss balance)		
At the commencement of the year	24,128.64	31,110.46
Depreciation charge (Net of deferred tax of ₹ 125.51 Lakhs) [refer note 12 (a)]	(238.82)	-
Loss for the year	(1,243.01)	(5,698.21)
Appropriations		
Proposed equity dividend [Amount ₹ Nil per share (previous year ₹ 0.10 per share)]	-	(385.73)
Tax on proposed equity dividend	-	(65.56)
Transfer to debenture redemption reserve	(832.32)	(832.32)
At the end of the year	21,814.49	24,128.64
Total reserves and surplus	74,993.47	75,720.28



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for the year ended 31 March 2015 (Contd.)

Amount in ₹ Lakhs

	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
NOTE 5 - LONG-TERM BORROWINGS				
Bonds / debentures				
12,300 (previous year 12,300) Deep Discount Debentures of ₹ 100,000 each (unsecured)	12,300.00	12,300.00	-	-
Less: Discount on issue of Deep Discount Debentures to the extent not written off or adjusted	6,471.69	7,104.66	-	-
	5,828.31	5,195.34	-	-
500 (previous year 500) 12.50% Redeemable Non-Convertible Debentures of ₹ 1,000,000 each (secured)	5,000.00	5,000.00	-	-
2,500,000 (previous year 2,500,000) 10% Redeemable Non-Convertible Debentures of ₹ 400 each (secured)	10,000.00	10,000.00	-	-
1,000 (previous year 1,000) 9.60% Redeemable Non-Convertible Debentures of ₹ 1,000,000 each (secured)	10,000.00	10,000.00	-	-
70 (previous year 70) Foreign Currency Convertible Bonds of USD 100,000 each (unsecured)	4,381.36	4,206.99	-	-
	35,209.67	34,402.33	-	-
Term loans				
Rupee loans (secured)				
From banks	7,625.00	8,125.00	500.00	9,025.00
Foreign currency loans (secured)				
From banks	6,468.14	11,546.86	4,904.50	7,493.19
From others	3,677.21	4,582.61	1,095.34	1,051.75
	17,770.35	24,254.47	6,499.84	17,569.94
Loan against vehicles and equipments (secured)	70.36	45.65	51.78	71.89
Deferred payment liabilities				
Sales tax deferment (unsecured)	163.87	204.97	41.10	65.03
	53,214.25	58,907.42	6,592.72	17,706.86
The above amount includes:				
Secured borrowings	42,840.71	49,300.12	6,551.62	17,641.83
Unsecured borrowings	10,373.54	9,607.30	41.10	65.03
Amount disclosed under the head - "Other current liabilities" (refer note 11)	-	-	(6,592.72)	(17,706.86)
	53,214.25	58,907.42	-	-

(A) Terms of repayment/ conversion/ redemption

(i) Bonds / debentures

- a) The Group on 24 September 2001 had issued Deep Discount Debentures of face value of ₹ 100,000 each aggregating ₹ 12,300.00 Lakhs at a discount of 90% on face value and are redeemable at par at the end of 20 years from the date of allotment.

The Deep Discount Debentures carry an implicit rate of interest of approximately 12.18% compounded annually.

- b) The Group on 29 October 2013 had issued 12.50% Redeemable Non-convertible Debentures of face value of ₹ 1,000,000 each aggregating ₹ 5,000.00 Lakhs to be

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

- redeemed at par at the end of 7 years from the date of allotment on private placement basis to Life Insurance Corporation of India.
- c) The Group on 24 August 2010 had issued 10% Redeemable Non-convertible Debentures of face value of ₹ 400 each aggregating ₹ 10,000.00 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.
- d) The Group on 28 June 2010 had issued 9.60% Redeemable Non-convertible Debentures of face value of ₹ 1,000,000 each aggregating ₹ 10,000.00 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.
- e) The Group on 13 April 2009 had issued 70 Foreign Currency Convertible Bonds (FCCB) of face value of USD 100,000 each aggregating USD 70 Lakhs to International Finance Corporation (IFC). As per the terms of the issue, the bond holder has an option of converting these bonds into equity shares within a period of 7 years from the date of issue at an initial conversion price of ₹ 13.50 per equity share of face value of ₹ 1 each at the foreign exchange rate prevailing on the date of conversion request. In case the conversion option is not exercised, the outstanding FCCBs would be redeemed at par together with interest accrued at the rate of 6 months LIBOR + spread of 3.35% per annum accrued on a compounded 6 monthly basis. As at 31 March 2015, conversion option has not been exercised in respect of the above FCCBs. Till 31 March 2015, the Group made provision of ₹ 1,169.27 Lakhs (previous year ₹ 935.58 Lakhs) as interest on outstanding FCCBs.

(ii) Term loans

a) Name of the lender	Loan Outstanding as at 31 March 2015 (₹ in Lakhs)	Period of maturity with respect to Balance Sheet date	Number of installments outstanding as at 31 March 2015	Installment Amount (₹ in Lakhs)
Rupee loans (secured)				
The Hongkong and Shanghai Banking Corporation Limited	- (₹ 4,150.00)	- (1 month)	- (1)	₹ 4,150.00 - bullet repayment
Deutsche Bank AG	- (₹ 4,500.00)	- (85 days)	- (1)	₹ 4,500.00 - bullet repayment
Axis Bank Limited	₹ 8,125.00 (₹ 8,500.00)	8 years 3 months (9 years 3 months)	33 (36)	Repayable at quarterly rest : 5 of ₹ 125.00 each 8 of ₹ 150.00 each 4 of ₹ 250.00 each 8 of ₹ 300.00 each 8 of ₹ 362.50 each

An average interest rate on rupee term loans is 11.15 % per annum (previous year 10.69% per annum).



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for the year ended 31 March 2015 (Contd.)

(ii) Term loans (continued)

a) Name of the lender	Loan Outstanding as at 31 March 2015 (₹ in Lakhs)	Period of maturity with respect to Balance Sheet date	Number of installments outstanding as at 31 March 2015	Installment Amount (₹ in Lakhs)
Foreign currency borrowings				
ICICI Bank Limited (ECB)	₹ 2,467.99 JPY 4,736.11 (₹ 3,292.85) (JPY 5,597.22)	5 years 5 months (6 years 5 months)	11 (13)	JPY 430.56 - repayable at half yearly rest
The Hongkong and Shanghai Banking Corporation Limited (ECB)	₹ 4,694.31 USD 75.00 (₹ 6,761.23) (USD 112.50)	1 year 11 months (2 years 11 months)	8 (12)	USD 9.38 - repayable at quarterly rest
The Hongkong and Shanghai Banking Corporation Limited (term loan)	₹ 1,706.71 USD 27.38 (₹ 1,851.07) (USD 30.80)	2 years (3 years)	8 (9)	USD 3.42 - repayable at quarterly rest
DBS Bank Limited (ECB)	₹ 2,503.63 USD 40.00 (₹ 3,605.99) (USD 60.00)	1 year 9 months (2 years 9 months)	4 (6)	USD 10.00 - repayable at half yearly rest
International Finance Corporation (ECB)	₹ 2,190.68 USD 35.00 (₹ 2,704.49) (USD 45.00)	3 years 6 months (4 years 6 months)	7 (9)	USD 5.00 - repayable at half yearly rest
DEG - Deutsche Investitionsund Entwicklungsgesellschaft MBH (ECB)	₹ 2,581.86 USD 41.25 (₹ 2,929.86) (USD 48.75)	5 years 6 months (6 years 6 months)	22 (26)	USD 1.88 - repayable at quarterly rest
Citibank N.A. (FCNRB)	- (₹ 3,530.86) (USD 58.75)	- (1 month)	- (1)	USD 58.75 - bullet repayment

An average interest rate on foreign currency loans is **LIBOR + 2.67%** per annum (previous year - LIBOR + 2.90% per annum).

- b) The Group 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.
- c) Loans against vehicles and equipments are for a period of three years and repayable by way of equated monthly instalments.

(B) Details of security

- i) 12.50% Redeemable Non-convertible Debentures and 10% Redeemable Non-convertible Debentures issued to Life Insurance Corporation of India and 9.60% Redeemable Non-convertible Debentures issued to ICICI Bank Limited, aggregating to ₹ 25,000.00 Lakhs are secured by way of Equitable Mortgage on land situated at Mouza Maharaj Pura Dist – Mahsana (Gujarat), First Pari Passu charge on immovable properties (Leasehold Land) situated

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for the year ended 31 March 2015 (Contd.)

- at Mahistikry and hypothecation of all movable fixed assets (including plant and machinery) of the Group in favour of Axis Trustee Services Limited, being the trustee of the Debenture Holders.
- ii) Rupee term loan from Axis Bank Limited, Foreign currency borrowings from International Finance Corporation (IFC), The Hongkong and Shanghai Banking Corporation Limited (HSBC) and DBS Bank Limited (DBS) are secured by way of mortgage of immovable properties situated at Mahistikry Unit (Leasehold Land), Liluah Unit, and Vishakhapatnam Unit and hypothecation of all movable fixed assets (including plant and machinery) on pari passu basis with other lenders.
- iii) Foreign currency borrowings from DEG-Deutsche Investitionsund Entwicklungsgesellschaft MBH (DEG) and ICICI Bank Limited are secured by way of mortgage of immovable properties (Leasehold Land) and hypothecation of movable fixed assets (including plant and machinery) situated at Mahistikry on pari passu basis with other lenders.
- iv) Foreign currency term loan from The Hongkong and Shanghai Banking Corporation Limited is secured by standby letter of credit issued by a bank on behalf of the holding company.
- v) Loans against vehicles and equipment are secured by way of hypothecation of the underlying asset financed.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 6 - DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	17,727.13	15,834.64
Deferred tax assets		
Unabsorbed depreciation	9,224.66	6,289.68
Debenture issue expenses on Redeemable Non Convertible Debentures	-	55.17
Disallowances under Income Tax Act, 1961	3,282.76	2,884.05
	12,507.42	9,228.90
Deferred tax liabilities (net)	5,219.71	6,605.74

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 7 - OTHER LONG-TERM LIABILITIES		
Derivative contracts payable [refer note 32(b)]	5,764.15	9,956.27
Interest accrued but not due on borrowings	1,169.27	935.58
Trade payables	20.56	47.97
Other payables	25.77	30.81
	6,979.75	10,970.63



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs			
	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
NOTE 8 - PROVISIONS				
Provision for employee benefits:				
Gratuity (refer note 34)	-	13.05	56.91	5.57
Compensated absences	-	-	21.01	13.24
Other provisions:				
Provision for contingencies (refer note 36)	78.42	78.42	-	-
Proposed equity dividend	-	-	-	385.73
Tax on proposed equity dividend	-	-	-	65.56
	78.42	91.47	77.92	470.10

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 9 - SHORT-TERM BORROWINGS		
Working capital loans		
From banks (secured)		
Rupee loans	23,357.81	22,417.89
Foreign currency loans	26,275.41	34,233.40
	49,633.22	56,651.29
From banks (unsecured)		
Rupee loans	2,999.89	2,935.80
	2,999.89	2,935.80
	52,633.11	59,587.09

Details of security

Working capital loans from banks aggregating ₹ **49,633.22 Lakhs** (previous year ₹ 56,651.29 Lakhs) are secured by hypothecation of current assets of the Group both present and future on pari passu basis. These loans include ₹ **4,431.12 Lakhs** (previous year ₹ 4,494.36 Lakhs), being personally guaranteed by the promoter directors of the Group.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 10 - TRADE PAYABLES		
Trade payables	10,847.42	10,370.86
	10,847.42	10,370.86

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 11 - OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (refer note 5)	6,592.72	17,706.86
Interest accrued but not due on borrowings	589.51	643.72
Unclaimed dividend *	47.35	69.43
Capital creditors	126.07	293.91
Derivative contracts payable [refer note 32(b)]	4,672.71	1,465.96
Statutory dues	2,579.03	559.40
Advances received from customers	1,426.48	1,925.62
Other payables#	238.00	380.12
	16,271.87	23,045.02

* There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at 31 March 2015.

Includes amount due towards employee benefits and security deposits.

	Amount in ₹ Lakhs							
	Freehold Land	Leasehold Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Total
NOTE 12 (a) - TANGIBLE ASSETS								
Gross Block								
Balance as at 31 March 2013	3,584.09	566.54	9,867.19	97,752.52	727.59	841.92	1,463.23	114,803.08
Additions during the year	7.30	6.02	744.72	27,990.38	47.61	70.24	117.00	28,983.27
Disposals	-	-	-	(303.45)	-	(2.62)	-	(306.07)
Other adjustments :								
- Exchange differences	-	-	-	2,921.88	-	-	-	2,921.88
- Exchange translation adjustments	-	27.90	384.45	432.69	5.15	7.77	10.42	868.38
- Borrowing costs	-	-	26.66	2,833.77	1.20	-	7.03	2,868.66
Balance as at 31 March 2014	3,591.39	600.46	11,023.02	131,627.79	781.55	917.31	1,597.68	150,139.20
Additions during the year	9.55	-	254.90	5,941.96	5.18	71.99	42.98	6,326.56
Disposals	-	-	(7.07)	(20.84)	-	(51.89)	-	(79.80)
Other adjustments :								
- Exchange differences	-	-	-	399.79	-	-	-	399.79
- Exchange translation adjustments	-	11.95	163.83	182.47	2.18	3.46	4.45	368.34
Balance as at 31 March 2015	3,600.94	612.41	11,434.68	138,131.17	788.91	940.87	1,645.11	157,154.09
Depreciation								
Balance as at 31 March 2013	-	19.12	1,333.15	19,491.33	195.92	410.26	735.29	22,185.07
Depreciation for the year	-	6.05	341.47	5,193.76	46.25	62.91	193.38	5,843.82
Accumulated depreciation on disposals	-	-	-	(57.49)	-	(2.41)	-	(59.90)
Exchange translation adjustments	-	2.30	23.28	43.59	0.58	1.21	3.30	74.26
Balance as at 31 March 2014	-	27.47	1,697.90	24,671.19	242.75	471.97	931.97	28,043.25
Depreciation for the year	-	6.58	358.81	5,190.82	108.80	107.30	509.64	6,281.95
Accumulated depreciation on disposals	-	-	(0.66)	(3.41)	-	(40.93)	-	(45.00)
Exchange translation adjustments	-	1.24	15.26	26.73	0.43	0.92	2.99	47.57
Balance as at 31 March 2015	-	35.29	2,071.31	29,885.33	351.98	539.26	1,444.60	34,327.77
Net Block								
As at 31 March 2014	3,591.39	572.99	9,325.12	106,956.60	538.80	445.34	665.71	122,095.95
As at 31 March 2015	3,600.94	577.12	9,363.37	108,245.84	436.93	401.61	200.51	122,826.32

Note : In compliance with Schedule II of the Companies Act, 2013, the management has reassessed the estimate useful lives of the fixed assets and made necessary changes with effect from 1 April 2014. As a consequence of this change, depreciation charge for the year is lower by ₹ 1,466.80 Lakhs. Further, based on transitional provision provided in note 7 (b) of Schedule II, depreciation amount of ₹ 238.82 Lakhs (net of deferred tax ₹ 125.51 Lakhs) has been adjusted against retained earnings.



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	Computer software	Total
NOTE 12(b) - INTANGIBLE ASSETS		
Gross Block		
Balance as at 31 March 2013	0.48	0.48
Additions	-	-
Disposals	-	-
Balance as at 31 March 2014	0.48	0.48
Additions	-	-
Disposals	-	-
Balance as at 31 March 2015	0.48	0.48
Amortisation		
Balance as at 31 March 2013	0.48	0.48
Amortisation for the year	-	-
Accumulated depreciation on disposals	-	-
Balance as at 31 March 2014	0.48	0.48
Amortisation for the year	-	-
Accumulated depreciation on disposals	-	-
Balance as at 31 March 2015	0.48	0.48
Net Block		
As at 31 March 2014	-	-
As at 31 March 2015	-	-

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 13 - CAPITAL WORK-IN-PROGRESS		
At the beginning of the year	5,926.87	31,888.33
Incurred during the year	1,486.15	5,476.07
Capitalised during the year	(6,015.11)	(31,468.74)
Foreign currency translation impact on movement in capital work-in-progress	14.39	31.21
At the end of the year	1,412.30	5,926.87
Capital work-in-progress includes:		
Expenditure during construction period on substantial expansion / new industrial units of the Group, given below:		
Opening Balance	503.25	3,640.96
Incurred during the year		
Consumables stores and spares	-	49.62
Employee benefits expense	2.39	0.03
Power and fuel	7.45	21.52
Rates and taxes	2.69	1.13
Finance cost		
Interest expense	0.53	1,015.75
Other borrowing costs	0.06	0.01
Rent	0.73	-
Miscellaneous expenses *	10.73	1,655.54
	24.58	2,743.60
Less:		
Capitalised during the year	418.73	5,881.31
	418.73	5,881.31
Closing Balance	109.10	503.25

* Includes consultancy charges, inspection charges, testing charges, etc.

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs			
	Number of units as at 31 March 2015	Number of units as at 31 March 2014	31 March 2015	31 March 2014
NOTE 14 - NON-CURRENT INVESTMENTS				
<i>(Valued at cost)</i>				
Other non-current investments:				
Quoted investments				
Investment in equity instruments (fully paid up)				
ACC Limited (face value - ₹ 10 each)	1,275	1,275	1.95	1.95
Himadri Credit & Finance Limited (face value - ₹ 10 each)	334,900	334,900	33.49	33.49
New Delhi Television Limited (face value - ₹ 4 each)	1,400	1,400	0.98	0.98
Transchem Limited (face value - ₹ 10 each)	8,000	8,000	2.40	2.40
			38.82	38.82
Unquoted investments				
Investment in equity instruments (fully paid up)				
Himadri Dyes & Intermediates Limited (face value - ₹ 10 each)	720,000	720,000	72.00	72.00
Himadri E-Carbon Limited (face value - ₹ 10 each)	17,000	17,000	1.70	1.70
Himadri Industries Limited (face value - ₹ 10 each)	493,300	493,300	84.50	84.50
			158.20	158.20
Investment in Government securities (unquoted)				
Kisan Vikas Patra (Deposited with sales tax authorities)			0.07	0.07
			0.07	0.07
			197.09	197.09

The aggregate book value of unquoted non-current investments and book value and market value of quoted non-current investments are as follows:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Aggregate book value of unquoted non-current investments	158.27	158.27
Quoted non-current investments		
Aggregate book value	38.82	38.82
Aggregate market value	56.76	54.09

[includes ₹ 33.49 Lakhs (previous year ₹ 33.49 Lakhs) where cost has been considered as market value in absence of availability of market quote]



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 15 - LONG-TERM LOANS AND ADVANCES		
<i>(Unsecured, considered good)</i>		
To parties other than related parties		
Capital advances	1,301.70	795.60
Security and other deposits	4,284.15	3,037.82
Deposit against demand in dispute	158.81	-
MAT credit entitlement	5,208.57	5,272.67
Advance income tax	362.22	556.56
[net of provision for income tax ₹ 4,731.29 Lakhs (previous year ₹ 4,731.29 Lakhs)]	11,315.45	9,662.65

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 16 - OTHER NON-CURRENT ASSETS		
<i>(Unsecured, considered good)</i>		
Trade receivables (refer note 19 and 33)	798.10	891.39
Bank deposits due to mature after 12 months of the reporting date (refer note 20)	40.03	2.03
Interest accrued on fixed deposits	1.62	0.22
	839.75	893.64

	Amount in ₹ Lakhs			
	Number of units as at 31 March 2015	Number of units as at 31 March 2014	31 March 2015	31 March 2014
NOTE 17 - CURRENT INVESTMENTS				
(i) Current portion of long-term investments (at cost)				
Mutual funds - quoted				
Birla Sun Life Income Plus - Growth Regular Plan	-	4,687,811	-	2,500.00
IDFC Super Saver Income Fund - Investment Plan	-	8,754,145	-	2,500.00
(ii) Other investments (valued at the lower of cost and fair value)				
Mutual funds - quoted				
UTI Bond Fund - Growth Plan - Regular	-	14,405,153	-	5,013.17
UTI Short term Income Fund - Institutional option - Growth Plan	14,935,564	14,935,564	2,100.00	2,100.00
Reliance Dynamic Bond Fund - Growth Plan	-	12,956,641	-	2,000.00
Reliance Short term Fund - Growth Plan	-	11,379,309	-	2,500.00
			2,100.00	16,613.17
Quoted current investments				
Aggregate book value			2,100.00	16,613.17
Aggregate market value			2,512.71	17,380.94

Investments amounting to ₹ 2,100.00 Lakhs (previous year ₹ 16,613.17 Lakhs) are pledged with banks against various credit facilities availed by the Group.

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 18 - INVENTORIES		
(Valued at the lower of cost and net realisable value)		
Raw materials [including goods-in-transit ₹ 2,096.41 Lakhs (previous year ₹ 3,156.51 Lakhs)]	6,464.91	14,573.33
Work-in-progress	8,980.44	15,128.90
Finished goods	19,248.10	7,234.79
Packing materials	155.43	357.96
Stores and spares	1,904.58	1,530.09
	36,753.46	38,825.07

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 19 - TRADE RECEIVABLES		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, Considered good	1,466.27	1,323.83
Less: Non current portion disclosed under note 16	798.10	891.39
	668.17	432.44
Considered doubtful	545.81	545.81
Less: Provision for doubtful debts	545.81	545.81
	-	-
Other receivables		
Unsecured, Considered good	31,457.55	34,921.71
	32,125.72	35,354.15

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 20 - CASH AND BANK BALANCES		
Cash and cash equivalents		
Cash on hand	33.73	19.88
Balances with banks		
On current accounts	855.96	1,580.66
On EEFC accounts	0.01	237.29
On deposit accounts (with original maturity of 3 months or less)	849.31	642.79
	1,739.01	2,480.62
Other bank balances		
Bank deposits due to mature within 12 months of the reporting date	2,346.39	2,314.30
Fixed deposits held as margin money	0.27	0.27
Unpaid dividend accounts	47.35	69.43
	2,394.01	2,384.00
	4,133.02	4,864.62
Details of balance with banks on deposit accounts ^		
Deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	849.31	642.79
Deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	2,346.39	2,314.30
Deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 16)	40.03	2.03
	3,235.73	2,959.12

^ Bank deposits aggregating ₹ 3,235.73 Lakhs (previous year ₹ 2,832.12 Lakhs) have been pledged with the banks against various credit facilities availed by the Group.



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 21 - SHORT-TERM LOANS AND ADVANCES		
<i>(Unsecured, considered good unless otherwise stated)</i>		
To parties other than related parties		
Advances for supplies	8,384.28	10,632.49
Advance to employees	97.01	83.63
Other advances \$	459.64	314.38
Balance with central excise and cenvat receivable	2,689.76	2,161.09
Sales tax deposit and VAT receivable	536.79	1,456.49
Income tax refundable	3.08	58.08
Security and other deposits	61.47	48.35
	12,232.03	14,754.51
Advances for supplies (considered doubtful)	46.76	46.76
Less : Provision for doubtful advances	46.76	46.76
	-	-
	12,232.03	14,754.51

\$ Includes prepaid expenses and advance for expenses.

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 22 - OTHER CURRENT ASSETS		
<i>(Unsecured, considered good)</i>		
Interest accrued on fixed deposits	102.75	104.62
Incentive receivable	28.70	332.14
Insurance claim receivable	99.82	-
Other receivables	38.89	40.55
	270.16	477.31

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 23 - REVENUE FROM OPERATIONS		
Sale of products		
Carbon materials and chemicals	160,623.64	155,930.89
Power	784.57	784.57
Sale of products (gross)	161,408.21	156,715.46
Less: Excise duty	17,777.72	17,139.98
Sale of products (net)	143,630.49	139,575.48
Other operating revenue		
Job work charges	139.26	37.15
Export incentives	28.70	-
	167.96	37.15
	143,798.45	139,612.63

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 24 - OTHER INCOME		
Interest on fixed deposits with banks	227.16	151.33
Interest on others	33.65	0.48
Dividend income		
- Long-term investments	0.43	0.24
Profit on sale of investments		
- Current investments - mutual funds	883.69	55.66
Insurance and other claims	43.72	69.48
Liabilities no longer required written back [refer note 31 (c)]	-	771.77
Miscellaneous income	120.40	235.23
	1,309.05	1,284.19

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 25 - COST OF MATERIALS CONSUMED		
Inventory of raw materials at the beginning of the year	14,573.33	22,587.23
Purchases	107,447.66	102,940.56
	122,020.99	125,527.79
Less : Inventory of raw materials at the end of the year	6,464.91	14,573.33
Foreign currency translation impact on movement in raw materials	18.65	36.73
	115,574.73	110,991.19
Details of raw materials consumed		
Coal tar / Coal tar based chemicals, Pitch	108,940.36	104,763.24
Other chemicals	6,634.37	6,227.95
	115,574.73	110,991.19

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 26 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening stock		
Finished goods	7,234.79	7,240.43
Work-in-progress	15,128.90	9,615.15
	22,363.69	16,855.58
Closing stock		
Finished goods	19,248.10	7,234.79
Work-in-progress	8,980.44	15,128.90
	28,228.54	22,363.69
Foreign currency translation impact on movement in finished goods and work-in-progress	21.88	61.94
	(5,842.97)	(5,446.17)



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 27 - EMPLOYEE BENEFITS EXPENSE		
Salaries, wages and bonus @	2,747.28	2,338.16
Contribution to provident and other funds	180.30	156.17
Gratuity (refer note 34)	41.75	11.73
Staff welfare expenses	289.74	269.09
	3,259.07	2,775.15

@ includes ₹ 224.43 Lakhs (previous year ₹ 216.04 Lakhs) relating to outsource manpower cost

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 28 - FINANCE COSTS		
Interest expense	7,745.69	7,324.68
Amortisation of discount on debenture	632.97	564.22
Other borrowing costs	596.44	560.57
Net loss on foreign currency transactions and translation to the extent regarded as borrowing costs	1,287.92	3,313.00
	10,263.02	11,762.47

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
NOTE 29 - OTHER EXPENSES		
Consumption of stores and spare parts	422.73	321.90
Power and fuel *	1,186.77	922.71
Excise duty related to increase/ (decrease) in inventory of finished goods	1,953.32	(19.35)
Rent	230.49	224.74
Rates and taxes	1,364.33	703.22
Repairs to:		
Building *	101.25	79.70
Plant and machinery *	1,411.90	791.25
Others *	339.89	265.24
Payment to auditors	60.37	49.72
Rebates and discounts	58.84	109.76
Insurance	232.64	318.67
Provision for doubtful debts and advances	-	592.57
Provision for contingencies	-	78.42
Packing expenses	1,347.96	1,197.60
Freight and forwarding expenses	5,152.08	5,344.04
Commission on sales	828.53	950.81
Miscellaneous expenses	3,010.83	2,511.05
	17,701.93	14,442.05

* includes stores and spares consumed

1,227.75 615.15

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

		Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
NOTE 30 - EARNINGS/(LOSS) PER SHARE (EPS)			
Loss attributable to Equity Shareholders (₹ in Lakhs) (used as numerator for calculating Basic EPS)	(a)	(1,243.01)	(5,698.21)
Add: Interest on Foreign Currency Convertible Bonds (net of tax)	(b)	126.33	167.26
Loss adjusted for the effects of dilutive potential equity shares for calculation of diluted EPS (₹ in Lakhs)	(c) = (a) + (b)	(1,116.68)	(5,530.95)
Weighted average number of equity shares (used as denominator for calculating Basic EPS)	(d)	385,732,570	385,732,570
Add: Effect of potential equity shares to be issued under Foreign Currency Convertible Bonds (FCCBs)	(e)	14,564,101	6,401,317
Weighted average number of equity shares (used as denominator for calculating Diluted EPS)	(f) = (d) + (e)	400,296,671	392,133,887
Basic EPS of ₹ 1 each	(g) = (a) / (d)	(0.32)	(1.48)
Diluted EPS of ₹ 1 each *	(h) = (c) / (f)	(0.32)	(1.48)

* For the purpose of computation of dilutive EPS for the year ended 31 March 2015 and 31 March 2014, potential equity shares that could arise on conversion of Foreign Currency Convertible Bonds are not resulting in dilution of EPS. Hence, they have been considered as anti-dilutive.

		Amount in ₹ Lakhs	
		31 March 2015	31 March 2014
NOTE 31 - CONTINGENT LIABILITIES AND COMMITMENTS			
(to the extent not provided for)			
a) Contingent Liabilities:			
(i) Sales tax matters in dispute/ under appeal		3,319.73	3,972.14
(ii) Excise/ Service Tax matters in dispute/under appeal		535.29	517.37
(iii) Customs matters in dispute/ under appeal		28.83	28.83
(iv) Entry Tax in dispute/ under appeal		2,587.58	1,468.64
(v) Income Tax in dispute/ under appeal		59.54	-
b) Commitments:			
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		1,332.82	1,119.90
ii) Estimated amount of export obligations to be fulfilled in respect of goods imported under advance license/ Export Promotion Capital Goods Scheme (EPCG)		1,333.65	7,246.49

c) The Group 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 previous 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 Group has not made provision for entry tax liability in the books for the current year and during the previous year. The liability relating to the period prior to 31 March 2013 amounting to ₹ 771.77 Lakhs was written back.



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 32 - AMOUNTS RECEIVABLE/ PAYABLE IN FOREIGN CURRENCY

- (a) The Group enters into various forms of derivative instruments such as foreign exchange forward contracts, options, cross currency swaps and interest rate swaps to hedge its exposure to movements in foreign exchange and interest rates.
- (b) The Group does not enter into any derivative instruments for trading or speculation purpose. Forward contracts / hedging instruments outstanding as at balance sheet date:

Nature and number of Contract	Currency Pair	Position	Amount (Foreign currency in Lakhs)	
			31 March 2015	31 March 2014
Forward contracts [5, (previous year 6)]	USD/INR	Buy	300.00	350.00
Cross currency swaps [8, (previous year 10)]	USD/INR	Sell	434.50	591.65
Cross currency swaps [1, (previous year 1)]	USD/JPY	Sell	4,736.11	5,597.22
Interest rate swaps [3, (previous year 3)]	USD/INR	Notional Principal	246.12	246.12
Interest rate swaps [4, (previous year 4)]	USD-Floating to Fixed	Notional Principal	191.25	266.25
Interest rate swaps [1, (previous year 1)]	JPY/INR	Notional Principal	4,733.69	4,733.69

- (c) All derivative contracts outstanding as at the year end are marked to market. The Group has applied the hedge accounting principles set out in the Accounting Standard (AS) 30 Financial Instruments: Recognition and Measurement as issued by The Institute of Chartered Accountants of India.

Accordingly, loss aggregating to ₹ 3,925.75 Lakhs (previous year ₹ 4,889.44 Lakhs), being the effective portion of the contracts designated as effective hedge for future cash flows has been recognised in the Hedging Reserve Account to be ultimately recognised in the Statement of Profit and Loss, depending on the exchange rate fluctuation till and when the underlying forecasted transactions occur.

Gain/(loss) on contracts not designated as effective hedge and ineffective portion of the contracts designated as effective hedge are included in foreign exchange fluctuation account, after adjustment of periodic premium received on cross currency/ interest rate swaps.

- (d) **Particulars of unhedged foreign currency exposure:**

Particulars	Currency	31 March 2015		31 March 2014	
		Amount (in original currency, Lakhs)	Amount (₹ in Lakhs)	Amount (in original currency, Lakhs)	Amount (₹ in Lakhs)
a) Amounts payable in foreign currency	USD	468.03	29,294.40	754.07	45,266.10
b) Amounts payable in foreign currency	JPY	4,746.83	2,473.57	5,609.55	3,300.10
c) Amounts receivable in foreign currency	USD	91.10	5,703.09	95.68	5,696.90
d) Amounts receivable in foreign currency	EURO	-	-	2.29	189.05

NOTE 33

Trade receivables include an amount of ₹ 798.10 Lakhs (previous year ₹ 798.10 Lakhs) due from a customer which is currently under arbitration proceedings. Based on the merits of the case, the management believes that the outcome of the said proceedings would be in favour of the Group.

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 34 - EMPLOYEE BENEFITS: POST EMPLOYMENT BENEFIT PLANS

1. Defined contribution plans

The Group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund and Superannuation Fund, which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Consolidated Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund and Superannuation fund for the year aggregated to ₹ 93.44 Lakhs (previous year ₹ 75.11 Lakhs) and ₹ 30.90 Lakhs (previous year ₹ 24.23 Lakhs) respectively.

2. Defined benefit plans

The following table summarises the position of assets and obligations relating to the gratuity plan:

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Net Asset / (liability) recognised in the Consolidated Balance sheet as at the year end		
Fair value of plan assets	87.02	84.38
Present value of obligations	143.93	103.00
Asset/ (liability) recognised in balance sheet	(56.91)	(18.62)
Classification into current/ non-current		
Current portion	56.91	5.57
Non-current portion	-	13.05
Movement in present value of defined benefit obligations		
Defined benefit obligation at 1 April	103.00	85.63
Current service cost	24.18	16.13
Interest cost	7.91	7.66
Actuarial (gains) / losses	17.12	(5.28)
Benefits paid by the plan	(8.28)	(1.14)
Defined benefit obligation at 31 March	143.93	103.00
Movement in fair value of plan assets		
Fair value of plan assets at 1 April	84.38	69.55
Contributions paid into the plan	3.46	9.19
Benefits paid by the plan	(8.28)	(1.14)
Expected return on plan assets	7.59	6.09
Actuarial (losses) / gains	(0.13)	0.69
Fair value of plan assets at 31 March	87.02	84.38
Composition of plan assets		
Qualifying insurance policies	100%	100%
Expense recognised in Statement of Consolidated Profit and Loss		
Current service cost	24.18	16.13
Interest on obligation	7.91	7.66
Expected return on plan assets	(7.59)	(6.09)
Net actuarial (gain)/ loss recognised in the year	17.25	(5.97)
Total included in 'employee benefits'	41.75	11.73



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

2. Defined benefit plans (Contd.)

	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Actual return on plan assets		
Expected return on plan assets	7.59	6.09
Actuarial gain/(loss) on plan assets	(0.13)	0.69
Actual return on plan assets	7.46	6.78
Principal actuarial assumptions		
Discount rate as at 31 March	8%	9%
Expected return on plan assets as at 1 April	9%	8.75%
Salary growth rate	6%	6%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Discount rate is based on the prevailing market yield of Indian Government securities as at the year end for the estimated term of the obligation.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

Five-year information

Amounts for the current and previous four periods are as follows:

	Amount in ₹ Lakhs				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Gratuity					
Present Value of defined benefit obligation	143.93	103.00	85.63	53.92	33.70
Fair value of plan assets	87.02	84.38	69.55	44.37	35.01
Surplus / (deficit) in the plan	(56.91)	(18.62)	(16.08)	(9.55)	1.31
Experience adjustments arising on plan liabilities [(gain)/ loss]	(2.51)	(3.55)	19.42	10.42	2.98
Experience adjustments arising on plan assets [gain/ (loss)]	(0.35)	(0.98)	0.61	-	-

Proposed contribution for next year

The Group expects to pay ₹ **62.84 Lakhs** as contribution to its defined benefit plan in the next year (previous year ₹ 5.57 Lakhs).

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 35

Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006

(i) Names of the related parties with whom transactions have taken place during the year

(a) Key Managerial Personnel

Mr. Damodar Prasad Choudhary, Chairman (resigned w.e.f.13.08.2013)
 Mr. Bankey Lal Choudhary, Managing Director
 Mr. Shyam Sundar Choudhary, Executive Director
 Mr. Vijay Kumar Choudhary, Executive Director
 Mr. Anurag Choudhary, Chief Executive Officer
 Mr. Amit Choudhary, President - Projects
 Mr. Tushar Choudhary, President - Operations

(b) Enterprises owned or significantly influenced 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

(c) Associate

BC India Investments
 Himadri Dyes & Intermediates Limited

(ii) Details of transactions with related parties

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Salaries/ Managerial Remuneration		
Mr. Bankey Lal Choudhary	42.41	30.00
Mr. Shyam Sundar Choudhary	43.60	30.00
Mr. Vijay Kumar Choudhary	40.14	30.00
Mr. Anurag Choudhary	40.95	30.00
Mr. Amit Choudhary	40.95	30.00
Mr. Tushar Choudhary	40.95	30.00
Discount written off on Deep Discount Debentures		
Himadri Coke & Petro Limited	632.97	564.22
Rent paid		
Himadri Dyes & Intermediates Limited	0.07	0.07
Himadri Industries Limited	0.07	0.07
Sri Agro Himghar Limited	0.04	0.04



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

(ii) Details of transactions with related parties (Contd.)

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Dividend paid		
BC India Investments	103.18	103.18
Himadri Dyes & Intermediates Limited	98.28	98.28
Himadri Industries Limited	46.14	46.14
Himadri Credit & Finance Limited	9.49	9.49
Himadri Coke & Petro Limited	5.50	5.50
Vijay Kumar Choudhary	3.27	3.27
Shyam Sundar Choudhary	3.23	3.23
Bankey Lal Choudhary	1.48	1.48
Damodar Prasad Choudhary	1.48	1.48

(iii) Balances at the year end

Particulars	Amount in ₹ Lakhs	
	31 March 2015	31 March 2014
Investment held		
Himadri Credit & Finance Limited	33.49	33.49
Himadri Dyes & Intermediates Limited	72.00	72.00
Himadri Industries Limited	84.50	84.50
Himadri e-Carbon Limited	1.70	1.70
Deep Discount Debentures		
Himadri Coke & Petro Limited	5,828.31	5,195.34

NOTE 36

In accordance with Accounting Standard 29 - 'Provisions, Contingent Liabilities and Contingent Assets', the Group as a prudent measure has made provisions in the earlier year amounting to ₹ 78.42 Lakhs representing estimates made mainly for probable claims arising out of disputes pending with the sales tax authorities. The probability and timing of the outflow with regard to these matters depend upon the ultimate settlement with the relevant authorities. The carrying amount at the beginning of the year was ₹ 78.42 Lakhs, provision of ₹ Nil made during the year and the closing amount is ₹ **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.

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 37 - SEGMENT DISCLOSURE

Segment information in accordance with Accounting Standard 17 prescribed by the Companies (Accounting Standards) Rule, 2006.

- a. Determination of segment information is based on the organisational and management structure of the Group and its internal financial reporting system. The Group business segments namely "Carbon materials and chemicals" and "Power" have been considered as primary segments for reporting format. Segment revenue, results, assets and liabilities include the respective amounts that are directly attributable to or can be allocated on a reasonable basis to each of the segments. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are neither attributable to nor can be allocated on a reasonable basis to each of the segments, have been disclosed as unallocable. Inter-segment revenue of Power has been recognized at price at which the same is sold to external customer.
- b. In respect of secondary segment information, the Group has identified its geographical segment as (i) Within India and (ii) Outside India. The secondary segment information has been disclosed accordingly.

Information about business segment:

Particulars	Carbon materials and chemicals		Power		Elimination		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Revenue - net of excise duty								
External sales	143,225.40	138,828.06	573.05	784.57	-	-	143,798.45	139,612.63
Inter-segment sales	-	-	969.66	1,289.67	969.66	1,289.67	-	-
Total Revenue	143,225.40	138,828.06	1,542.71	2,074.24	969.66	1,289.67	143,798.45	139,612.63
Results								
Segment Result	6,228.06	9,701.15	960.01	1,341.01	-	-	7,188.07	11,042.16
Unallocated corporate income/ (expenditure) (net)							(366.26)	6,903.69
Operating profit							7,554.33	4,138.47
Interest income							(260.81)	(151.81)
Interest expenses							10,263.02	11,762.47
Profit before tax							(2,447.88)	(7,472.19)
Current tax expense							64.10	0.46
Deferred tax charge/(credit)							(1,260.52)	(1,675.93)
Profit after tax (before adjustment for minority interest)							(1,251.46)	(5,796.72)
Share of Profit/(loss) transferred to minority interest							(8.45)	(98.51)
Profit after tax (after adjustment for minority interest)							(1,243.01)	(5,698.21)
Other information:								
Segment assets	206,318.22	216,507.66	5,700.00	5,651.09	-	-	212,018.22	222,158.75
Unallocable corporate assets							12,187.08	27,506.28
Total assets	206,318.22	216,507.66	5,700.00	5,651.09	-	-	224,205.30	249,665.03
Segment liabilities	15,402.44	13,699.54	49.67	19.43	-	-	15,452.11	13,718.97
Unallocable corporate liabilities							129,870.34	156,329.36
Total liabilities	15,402.44	13,699.54	49.67	19.43	-	-	145,322.45	170,048.33
Capital expenditure during the year	2,823.84	10,291.13	262.36	9.75	-	-	3,086.20	10,300.88
Depreciation and amortisation	5,700.91	5,484.89	216.71	358.93	-	-	5,917.62	5,843.82



Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

Secondary segment information (geographical segment):

Particulars	Within India		Outside India		Total	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014	31 March 2015	31 March 2014
External revenue by location of customers	126,115.81	125,163.26	17,682.64	14,449.37	143,798.45	139,612.63
Carrying amount of segment assets by location of assets	208,298.13	231,126.86	15,907.17	18,538.17	224,205.30	249,665.03
Cost incurred on acquisition of tangible and intangible fixed assets	2,656.63	9,327.61	429.57	973.27	3,086.20	10,300.88

NOTE 38 - OPERATING LEASE

- a) The Group has taken various commercial premises and equipment under cancellable operating leases. These lease agreements are normally renewed on expiry.
- b) The Group has also taken certain commercial premises under non-cancellable operating leases, the future minimum lease payments in respect of which are as follows:

Particulars	Amount in ₹ Lakhs	
	Minimum Lease Payments	
	31 March 2015	31 March 2014
Not later than one year	26.40	26.40
Later than one year and not later than five years	-	26.40

- c) Lease payments recognized in Statement of Profit and Loss with respect to operating leases – ₹ **153.05 Lakhs** (previous year ₹ 151.43 Lakhs) included under head Rent in “note 29”.

NOTE 39 - RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses aggregating to ₹ **239.92 Lakhs** (previous year ₹ 268.43 Lakhs) in the nature of revenue expenditure and ₹ **Nil** (previous year ₹ 29.20 Lakhs) in the nature of capital expenditure have been included under the appropriate account heads.

NOTE 40

Total expenditure incurred on Corporate Social Responsibility activities during the year ended 31 March 2015 is ₹ **27.99 Lakhs** (previous year ₹ 73.84 Lakhs).

Notes to Consolidated Financial Statements

for the year ended 31 March 2015 (Contd.)

NOTE 41 - DISCLOSURE OF ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III OF COMPANIES ACT, 2013, PERTAINING TO PARENT AND SUBSIDIARIES COMPANY.

Name of the Enterprise	Net Assets i.e total assets minus total liabilities		Share in Profit or Loss	
	As % of consolidated net assets	Net assets	As % of consolidated profit or loss	Profit / (Loss)
Parent				
Himadri Chemicals & Industries Limited	93.92%	74,059.00	115.07%	(1,440.07)
Subsidiaries				
Indian				
Equal Commodeal Private Limited	0.04%	32.07	1.65%	(20.62)
Foreign				
1. AAT Global Limited	-4.16%	(3,286.11)	-27.97%	349.99
2. Shandong Dawn Himadri Chemical Industry Limited	10.24%	8,077.89	10.57%	(132.31)
Minority Interest in all Subsidiaries	-0.04%	(32.05)	0.68%	(8.45)

NOTE 42

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

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

For **S. JAYKISHAN**
Chartered Accountants
Firm's Registration Number. 309005E

For and on behalf of the Board of Directors of
Himadri Chemicals & Industries Limited

Sd/-
Jayanta Mukhopadhyay
Partner
Membership No. 055757

Sd/-
B. K. Newatia
Partner
Membership No. 050251

Sd/-
Bankey Lal Choudhary
Managing Director
(DIN: 00173792)

Sd/-
Shyam Sundar Choudhary
Executive Director
(DIN: 00173732)

Sd/-
Kamlesh Kumar Agarwal
Chief Financial Officer

Sd/-
Bajrang Lal Sharma
Company Secretary

Place: Kolkata
Date: 26 May 2015

Place: Kolkata
Date: 26 May 2015

Corporate Information

Chairman Emeritus

Mr. Damodar Prasad Choudhary

Board of Directors

Mr. Pavninder Singh

(DIN: 03048302)

– Nominee of BC India Investments

Mr. Rahul Kumar Yadav

(DIN: 01649493)

– Nominee of VCIGPM Limited

Mrs. Rita Bhattacharya

(DIN: 03157199)

– Nominee of LIC of India

Mr. Shyam Sundar Choudhary

(DIN: 00173732)

– Executive Director

Mr. Bankey Lal Choudhary

(DIN: 00173792)

– Managing Director

Mr. Vijay Kumar Choudhary

(DIN: 00173858)

– Executive Director

Mr. Sakti Kumar Banerjee

(DIN: 00631772)

– Non-Executive Independent Director

Mr. Hardip Singh Mann

(DIN: 00104948)

– Non-Executive Independent Director

Mr. Krishnava Satyaki Dutt

(DIN: 02792753)

– Non-Executive Independent Director

Mr. Santimoy Dey

(DIN: 06875452)

– Non-Executive Independent Director

Mr. Hanuman Mal Choraria

(DIN: 00018375)

– Non-Executive Independent Director

Mr. Chandra Shekhar Sarda

(DIN: 00252003)

– Non-Executive Independent Director

Senior Management Team

Mr. Anurag Choudhary

– Chief Executive Officer

Mr. Tushar Choudhary

– President, Operations

Mr. Amit Choudhary

– President, Projects

Mr. Kamlesh Kumar Agarwal

– Chief Financial Officer

Bankers

State Bank of India

Central Bank of India

ICICI Bank Limited

Axis Bank Limited

DBS Bank Limited

Citi Bank, N.A.

IndusInd Bank Limited

The Hongkong & Shanghai Banking

Corporation Limited

Union Bank of India

Yes Bank Limited

IDBI Bank Limited

Registrar & Share Transfer Agent

M/s. S.K. Infosolutions Pvt. Ltd

34/1A, Sudhir Chatterjee Street

Kolkata 700 006

Telefax: (033) 2219 6797 / 4815

E-mail: contact@skcinfo.com /

skcdilip@gmail.com

Web Site: www.skcinfo.com

Registered Office

Fortuna Tower

23-A, Netaji Subhas Road

8th Floor, Kolkata - 700 001

Tel Fax : 91 (033) 22104261 / 62

E-mail: info@himadri.com

Web Site: www.himadri.com

Corporate Office

8, India Exchange Place, 2nd Floor,

Kolkata – 700 001

Tel: (033) 2230-4363 / 9953

Fax: 91-033- 2230-9051

Joint Auditors

M/s S. Jaykishan

Chartered Accountants

12 Ho-Chi Minh Sarani

Suite No. 2D- 2F, 2nd Floor

Kolkata - 700 071

M/s B S R & Co. LLP

Chartered Accountants

Unit No: 603-604, 6th Floor,

Tower-I Godrej Waterside Sector - V

Salt lake City

Kolkata - 700 091

Company Secretary & Compliance Officer

Mr. Bajrang Lal Sharma

Solicitors & Advocates

M/s Sandip Agarwal & Co.

10 Old Post Office Street

Gr. Floor, Room No. 10

Kolkata - 700 001

Works:-

Unit number 1

58 N.S. Road, Liluah, Howrah (W.B.)

Unit number 2

27B Gadadhar Bhatt Road, Liluah,

Howrah (W.B.)

Mahistikry Plant

Mahistikry, P.S. – Haripal District Hooghly

(W.B.)

Visakhapatnam Unit

Ancillary Industrial Estate Visakhapatnam

(A.P.)

Korba Unit

Jhagrah, Rajgamar Colliery Korba

(Chhattisgarh)

Vapi Unit

GIDC 1st Phase, Vapi (Gujarat)

Windmills

1. Village Amkhel: Taluka - Sakri,

District Dhule, Maharashtra

2. Village Titane, Taluka - Sakri,

District Dhule, Maharashtra

Falta (SEZ unit)

Falta Special Economic Zone

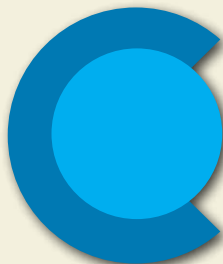
Sector - II, Vill - Simulberia, Falta,

Dist- 24 Pgs (South), West Bengal

China Unit

Longkou, Shandong China

CIN: L27106WB1987PLC042756



Himadri Chemicals & Industries Limited

Registered Office
23A, Netaji Subhas Road
8th Floor, Kolkata - 700 001

email: info@himadri.com
website: www.himadri.com