Himadri

Ref.No: HSCL / Stock-Ex/2016-17/67
Date: November 14, 2016

E-mail: blsharma@himadri.com

To

Ref : Listing Code: 500184	**Ref: Listing Code: HCIL**
BSE Limited	National Stock Exchange of India Ltd
Corporate Relationship Department	Exchange Plaza, C-1, Block-G
P.J. Towers,	Bandra Kurla Complex,
Dalal Street,	Bandra (E)
Mumbai- 400 001	Mumbai- 400 051

Sub: Investor Presentation & Media Release

Dear Sir,

We are enclosing herewith:-

1. Investors presentation
2. Media Release

We request you to kindly take on record the same.

Yours faithfully,

For Himadri Speciality Chemical Ltd

Company Secretary
FCS: 8148

HIMADRI SPECIALITY CHEMICAL LTD

Q2 & H1 FY17 Result Update Presentation

November 2016

Disclaimer

This presentation and the accompanying slides (the "Presentation"), which have been prepared by Himadri Speciality Chemical Limited (the "Company") solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment what so ever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

Certain matters discussed in this Presentation may contain statements regarding the Company's market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company's ability to successfully implement its strategy, the Company's future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company's market preferences and its exposure to market risks, as well as other risks. The Company's actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.

Table Of Contents

- Quarterly & Half Yearly Financial Performance
- Annual Financial Performance
- Company Overview

Quarterly Financial Highlights-Standalone

Quarterly Financial Highlights- Q2 FY17

Himadri

10%

Net Revenue
Rs 341.8cr

58%

EBITDA
Rs 55.7cr

293%

PAT
Rs 19.0cr

273%

EPS
Rs 0.45 in Q2 FY17

490bps

EBITDA Margin
16.3%

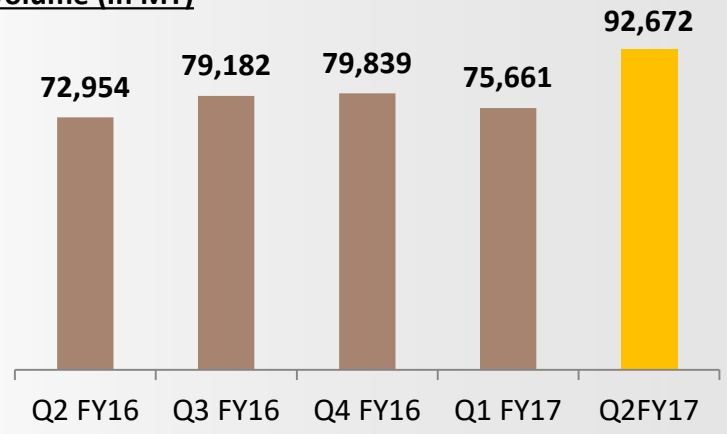
875bps

PAT Margin
5.6%

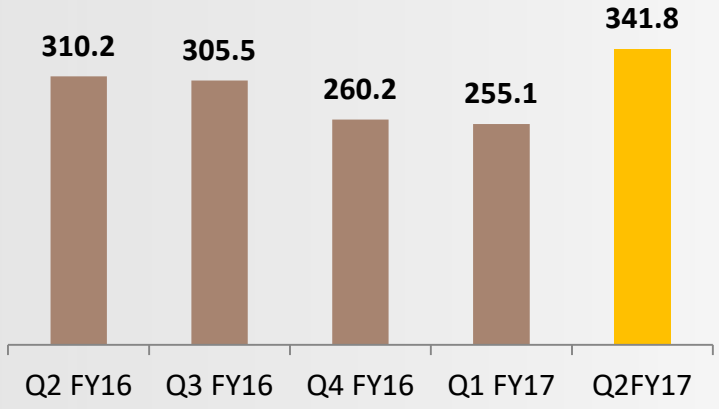
Quarterly Financial Highlights- Q2 FY17

Himadri

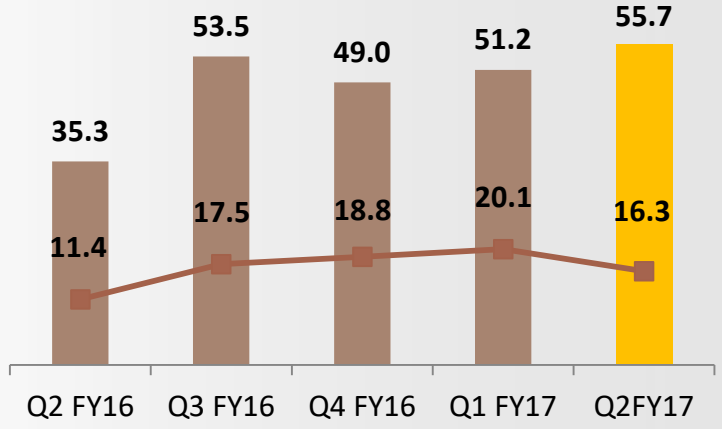
Sales Volume (In MT)



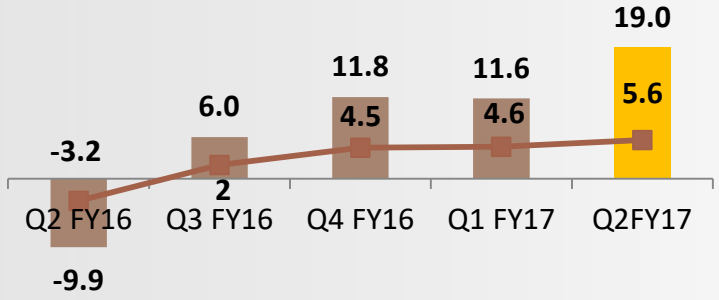
Revenue from Operations (Rs. Crs)



EBITDA (Rs. Crs) / Margin (%)



PAT (Rs. Crs) / Margin (%)



**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations*

 # Company adopted Indian Accounting Standards (Ind AS) from 01 April 2016. Figures for the previous quarters are also Ind AS compliant.

Quarterly Profitability Highlights

Rs. Cr.	Q2 FY17#	Q2 FY16#	YoY %	Q1 FY17#	QoQ%
Gross Revenue	**382.3**	**345.8**	**10.6%**	**282.3**	**35.4%**
Excise Duty	40.6	35.9		27.3	
Revenue from Operations	**341.7**	**309.9**	**10.3%**	**255.1**	**34.0%**
Other Operating Income	0.0	0.3		0.0	
Total Income	**341.8**	**310.2**	**10.2%**	**255.1**	**34.0%**
Raw Material & other direct costs	238.7	231.3		161.2	
Employee Cost	9.2	7.1		8.1	
Other costs	38.2	36.5		34.5	
EBIDTA	**55.7**	**35.3**	**57.5%**	**51.2**	**8.7%**
EBITDA Margin (%)	**16.3%**	**11.4%**	**490bps**	**20.1%**	**(379)bps**
Other Income	0.3	(1.8)		(2.2)	
Depreciation	7.8	16.0		7.8	
Interest	18.9	32.3		23.6	
Profit Before Tax	29.3	(14.8)		17.7	
Tax	10.3	(4.9)		6.1	
Profit After Tax	**19.0**	**(9.9)**	**292.9%**	**11.6**	**63.7%**
PAT Margin %	**5.6%**	**(3.2)**	**875bps**	**4.6%**	**101bps**
Other Comprehensive Income (net of tax)	13.9	(8.5)		27.8	
Total Comprehensive Income/ (Loss)	**32.9**	**(18.4)**		**39.4**	
EPS	**0.45**	**(0.26)**		**0.28**	

- **Revenue from operations** at Rs 382 crore, mainly on account of increase in demand; **volumes have grown 27% YoY**
- **Exports 15.5 %** of revenue
- EBITDA at Rs 55.7 crore, **YoY increase of 57.5%**
- EBITDA margin of 16.3%, **increase of over 490 bps,** on account of increase in capacity utilization
- **PAT of Rs 19.0 crore** as compared to loss of Rs 9.9 crore

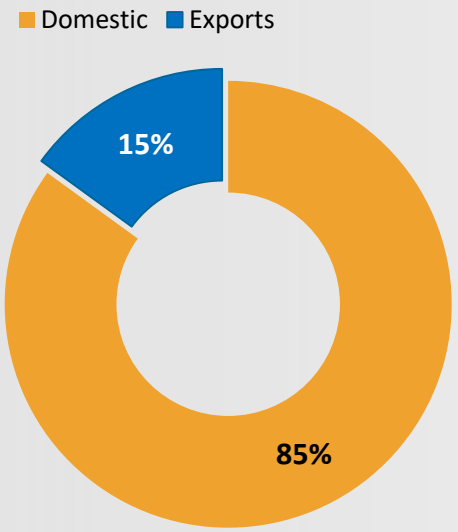
**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations*
 # Company adopted Indian Accounting Standards (Ind AS) from 01 April 2016. Figures for the previous quarters are also Ind AS compliant.

Quarterly Highlights- Standalone

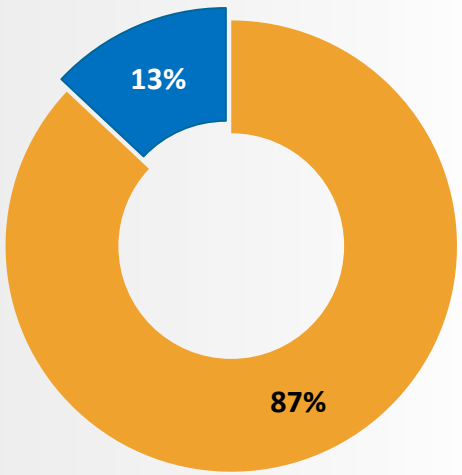
Segmental (Rs. Cr.)	Q2 FY17	Q2 FY16	YoY %
Carbon Materials & Chemicals			
Revenue	**376.6**	**341.8**	**10.2%**
EBIT	38.9	12.8	202.6%
EBIT Margin	10.3%	3.8%	
Capital Employed	**1670.2**	**1,723.5**	
Power			
Revenue	**10.4**	**8.0**	**29.6%**
EBIT	9.1	6.5	38.8%
EBIT Margin	87.1%	81.3%	
Capital Employed	**58.7**	**57.9**	

Geographical Breakup

Q2FY17



Q2FY16



Half Yearly Financial Highlights-Standalone

Half Yearly Financial Highlights- H1 FY17

Himadri

2%

Net Revenue
Rs 596.8 cr

108%

EBITDA
Rs 106.9 cr

204%

PAT
Rs 30.7 cr

195%

EPS
Rs 0.73 in 6M FY17

913bps

EBITDA Margin
17.9%

1018bps

PAT Margin
5.1%

Half Yearly Profitability Highlights

Rs. Cr.	H1 FY17#	H1 FY16#	YoY %
Gross Revenue	**664.6**	**658.0**	**1.0%**
Excise Duty	67.8	72.3	
Revenue from Operations	**596.8**	**585.7**	**1.9%**
Other Operating Income	0.0	0.4	
Total Income	**596.8**	**586.1**	**1.8%**
Raw Material & other direct costs	399.9	449.4	
Employee Cost	17.3	14.1	
Other costs	72.8	71.1	
EBIDTA	**106.9**	**51.5**	**107.6%**
EBITDA Margin (%)	**17.9%**	**8.8%**	**913bps**
Other Income	(1.9)	(2.4)	
Depreciation	15.5	31.8	
Interest	42.4	61.6	
Profit Before Tax	47.0	(44.4)	
Tax	16.4	(14.8)	
Profit After Tax	**30.7**	**(29.6)**	**203.8%**
PAT Margin %	**5.1%**	**(5.0%)**	**1018bps**
Other Comprehensive Income (net of tax)	41.6	(12.7)	
Total Comprehensive Income/ (Loss)	**72.3**	**(42.3)**	
EPS	**0.73**	**(0.77)**	**194.8%**

- **Revenue from operations** at Rs 664.6 crore, mainly on account of increase in demand; **volumes have grown 20% YoY**
- EBITDA at Rs 106.9 crore, **YoY increase of 107.6%**
- EBITDA margin of 17.9%, **increase of over 913bps**
- PAT of Rs 30.7 crore as compared to loss of Rs 29.6 crore

**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations*
 # Company adopted Indian Accounting Standards (Ind AS) from 01 April 2016. Figures for the previous quarters are also Ind AS compliant.

Balance Sheet Highlights

Himadri

Rs. Cr.	Sep - 16	Sep - 15
Shareholder's Funds		
Share capital	41.8	38.6
Reserves & Surplus	961.7	761.4
Minority Interest		
Non-current Liabilities		
Long term borrowings	403.1	458.2
Defer Tax liabilities	63.9	37.9
Other Long-Term liabilities	11.3	76.4
Long-Term Provisions	1.0	0.8
Current Liabilities		
Short Term Borrowings	423.4	457.7
Trade Payables	182.4	110.7
Other Current liabilities	118.5	193.8
Short-term provisions	0.9	0.6
Total Equities & Liabilities	**2,208.0**	**2136.0**

Rs. Cr.	Sep - 16	Sep - 15
Non-current Assets		
Fixed assets	1124.5	1142.9
Non-current Investments	153.8	82.0
Long-term loans & advances	118.2	117.4
Other non-current assets	8.0	8.2
Current Assets		
Current investments	9.3	21.0
Inventories	371.2	329.8
Trade receivables	281.3	280.2
Cash & Cash equivalents	32.2	43.7
Short-term loans & Advances	104.3	106.7
Other Current Assets	5.2	4.0
Total Assets	**2,208.0**	**2136.0**

Recent Developments

Commencement of melting plant at Sambalpur, Odisha

- During the current quarter, Company has commenced operations of pitch melting plant at Sambalpur, Odisha.
- This plant will enable to strengthen the supply chain, resulting in higher and more efficient production of Coal Tar Pitch

Annual Financial Highlights

Financial Highlights- Standalone

Himadri

565bps ↑

Gross Profit Margin

27.9%

26% ↑

EBITDA

Rs 155 cr

455bps ↑

EBITDA Margin

13.5%

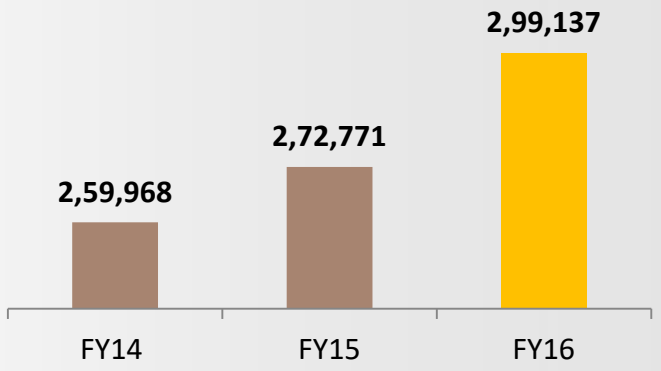
0.98 ↓

Debt Equity Ratio

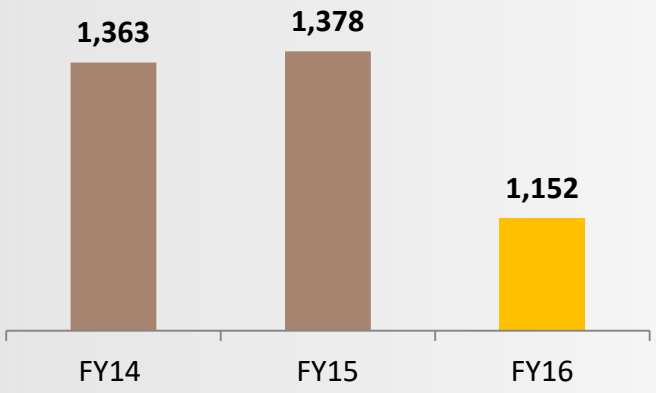
1.32 in FY15

Financial Highlights- Standalone

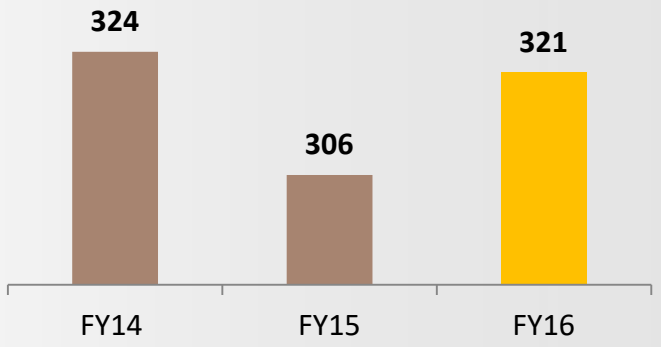
Sales Volume (In MT)



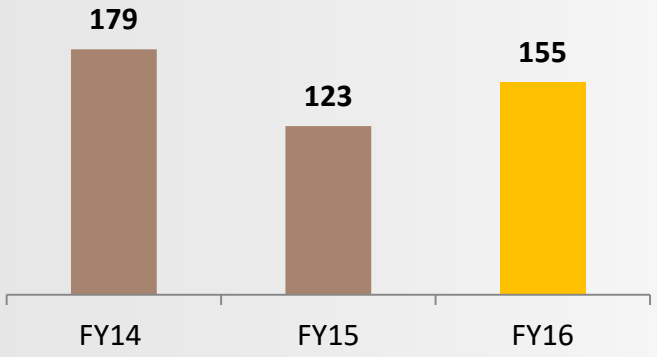
Revenue from Operations (Rs. Crs)



Gross Profit (Rs. Crs)



EBITDA* (Rs. Crs)

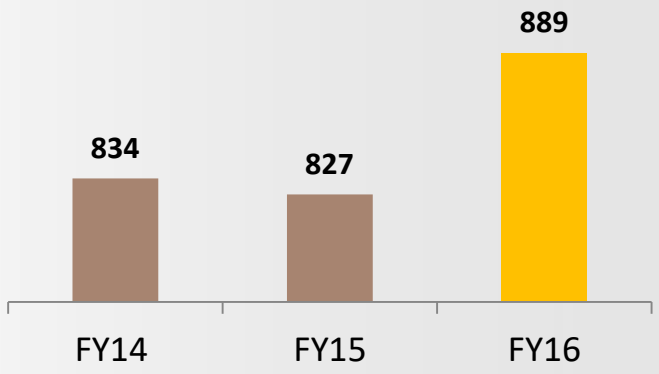


**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuation. Provision for doubtful debts in FY14 only also excluded in EBITDA*

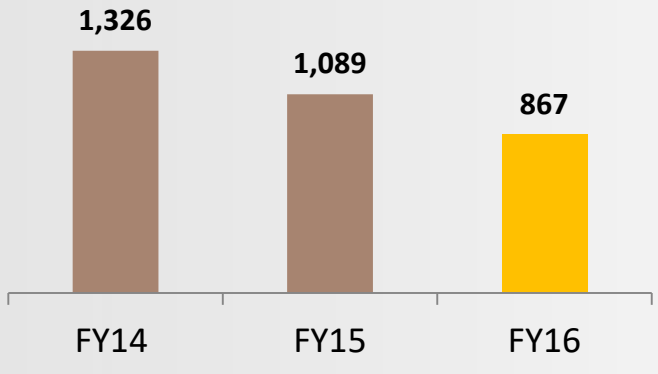
Annual Balance Sheet Highlights- Standalone

Himadri

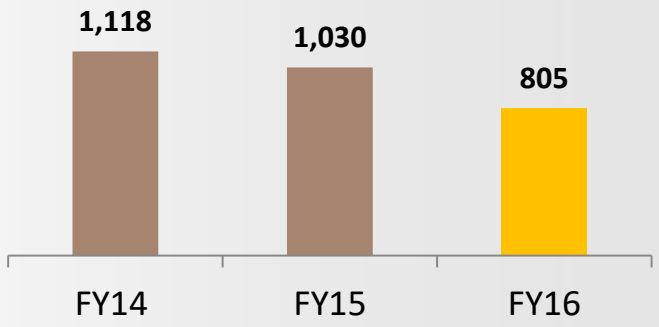
Net worth



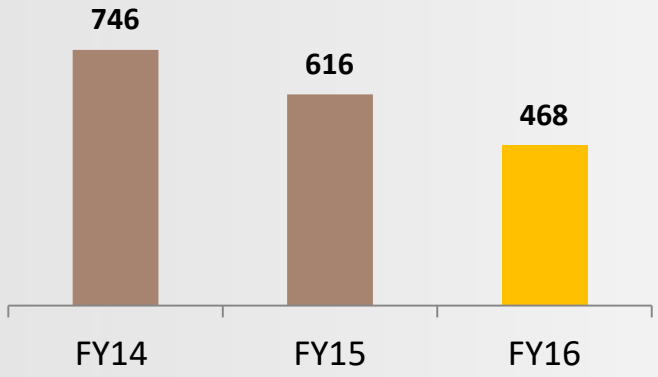
Total Debt



Net Debt (Rs. Crs)



Net Working Capital (Rs. Crs)



Consolidated Annual Profitability Highlights

Rs. Cr.	FY-16	FY-15	YoY
Revenue from Operations	**1,182.6**	**1,436.3**	**(18%)**
Other Operating Income	0.8	1.7	
Total Income	**1,183.4**	**1,438.0**	**(18%)**
Raw Material & other direct costs	845.0	1,097.3	(23%)
Employee Cost	32.0	32.6	(2%)
Other costs	146	177.0	(18%)
Total Expenditure	1,023.0	1,306.9	(22%)
EBIDTA	**160.4**	**131.0**	**22.4%**
EBITDA Margin (%)	**13.6%**	**9.1%**	**495 bps**
Other Income	-11.0	6.3	
Depreciation	67.1	59.2	13%
Interest	103.3	102.6	1%
Profit Before Tax	-21.0	-24.5	(14%)
Tax	4.4	-12.0	**(137%)**
Profit After Tax	**-16.6**	**-12.5**	**33%**
Less Minority/ Add Associates	-0.3	-0.1	
Consolidated PAT	**-16.2**	**-12.4**	
PAT Margin %	**-1.4%**	**-0.9%**	

- Revenue from operations at Rs 1,183 crore, mainly on account of decrease in price realisation; **volumes have grown 10% YoY**
- **Exports – 12% of revenues**
- EBITDA at Rs 160 crore, **YoY increase of 22%**
- EBITDA margin of 14%, **increase of over 400 bps**
- Proposed **Dividend of 5%**

Consolidated Balance Sheet Highlights

Himadri

Rs. Cr.	FY-16	FY-15
Shareholder's Funds	**846.9**	**788.5**
Share capital	41.8	38.6
Reserves & Surplus	805.0	749.9
Minority Interest	-	0.3
Non-current Liabilities	**475.3**	**654.9**
Long term borrowings	366.8	532.1
Defer Tax liabilities	47.8	52.2
Other Long-Term liabilities	59.7	69.8
Long-Term Provisions	1.0	0.8
Current Liabilities	**712.0**	**798.3**
Short Term Borrowings	411.9	526.3
Trade Payables	115.3	108.5
Other Current liabilities	181.6	162.7
Short-term provisions	3.2	0.8
Total Equities & Liabilities	**2,034.2**	**2,242.1**

Rs. Cr.	FY-16	FY-15
Non-current Assets	**1,332.5**	**1,365.9**
Fixed assets	1,211.3	1,242.4
Non-current Investments	2.0	2.0
Long-term loans & advances	111.2	113.2
Other non-current assets	8.0	8.4
Current Assets	**701.7**	**876.1**
Current investments	21.0	21.0
Inventories	319.6	367.5
Trade receivables	204.0	321.3
Cash & Cash equivalents	46.6	41.3
Short-term loans & Advances	101.6	122.3
Other Current Assets	9.0	2.7
Total Assets	**2,034.2**	**2,242.1**

Company Overview

Company Overview

Largest Coal Tar Pitch manufacturing company

- **One of few integrated Speciality Carbon Chemical** companies in the world with global leadership position
- **Largest producer of Coal Tar Pitch** in India with **~70% market share**
- One of the **few global manufacturers** to produce **Zero Quinolene Insoluble (QI)** impregnating Coal Tar Pitch
- **Diversified Product Portfolio** with Presence across Carbon Value Chain & wide array of high demand specialized products
- **Eight 'zero discharge' strategically located manufacturing facilities** spread across India in **West Bengal, Gujarat, Odhisa, Andhra Pradesh and Chhattisgarh**

Journey So Far

Himadri

1987
Established as Himadri Casting Pvt. Ltd.

1992
Went Public

1993-99
New unit at Visakhapatnam; Expansion at Howrah & Visakhapatnam Plant

2004
Established new Coal Tar Distillation plant at Hooghly, Kolkata

2007
Established new pitch melting facility at Korba,Chhattisgarh

2009
- Acquisition of SNF plant in Vapi, Gujarat
- Started production at Carbon Black plant
- Started power plant at Mahistikry

2010
- CTD plant expansion in Hooghly
- SNF capacity expansion in Vapi

2011
- R&D centre recognized by Government of India
- Commissioned production of SNF at Hooghly
- Started a CTP plant in China

2012
Expanded Carbon Black capacity and power plant at Hooghly

2014
Started operations of expanded capacity of coal tar distillation at Mahistikry, Hooghly

2016
Commenced operations of pitch melting plant at Sambalpur, Odisha

Business Overview

Coal Tar Pitch

Complex speciality chemical with 22 chemical and physical properties obtained through coal tar distillation

Carbon Black

One of most important industrial chemicals in world with applications in rubber, plastics, coating, inks and batteries

Key Strengths

Compelling Competitive Position

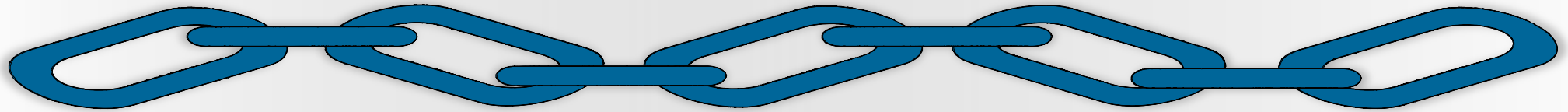
- Engaged in producing a wide range of carbon products - Coal Tar Pitch, Chemical oils, Carbon Black, Naphthalene, Corrosion protection, Sulfonated Naphthalene Formaldehyde (SNF) and clean green Power
- One of few global manufacturers to produce Zero Quinolene Insoluble (QI) impregnating Coal Tar Pitch

Storage & Distribution

- Plants well-connected through various transportation modes (like railways and roads)
- Raw material storage capacity of around 1,00,000 MT
- Liquid Pitch Capability
- Largest dedicated fleet of specially-designed 125 tankers in India
- Only company in India having Liquid Pitch terminal for exports

Strategic Sourcing Advantages

- Long-term relationships with all major Indian raw material suppliers
- Strategically imports raw materials based on prevalent global, economical and demand-supply dynamics, thereby optimizing costs
- Largest purchaser of Coal Tar in India
- Highest share of Coal Tar from nearly all domestic steel plants
- Capability to source Coal Tar globally to take advantage of global price movement



Fungible & Strategically-located 'Zero discharge' Facilities

- Eight manufacturing facilities spread across India in West Bengal, Gujarat, Odhisa Andhra Pradesh & Chhattisgarh
- Coal Tar Distillation, Carbon Black and SNF capacities of 400,000, 120,000 and 68,000 TPA, respectively
- Plants certified with ISO 9001:2008 and ISO 14001:2004
- Flexible manufacturing plants capable of switching between any type and quality of raw material

Research and Development

- R&D Centre at Mahistikry unit - recognized by the Government of India
- Experienced R&D team with international experts
- Introduction of new value added speciality chemicals, specialized testing of coal tar pitch and carbon black to maintain best in-class quality

Premier Global Customer Base

- Serves aluminium and graphite, lithium-ion battery, tyre and rubber and infrastructure industries
- Strong clientele including BALCO, Hindalco, Nalco, Vedanta, Graphite India, HEG and SGL Carbon SA and other aluminium and graphite players
- Strong relationships and supply contracts with customers globally

Strategic Outlook

Key Growth Drivers

- Maintaining domestic leadership in Coal Tar Pitch
- Leverage significant demand for Carbon Black in tyre and speciality segments
- Expand product basket for construction chemicals and admixtures
- Prudent selection of products and focus on end-user industry
- Focus on value-added products and develop appropriate products and markets
- Growth to be supported by greenfield and brownfield aluminium smelters

Strategic Objectives

- Be amongst top three producers of Coal Tar products globally
- Become lowest cost producer of Coal Tar products in the world
- Adequate capacities provide flexibility & opportunity to capture expected demand growth
- Create strong customer base and serve niche speciality market for carbon black
- Improve operational efficiency, strengthening order book & win businesses from existing & new clients
- Setting up of integrated speciality carbon chemical complex

500184	HSCL	HCI IN	HMCH.NS

For further information, please contact:

Company :	Investor Relations Advisors :
Himadri Speciality Chemical Ltd	**Bridge Investor Relations Pvt. Ltd.**
B L Sharma Company Secretary blsharma@himadri.com	Savli Mangle savli@bridge-ir.com Dheeraj Manwani dheeraj@bridge-ir.com
www.himadri.com	www.bridge-ir.com