



Ref. No: HSCL / Stock-Ex/2017-18/006

Date: April 11, 2017

E-mail: blsharma@himadri.com

To

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

Sub: Investor Presentation

Dear Sir,

We are enclosing herewith Investors presentation. We request you to kindly take on record the same.

Yours faithfully,

For Himadri Speciality Chemical Ltd


Chief Financial Officer

Enclo: a/a

Himadri Speciality Chemical Ltd

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



Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Ltd.)

**INVESTOR
PRESENTATION**
April - 2017

This presentation and the accompanying slides (the “Presentation”), which have been prepared by Himadri Speciality Chemical Ltd (the “Company”), have been prepared 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.

Value Creation Journey
by way of
Vertical Integration

Fit for Future: Products &
its Potential

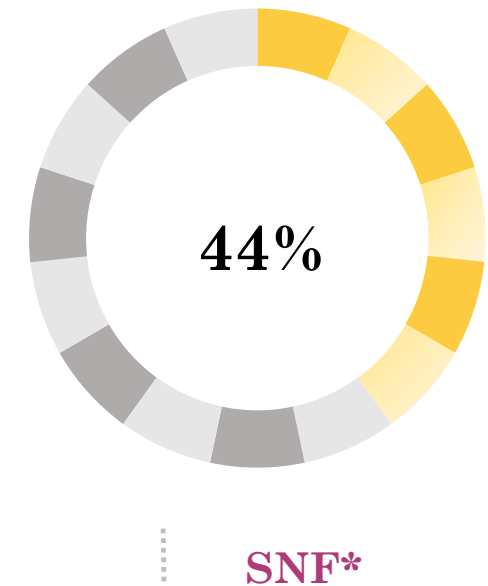
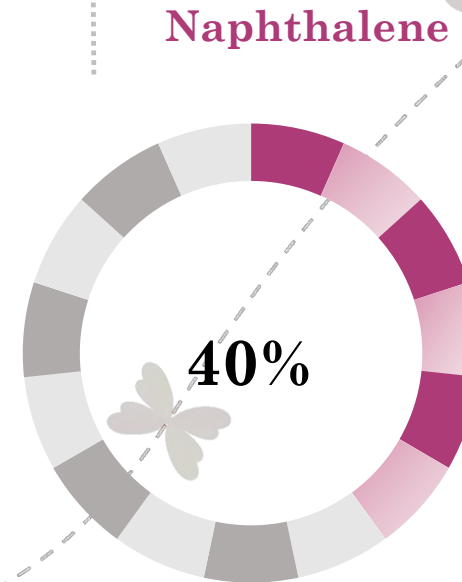
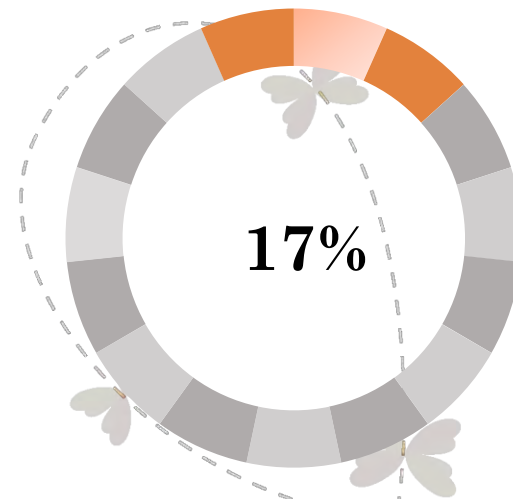
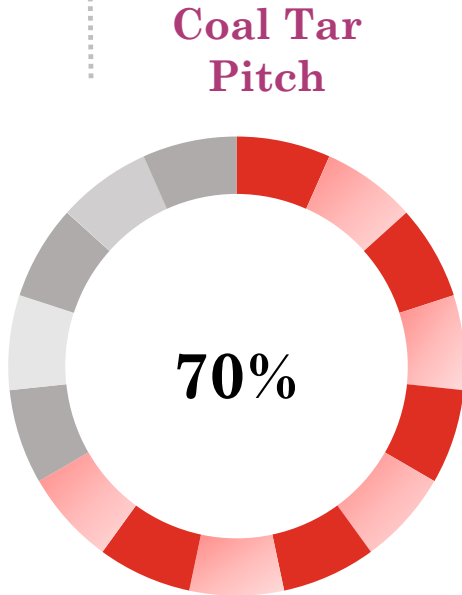
- Accelerating Core Business
- Finding next Core Business

Looking back at Three
Decades of Experience

Financial Agenda

Looking Forward with
Confidence

Leadership Position across our Products

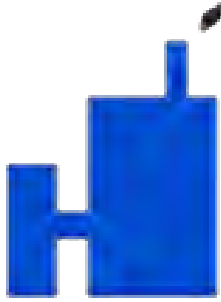


Market Leadership as % of Total Domestic Demand including Imports

Product Development was a Clear Focus



2010



Coal tar pitch – Binder grade
Coal tar pitch – Impregnating
Carbon Black
Advanced Carbon Material
Naphthalene
SNF
C. B. Oil

2017



Aluminium Grade Pitch
Graphite Grade Binder Pitch
Graphite Grade Zero QI
(Quinoline Insoluble) coal tar
impregnated pitch
Mesophase Pitch (ACM)
Special Pitch
Naphthalene
Refined Naphthalene
Light Creosote Oils
Heavy Creosote Oils

Anthracene Oil/Carbon
Black Oil/ CT Oil
SNF
PCE
Carbon Black
Speciality Carbon Black
Himcoat enamel
Himcoat Primer-B
Himtape
Himwrap

Evolving with Emerging Business Paradigms

To make an Impact on the End Markets



Aluminium



Graphite
Electrodes



Missiles



Lithium – Ion
Batteries



Anti Corrosive
Material



Rubber Industries



Paints, Plastic &
Fibre



Power



Infrastructure



Construction
Chemical



Wood Preservative
Oils



Specialized
Products

If You Can Be One Thing, Be Dependable



CTP Clientele



CB Clientele



Others Clientele



Rapid growth through R&D



- » R&D Centre recognised by the Department of Science and Technology and the Department of Scientific and Industrial Research - **Government of India**
- » R&D Centre is an NABL (**National Accreditation Board for Testing and Calibration Laboratories**) - accredited lab
- » Research activities of the Company have been published in **Research Journals across the world**



Innovation as a result of R&D

Coal Tar Pitch

- Developed zero QI pitch – one of the three global manufacturer
- Developed special pitch for use in long range warhead missile

Carbon Black

- Launched a series of application specific Speciality Blacks with superior performance parameters

SNF

- Developed next - generation product in PCE
- Developed application specific SNF for non-construction segment (Agro chemical/ gypsum/ latex)

Advanced Carbon Materials

- Only company in India with technology to manufacture anode material for Lithium-ion Batteries

Resulting in Faster Growth



Value Creation Journey
by way of
Vertical Integration

Fit for Future: Products &
its Potential

- Accelerating Core Business
- Finding next Core Business

Looking back at Three
Decades of Experience

Financial Agenda

Looking Forward with
Confidence

» Product Leadership – Accelerating Core Business

- Coal Tar Pitch
- Carbon Black
- Naphthalene

Coal Tar Pitch



Used in Aluminium & Graphite Industry

Caters to **Two-Thirds** of demand for
**Indian Graphite and
Aluminium Industries**

Supplier of upto **95% of Coal Tar
Pitch** requirements of certain Smelters

One amongst the **Few Global
Manufacturers to Produce
Zero QI (Quinolene Insoluble)** –
coal tar impregnated pitch and Advanced Carbon
Material

Critical Input in Downstream Industries



Mesophase Pitch

In anode material for
Li-ion batteries, Carbon
Composites

Coal Tar Pitch

Graphite Grade Zero
QI Coal tar
Impregnating Pitch

In graphite electrode, nipple
impregnation and UHP grade electrode
manufacturing

Graphite Grade Binder Pitch

In Graphite Electrode
Manufacturing

Special Pitches

Used by DRDO in long range warhead
missiles. In refractories, carbon paste,
paints/ultra-marine blue and water
proofing among others

Aluminium Grade Pitch

In pre-baked anode and soderberg in aluminium manufacturing

Inelastic & Growing Demand

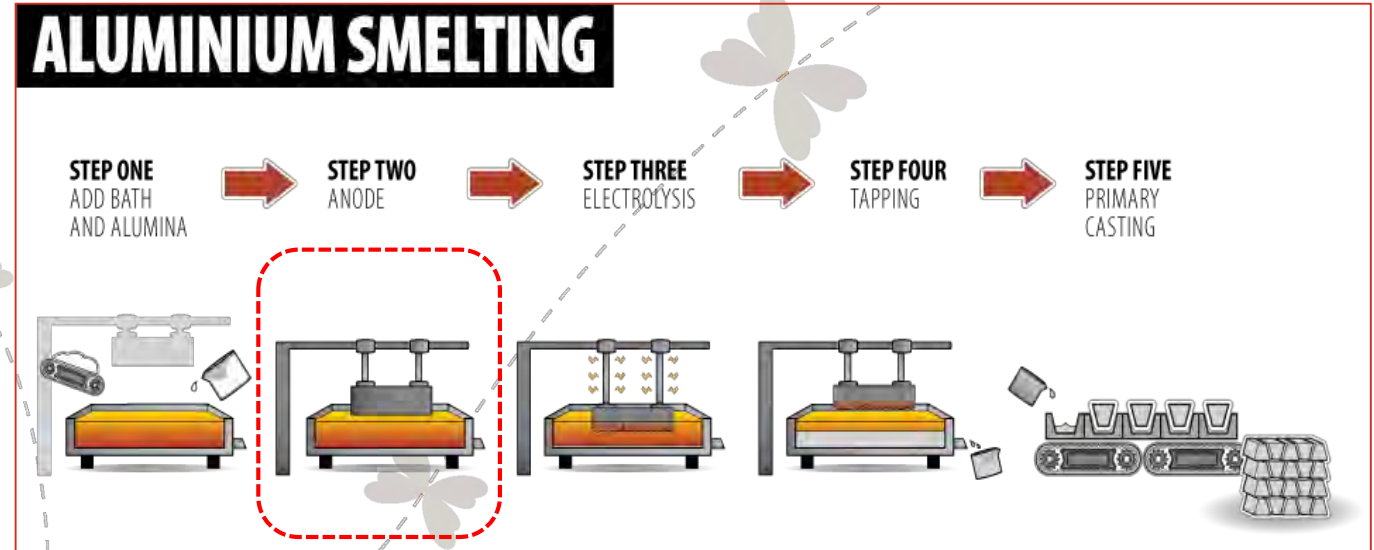
» **Inelastic Demand** : Coal Tar Pitch is used in pre-baked anode in aluminium smelter to produce aluminium. Aluminium Smelting is a Continuous Process - Smelter cannot be stopped and restarted easily

» **Complex Chemical** : Coal Tar Pitch is a Complex chemical with 22 Chemical and Physical Properties obtained through Coal Tar Distillation (CTD)

» **High Barriers for Import** : Liquid Coal Tar Pitch needs to be handled and shipped at 250°C and requires special fleets

» **Growing Demand** : 1MT of Aluminium requires 100 kgs of Coal Tar Pitch and 1MT of Graphite requires 440kgs of Coal Tar Pitch

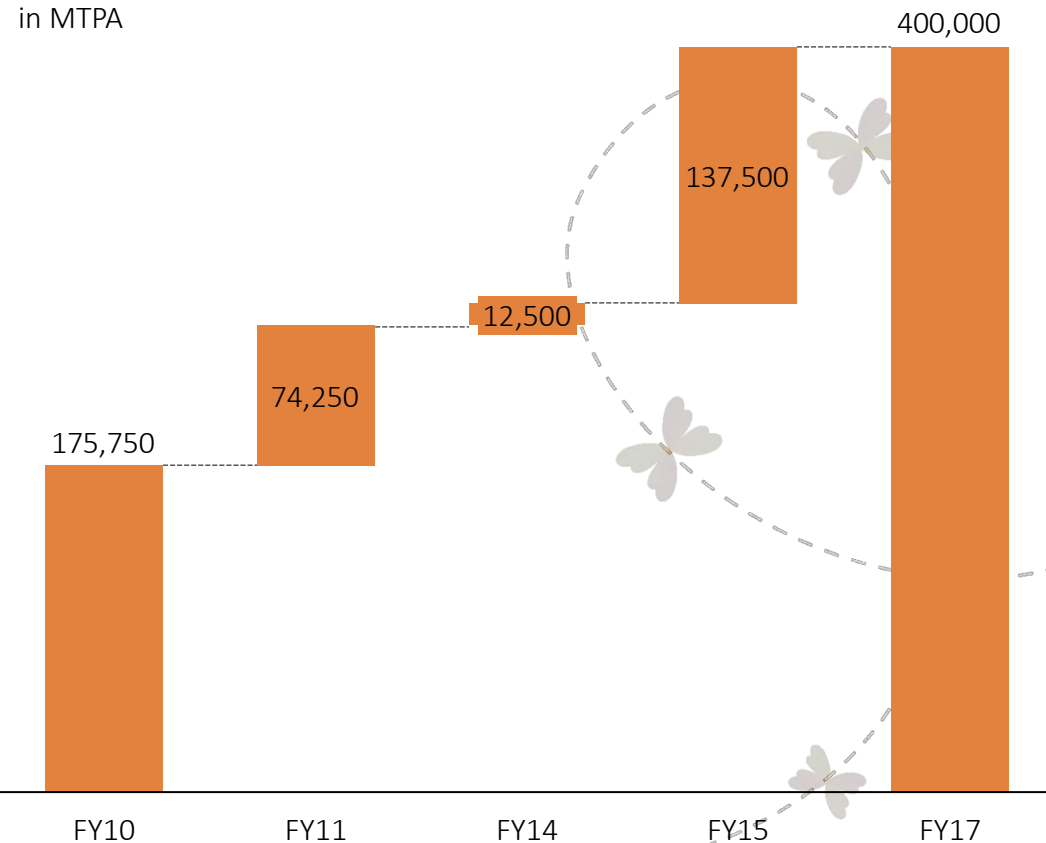
» **Aluminium Capacity Outlook**: India's aluminium production capacity expected to increase from 2.75 MTPA to 4 MTPA by end-FY19



Capacity Built Up to Support Growth



Distillation Capacity Built Up in India



» Raw Material Procurement:

- Largest Purchaser of Coal Tar in India from almost all domestic steel plants
- Strategically imports Coal Tar based on prevailing global demand supply dynamics

» Pricing:

- Value based pricing
- Increase in Raw Material and other costs passed on to Customers



Anything that is
manufactured Black
has
Carbon Black

Forward Integration to convert
Coal Tar Oil into Carbon Black

3rd Largest Carbon Black Producer in India
with

120,000 MTPA

With **Superior Inhouse Raw
Material & R&D**

Capabilities launching
Speciality Carbon Black
range with niche application

Benefits of Forward Integration



Raw Material

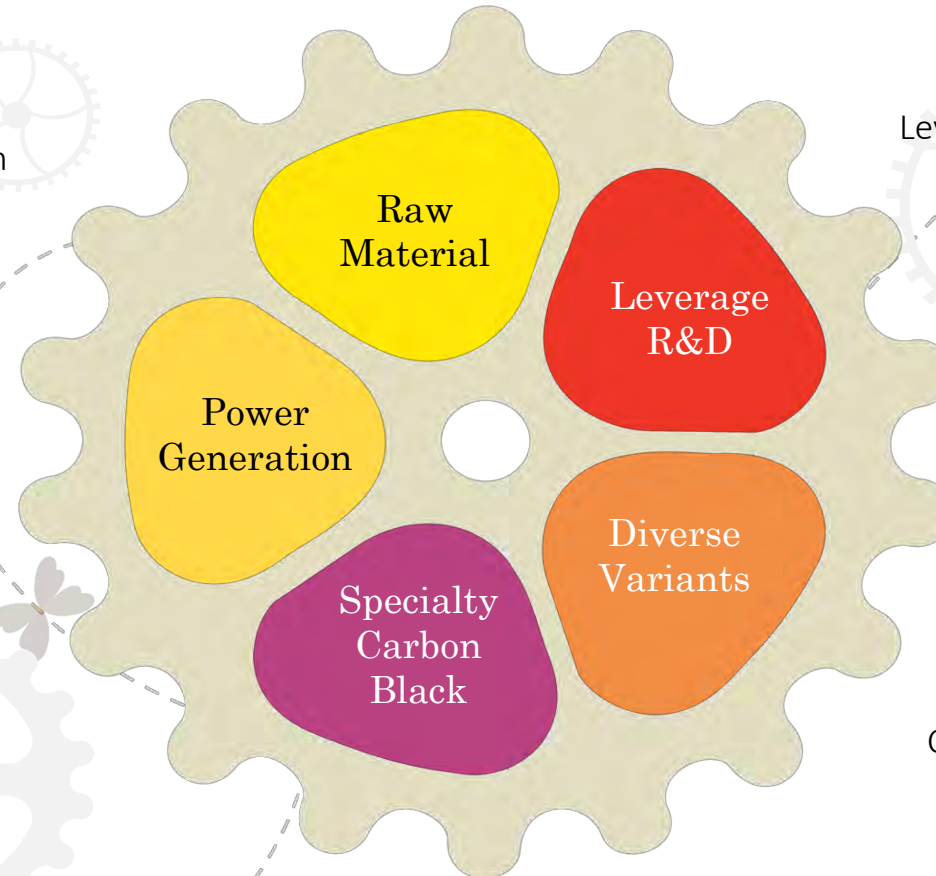
Access to superior, consistent & customized Raw Material feed from inhouse distillation units

Power Generation

Tail gas released during Carbon Black manufacturing process generates Power which is also eligible for Carbon credits

Leverage R&D

Leveraged R&D strength to develop a range of speciality carbon black products



Full Range of Product Variants

Capable of producing full range of product variants for diversified applications in industries

Speciality Carbon Black

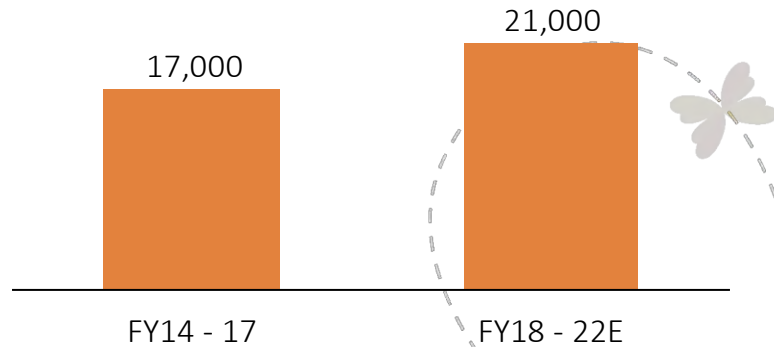
High performance and caters to niche applications in Tyre & Non-tyre Industry and Speciality (Plastic Masterbatch, Fibre, Wire & Cable, Pipes, Engineering Plastics, Films, Inks, Coatings, etc)

Large Market Potential



Indian Tire - Commissioned Projects

Rs. Crore



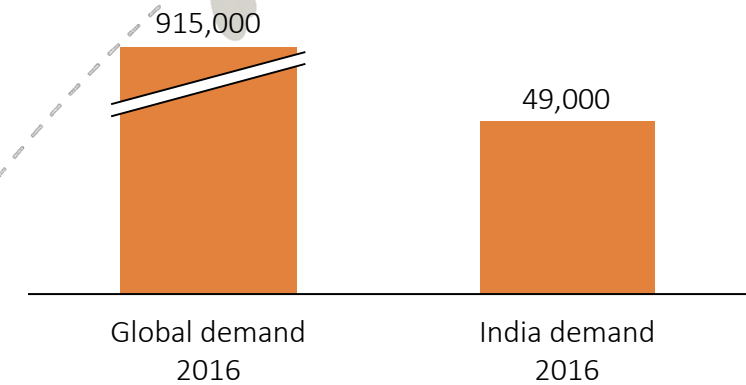
Indian Tire Market is ~ **Rs. 500 Bn** in FY16

40% Carbon Black Revenue is generated from **Tire Industry**

13 Distributors across India to focus on Sales to **Non-Tire** Rubber Application

Specialty Carbon Black

in MTPA



Speciality black market in India is currently small at less than **5% of Total Volume** but growing rapidly

Globally, the speciality CB market is **10-12% of Total Volume**



Market Leadership

Value-additions through **Refined Naphthalene and SNF**

Capacity to Double for refined Naphthalene in future

Post capacity Expansion of **Refined Naphthalene**, we expect to have **80% market share**

Naphthalene Value Proposition



Special Grade Naphthalene

Special Grade Naphthalene is formulated to cater customer's niche requirements in dyestuff and dyes intermediates application



Naphthalene Moth Ball

Moth Balls is made by using superior grade chemical composition and leading-edge techniques in compliance with predefined quality standards for use in natural fragrances

Sulphonated Naphthalene Formaldehyde (SNF)

SNF is a water soluble Chemical admixtures, improves the concrete mix workability and compressive flexural strength. Mainly used in the construction/infrastructure industry



»Future Products – Finding Next Core Business

- **Advance Carbon Material**
- **Sulphonated Naphthalene Formaldehyde (SNF)**

Advance Carbon Material



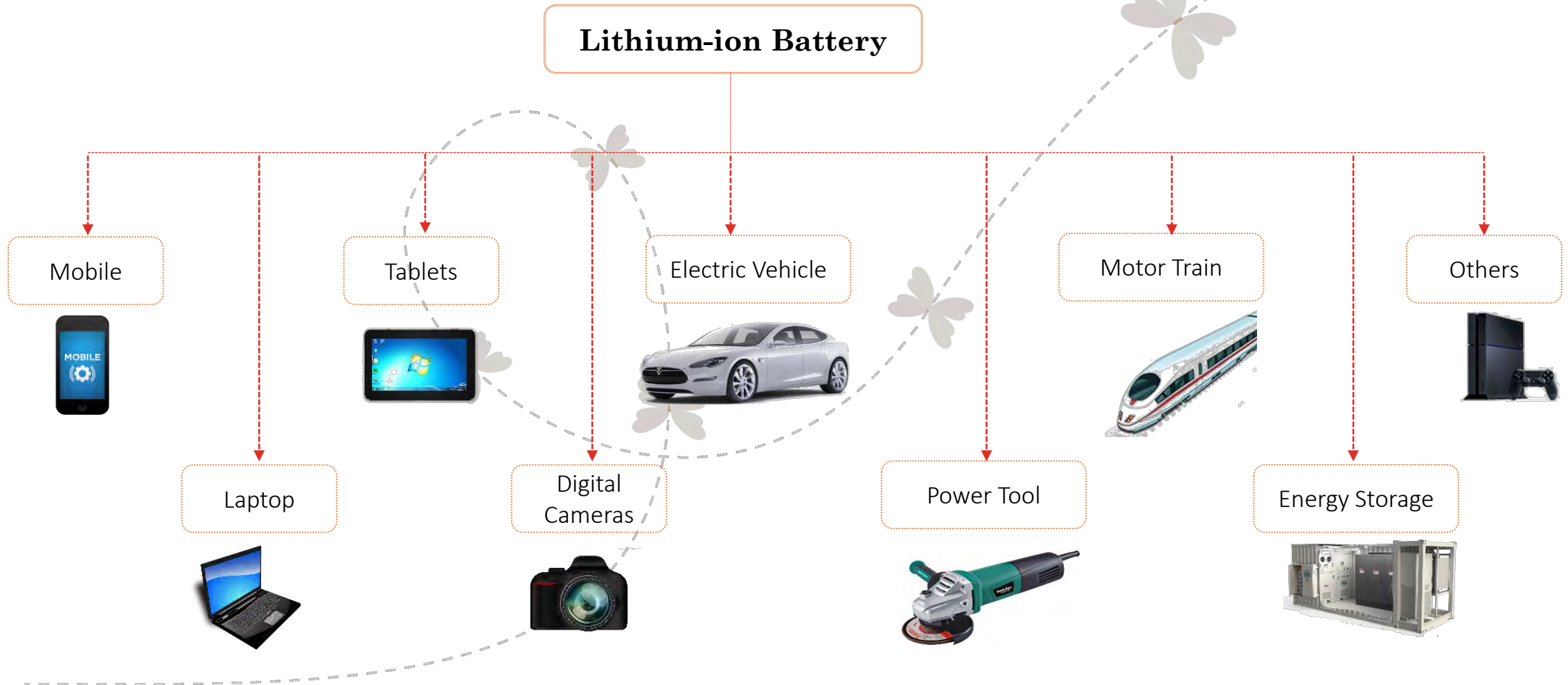
Forward Integration to convert
Coal Tar Pitch into
Advance Carbon Material

Anode Material used in
Lithium-ion Batteries

Only Producer
of Advance Carbon Material in India

Best in class
Proprietary Technology
With **Cost Leadership**

Application in Sunrise Sector



At early stage of Growth

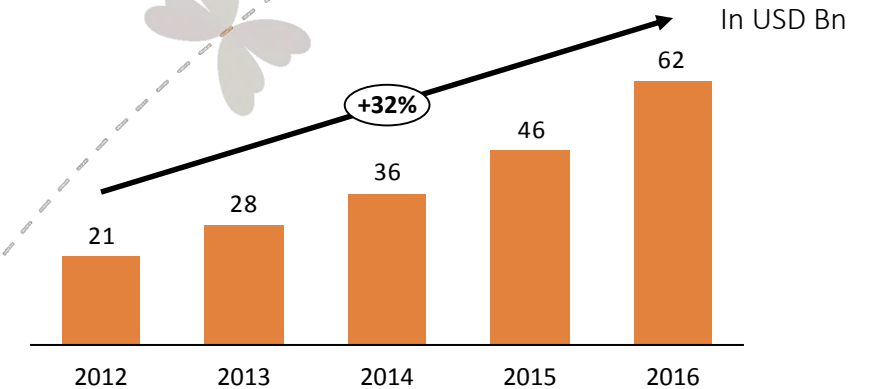


- » First Indian Company to develop **anode material** of both Synthetic and Natural varieties for **lithium-ion batteries**
 - **Best-in-class Proprietary technology** which involves Coal Tar Pitch treatment into specialised pitch, carbonisation, classification and graphitisation
 - **Only few Japanese Companies manufacture anode material through Coal Tar route having superior performance**
 - **Cost Leadership :**
 - **In-house access to raw material**
 - ✓ High Quality Coal Tar Pitch
 - ✓ Captive Power

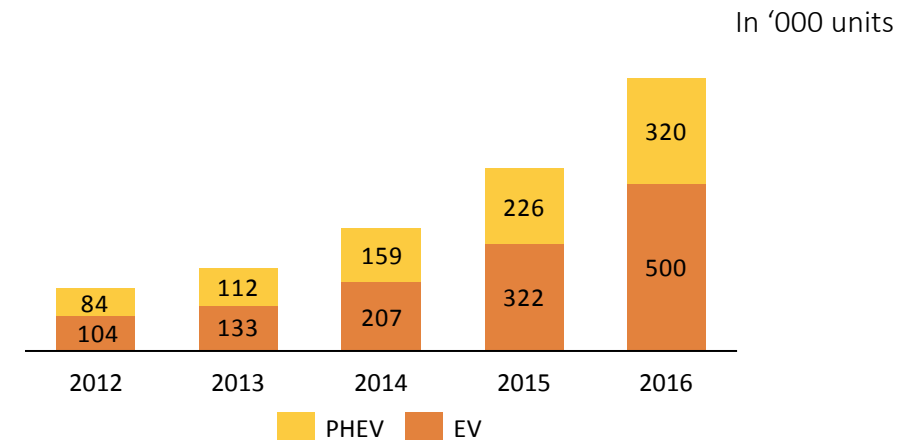
Capacity Expansion to Capitalize Growth

- » Advantage of its integrated manufacturing facility to reduce logistics and energy costs
- » To leverage cutting-edge product to develop next-generation materials

Global Lithium Battery Demand



Global Electric Vehicles Sales



Sulphonated Naphthalene Formaldehyde (SNF)



SNF – Next Generation Product
for the Construction Chemical Industry (Admixture),
Agro chemicals, Latex, Gypsum

Largest Indian manufacturer of
SNF with an installed capacity of
68,000 MTPA

Highest Purity SNF manufactured from
In-house produced Naphthalene

Penetration of SNF admixture in concrete
in India is **less than 10% against a high
global average**

High Performance Construction Chemicals



» **Sulphonated Naphthalene Formaldehyde (SNF)** is a speciality chemical condensate that helps improve concrete mixes by dispersing cement particles for extended workability and reinforcing compressive flexural strength

- Naphthalene, one of the by product of Coal Tar Distillation is used in-house to manufacture SNF

» Himadri has emerged as the largest Indian manufacturer of SNF with an installed capacity of **68,000 tonnes per annum**.

» Although concrete finds mass usage across India, **the penetration of SNF** admixture in concrete is **less than 10%** against a high global average

» Used in growing Industries like **Construction Chemical Industry (Admixture), Agro chemicals, Latex, Gypsum etc**





Value Creation Journey
by way of
Vertical Integration

Fit for Future: Products &
its Potential

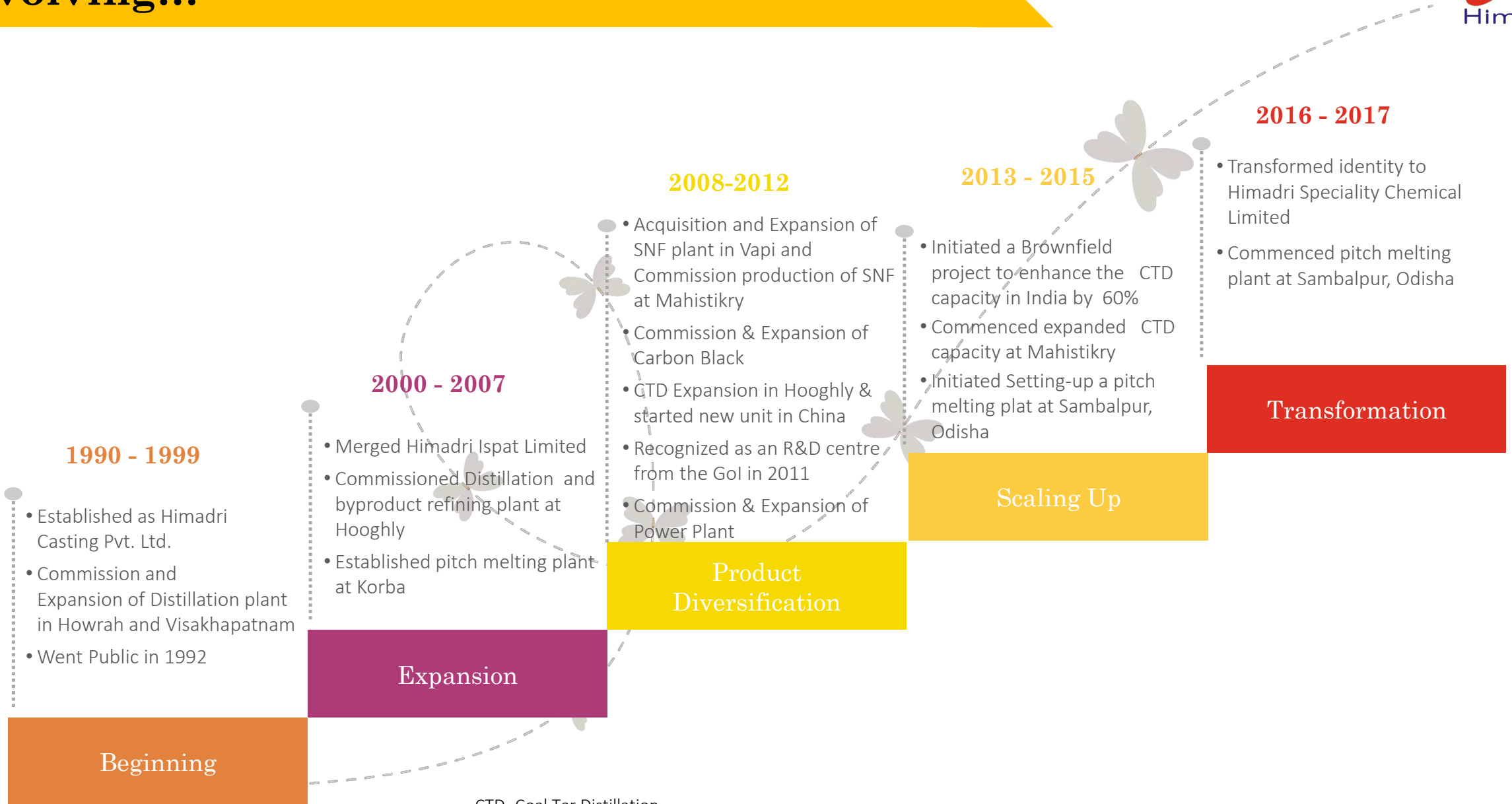
- Accelerating Core Business
- Finding next Core Business

Looking back at Three
Decades of Experience

Financial Agenda

Looking Forward with
Confidence

Evolving...



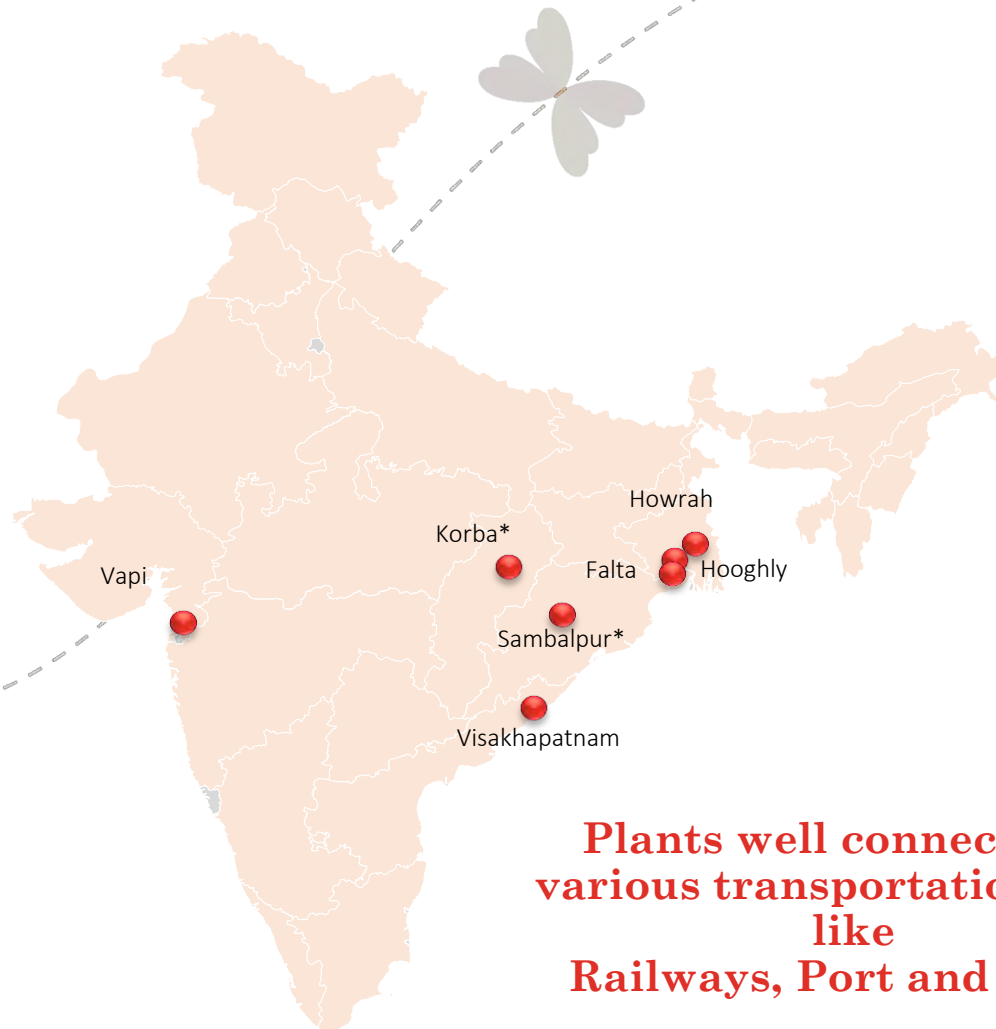
...with Presence at Strategic Locations in India...



Product Capacity

Plant	Existing Capacity
Coal Tar Distillation Capacity	400,000
Carbon Black – MTPA	120,000
Power Plant (Co. generation) – MW	20
SNF - MTPA	68,000

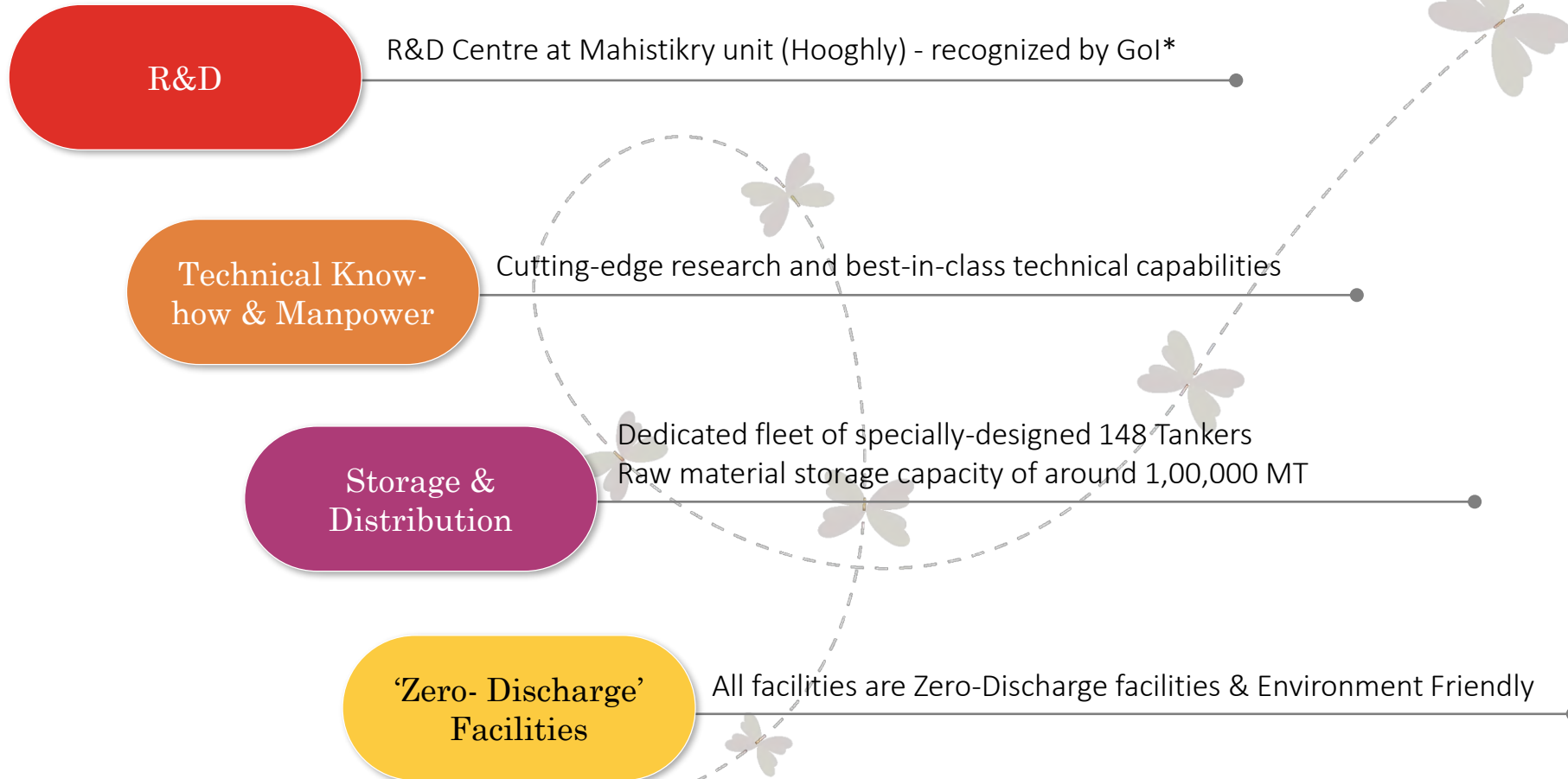
**All our facilities are
Zero-Discharge Facilities**



**Plants well connected to
various transportation mode
like
Railways, Port and Roads**

* Pitch Melting Plant

...supported by Key Elements in Business Model...



*Government of India

...with validation through Awards & Recognition



**'Best Large Corporate' of WB
in INR 1,000+ Cr Category**



**'Highest Job Creator' of WB
in INR 1,000+ Cr Category**





Value Creation Journey
by way of
Vertical Integration

Fit for Future: Products &
its Potential

- Accelerating Core Business
- Finding next Core Business

Looking back at Three
Decades of Experience

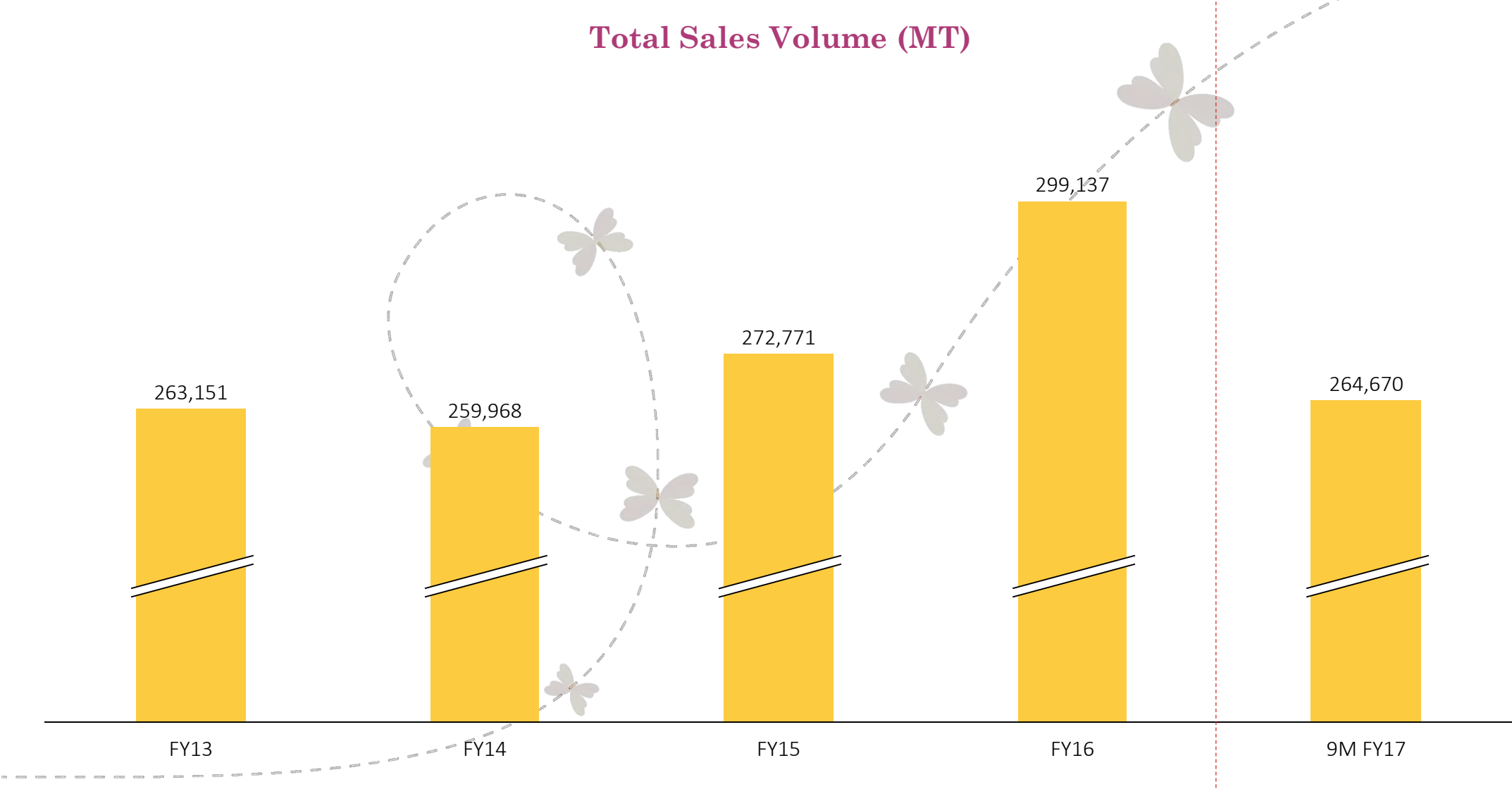
Financial Agenda

Looking Forward with
Confidence

Key Performance Indicator



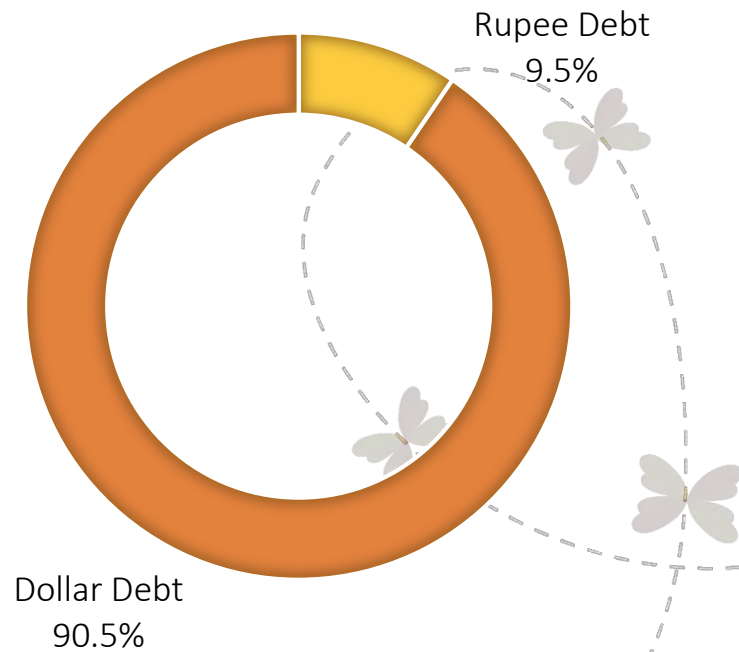
Total Sales Volume (MT)



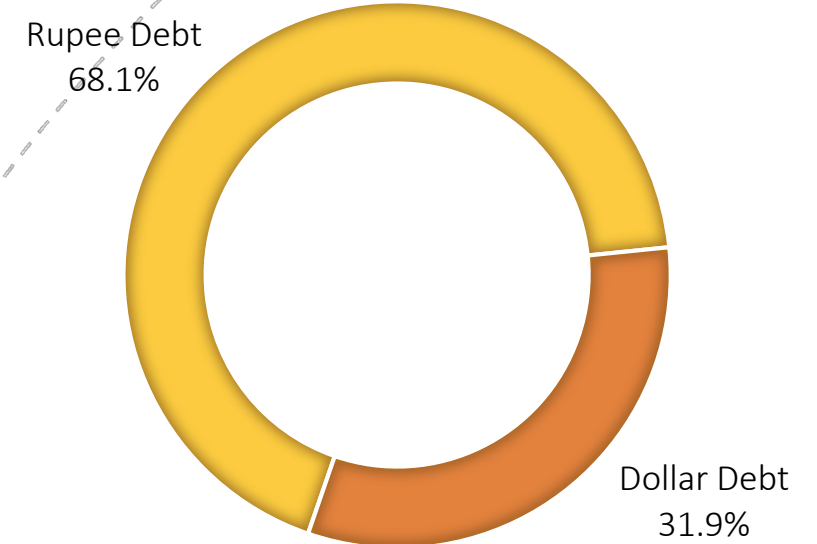
Change in the Debt Composition



Total Debt Profile FY12



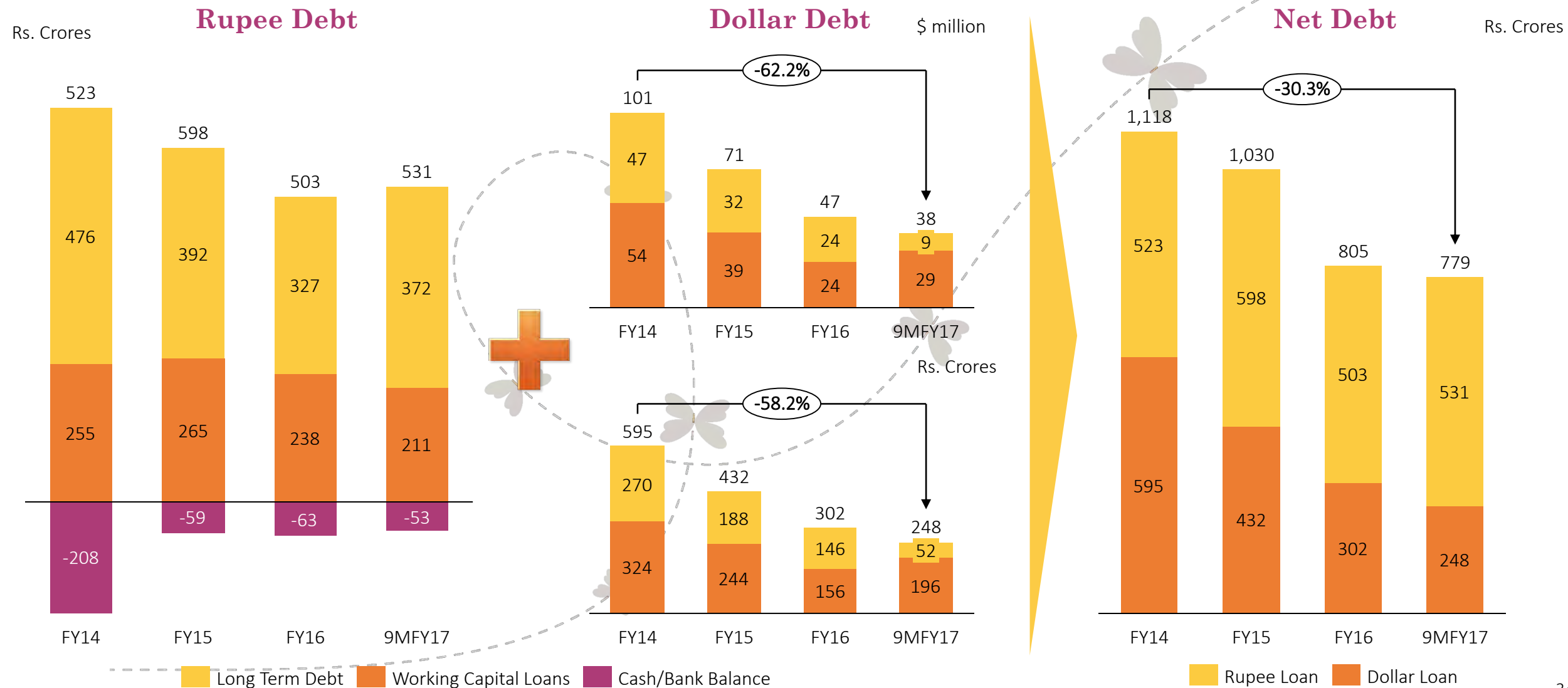
Total Debt Profile 9MFY17



Change in **Debt Composition** from ~91% of Foreign Currency Loans to ~32% in 9MFY17

Currently all **Dollar Denominated Debt** is completely **Hedged**

Debt Repayment of approx. Rs. 500 Crores



Consolidated Profit & Loss



Particulars (In Rs. Crs)	FY16	FY15	FY14	FY13	FY12
Revenue from Operations	1,183.4	1,438.0	1,396.1	1,353.3	1,144.8
Cost of materials consumed	845.0	1,097.3	1,055.5	1,086.7	792.5
Gross Profit	338.4	340.7	340.7	266.6	352.3
Employee benefits expense	32.0	32.6	27.8	26.5	19.0
Other expenses	146.0	177.0	144.4	123.1	112.4
EBITDA	160.4	131.1	168.5	117.0	220.9
Other Income	10.3	13.1	12.8	30.7	18.1
Foreign exchange fluctuation (net)	-21.4	-6.8	-80.0	-10.8	-41.8
Depreciation and amortization expense	67.0	59.2	58.4	55.3	46.0
EBIT	82.3	78.2	42.9	81.7	151.2
Finance costs	103.3	102.6	117.6	79.6	76.1
Profit / (Loss) before tax	-21.0	-24.5	-74.7	2.1	75.2
Tax expenses	-4.4	-12.0	-16.8	-6.5	18.2
Minority interest	-0.3	-0.1	-1.0	-0.9	-0.3
Profit / (Loss) for the year	-16.2	-12.4	-57.0	9.4	57.3

Standalone Profit & Loss- 9MFY17



Particulars (In Rs. Crs)	Q3 FY17	Q3 FY16	YoY (%)	9M FY17	9M FY16	YoY (%)
Revenue from Operations	351.7	305.5	15.1%	948.6	891.6	6.4%
Cost of materials consumed	234.7	209.3		634.6	658.7	
Gross Profit	117.0	96.2	21.7%	314.0	232.9	34.8%
Employee benefits expense	9.0	7.7		26.3	21.8	
Other expenses	40.4	35.6		113.2	106.7	
EBITDA	67.6	52.9	27.9%	174.6	104.4	67.2%
Other Income	2.0	3.4		5.9	8.5	
Foreign exchange fluctuation (net)	-7.0	-2.2		-12.8	-9.8	
Depreciation and amortization expense	7.7	16.0		23.2	47.8	
EBIT	54.9	38.1	44.4%	144.4	55.4	160.9%
Finance costs	24.2	27.5		66.6	89.2	
Profit / (Loss) before tax	30.7	10.6		77.8	-33.8	
Tax expenses	10.6	4.1		27.0	-10.7	
Other Comprehensive Income	-16.8	0.8		24.8	-11.9	
Net Profit / (Loss)	3.3	7.3	-54.7%	75.6	-35.0	

Consolidated Balance Sheet



Particulars (In Rs. Crs.)	Mar'16	Mar'15
EQUITY AND LIABILITIES		
Shareholders' funds	846.9	788.5
Share capital	41.8	38.6
Reserves and surplus	805	749.9
Minority interest	-	0.3
Non-current liabilities	475.3	654.9
Long-term borrowings	366.8	532.1
Deferred tax liabilities (net)	47.8	52.2
Other long-term liabilities	59.7	69.8
Long-term provisions	1	0.8
Current liabilities	712	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	2,034.2	2,242.1

Particulars (In Rs. Crs.)	Mar'16	Mar'15
ASSETS		
Non-current assets	1,332.4	1,365.9
Fixed assets	1,211.3	1,242.4
Tangible assets	1,179.9	1,228.3
Capital work-in-progress	31.4	14.1
Non-current investments	2.0	2.0
Long-term loans and 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	203.9	321.3
Cash and cash equivalents	46.6	41.3
Short-term loans and advances	101.6	122.3
Other current assets	9.0	2.7
TOTAL	2,034.2	2,242.1

Standalone Balance Sheet



Particulars (In Rs. Crs.)	Sept'16	Mar'16
EQUITY AND LIABILITIES		
Shareholders' funds	1,003.6	889.2
Share capital	41.8	41.8
Reserves and surplus	961.7	847.3
Non-current liabilities	479.3	475.3
Long-term borrowings	403.1	366.8
Deferred tax liabilities (net)	63.9	47.8
Other long-term liabilities	11.3	59.7
Long-term provisions	1.0	1.0
Current liabilities	725.2	641.3
Short-term borrowings	423.4	392.1
Trade payables	182.4	88.5
Other current liabilities	118.5	157.5
Short-term provisions	0.9	3.2
TOTAL	2,208.0	2,005.8

Particulars (In Rs. Crs.)	Sept'16	Mar'16
ASSETS		
Non-current assets	1,404.5	1,334.1
Fixed assets		
Tangible assets	1,109.7	1,100.8
Capital work-in-progress	14.8	27.3
Non-current investments	153.8	82.0
Long-term loans and advances	32.3	115.9
Other non-current assets	93.9	8.0
Current assets	803.6	671.7
Current investments	9.3	21.0
Inventories	371.3	315.0
Trade receivables	281.3	199.9
Cash and cash equivalents	32.2	35.1
Short-term loans and advances	1.9	90.2
Other current assets	107.6	10.6
TOTAL	2,208.0	2,005.8



Value Creation Journey
by way of
Vertical Integration

Fit for Future: Products &
its Potential

- Accelerating Core Business
- Finding next Core Business

Looking back at Three
Decades of Experience

Financial Agenda

Looking Forward with
Confidence

Strongly positioned to capture Growing Markets



Strategic Growth Priorities



Carbon Black

SNF

Increase in demand in downstream industries Aluminium & Graphite

Focus on Speciality Carbon with High Value-additions & Performance

Increase application of lithium-ion batteries in the Sunrise Sectors like Electric Vehicles, Energy storage

Widen the Product Portfolio by Introducing Newer Variants

Debottlenecking in Coal Tar Pitch Facilities

Increase in demand from Non- Tire speciality applications

Expansion of Advance Carbon Material Production Capacity

Increase in Infrastructure Construction in India due to rapid urbanization

Coal Tar Pitch

Advance Carbon Material

For further information, please contact:



Company :

Himadri Speciality Chemical Ltd

CIN: L27106WB1987PLC042756

Mr. Somesh Satnalika
VP Strategy & Business Development

Email: ssatnalika@himadri.com

www.himadri.com

Investor Relations Advisors :

SGA Strategic Growth Advisors

CIN: U74140MH2010PTC204285

Ms. Payal Dave / Ms. Hina Agarwal
+91 9819916314 / +91 9619906166

Email: Payal.Dave@sgapl.net / Hina.Agarwal@sgapl.net

www.sgapl.net