Himadri

Ref. No: HSCL/Stock-Ex/2016-17/37
Date: 11August 2016

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: HCIL** National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G BandraKurla Complex, Bandra (E) Mumbai- 400 051

Sub: Outcome of Board Meeting – 11.08.2016

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

Result Update Presentation

August 2016

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- Company Overview

Quarterly Financial Highlights-Standalone

Quarterly Financial Highlights- Q1FY17

Himadri

62%

Gross Profit
Rs 93.9 cr

217%

EBITDA
Rs 51.2 cr

159%

PAT
Rs 11.6 cr

1585 bps

Gross Profit Margin
36.8%

1423 bps

EBITDA Margin
20.1%

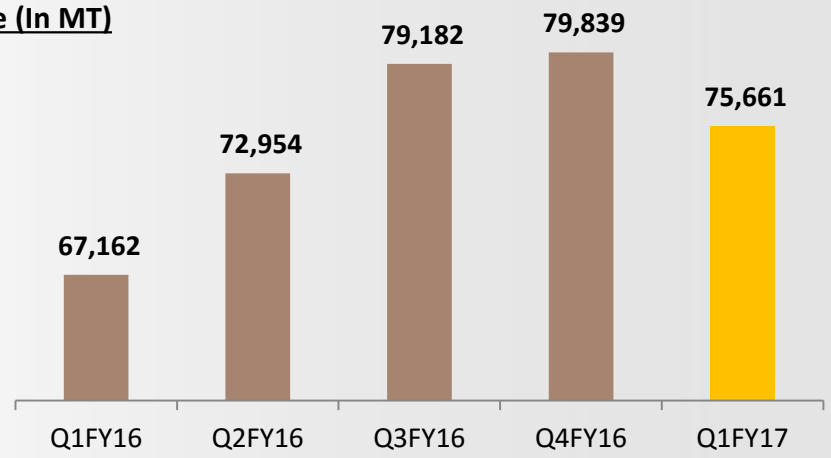
155%

EPS
0.28 in Q1 FY17

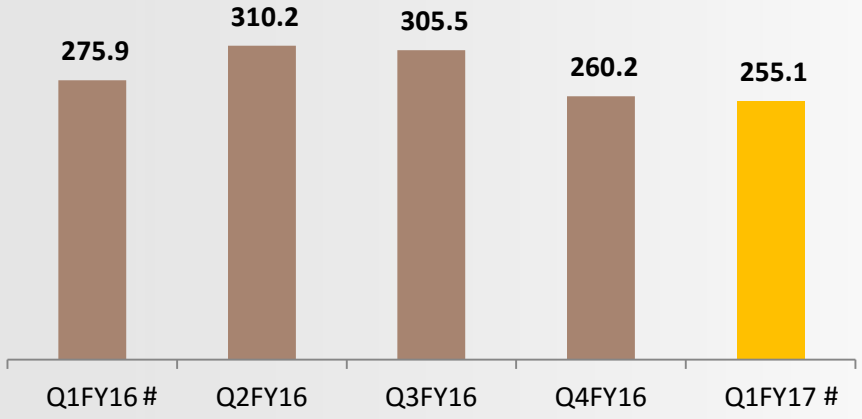
Quarterly Financial Highlights- Q1FY17

Himadri

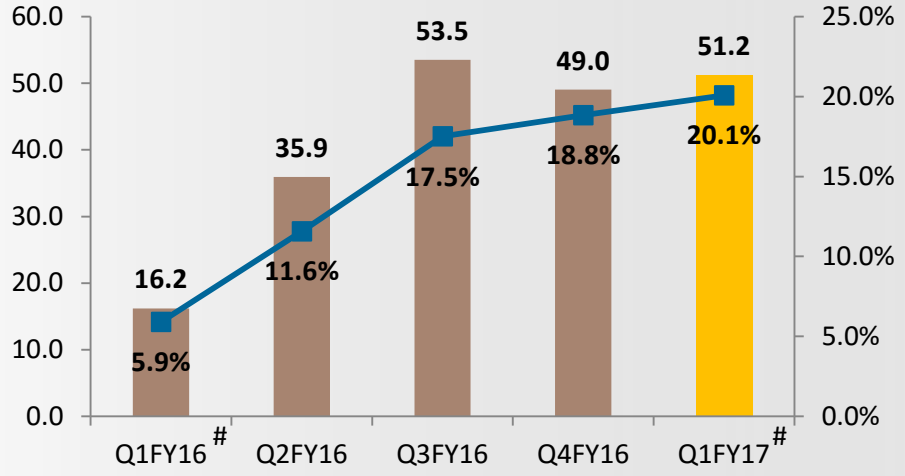
Sales Volume (In MT)



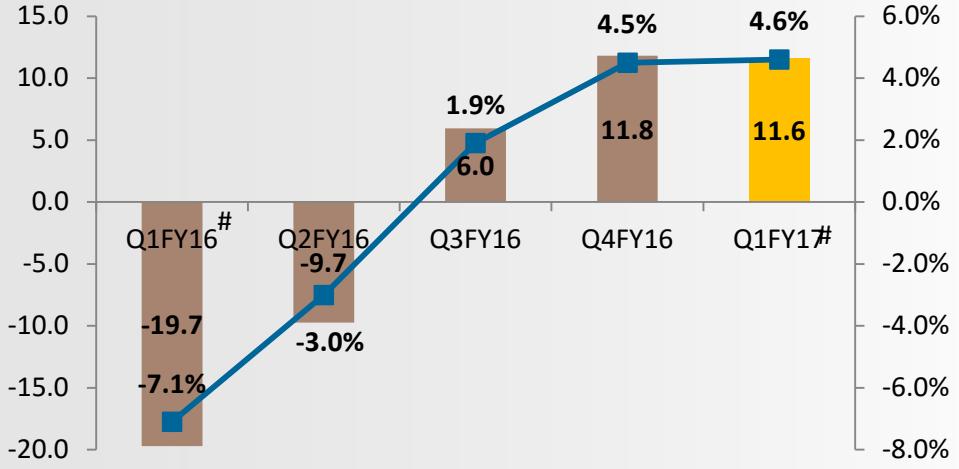
Revenue from Operations (Rs. Crs)



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 quarter ended 30 June 2015 are also Ind AS compliant.

Quarterly Profitability Highlights

Rs. Cr.	Q1 FY17 #	Q1 FY16 #	YoY %
Revenue from Operations	**255.1**	**275.8**	
Other Operating Income	0.0	0.1	
Total Income	**255.1**	**275.9**	**(7.6%)**
Raw Material & other direct costs	161.2	218.1	
Employee Cost	8.1	7.0	
Other costs	34.5	34.7	
Total Expenditure	203.8	259.8	
EBIDTA	**51.2**	**16.2**	**217.2%**
EBITDA Margin (%)	**20.1%**	**5.9%**	**1,423 bps**
Other Income	(2.2)	(0.7)	
Depreciation	7.8	15.8	
Interest	23.6	29.3	
Profit Before Tax	17.7	(29.6)	
Tax	6.1	(9.9)	
Profit After Tax	**11.6**	**(19.7)**	**159.1%**
PAT Margin %	**4.6%**	**(7.1%)**	**1,170 bps**
Other Comprehensive Income (net of tax)	27.8	(4.2)	
Total Comprehensive Income/ (Loss)	**39.4**	**(23.9)**	
Paid-up equity share capital	**41.84**	**38.57**	
EPS	**0.28**	**(0.51)**	

- **Revenue from operations** at Rs 255 crore, mainly on account of decrease in price realisations; **volumes have grown 13% YoY**
- Average **Capacity utilisation at 86% vs 62% in corresponding quarter**
- **Exports – 16.3%** of revenues
- EBITDA at Rs 51.2 crore, **YoY increase of 217%**
- EBITDA margin of 20%, **increase of over 1423 bps**
- PAT of 11.6 crore as compared to loss of 19.7 crore

**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations*
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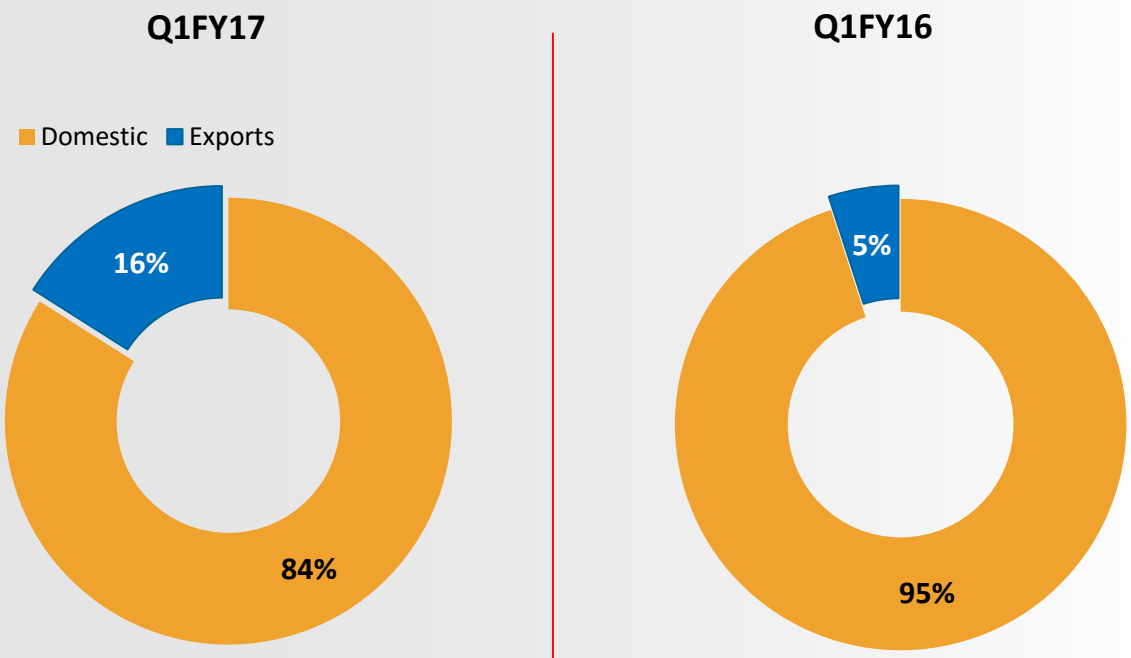
Quarterly Highlights- Standalone

Segmental (Rs. Cr.)	Q1 FY17	Q1 FY16	YoY %
Carbon Materials & Chemicals			
Revenue	**251.2**	**272.5**	**(7.8%)**
EBIT	37.3	-5.0	
EBIT Margin	14.9%	-1.8%	
Capital Employed	**1,696.6**	**1,827.7**	
Power			
Revenue	**7.5**	**6.6**	**12.2%**
EBIT	6.1	5.3	**15.0%**
EBIT Margin	82.1%	80.1%	
Capital Employed	**57.4**	**57.4**	

Geographical Breakup



Recent Developments

New Logo – A Butterfly; an aesthetically designed to illustrate the wings of growth

- Depicts sense of life, growth and care that accurately represents values and journey of Group
- Himadri – a vibrant, ever-growing and environment-friendly Company like a butterfly
- Multiple wings emerging from same focal point, signify multiple lines of businesses, that maybe different but work with close association to each other
- Butterfly symbolizes tenderness and care which truly reflect Group's emphasis on sustainability of eco-system and its approach towards its employees and stakeholders
- Colors in the wings evokes -
  - Yellow – color of sunshine, hope and happiness
  - Orange – color of enthusiasm, fascination and determination
  - Mauve – associated with royalty, power and ambition
  - Red – associated with energy, strength and power

Name Changed To "Himadri Speciality Chemical Ltd"

- Name changed in line with business operations, products are primarily Speciality chemicals formulated for specific applications and used solely based on performance and applications
- Also all R&D efforts and activities aligned towards Speciality products and businesses

Annual Financial Highlights

Financial Highlights- Standalone

Himadri

565bps ↑

Gross Profit Margin

27.9%

26% ↑

EBITDA

Rs 155 cr

455bps ↑

EBITDA Margin

13.5%

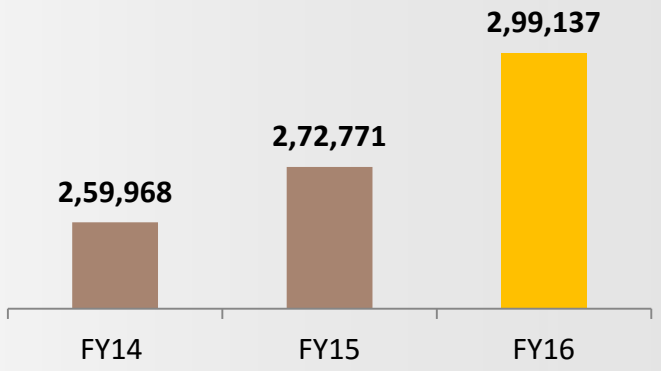
0.98 ↓

Debt Equity Ratio

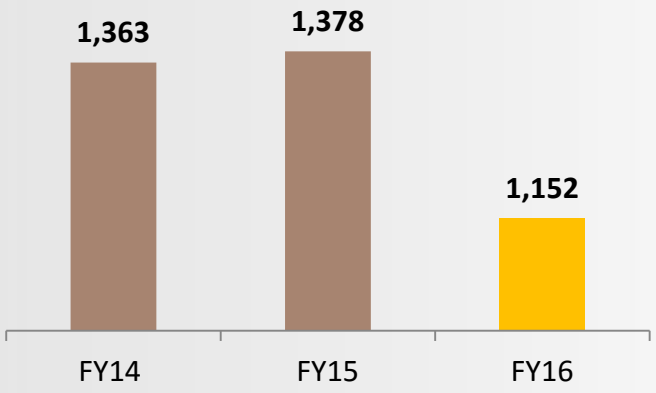
1.32 in FY15

Financial Highlights- Standalone

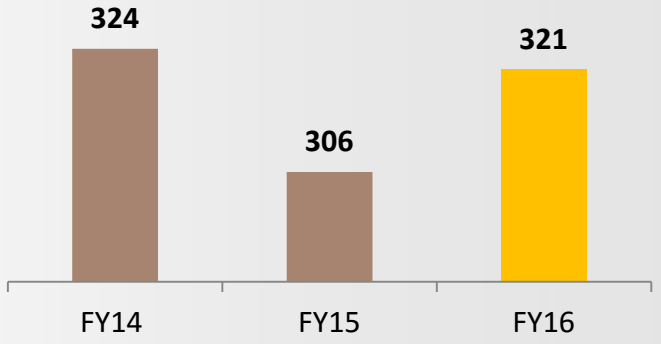
Sales Volume (In MT)



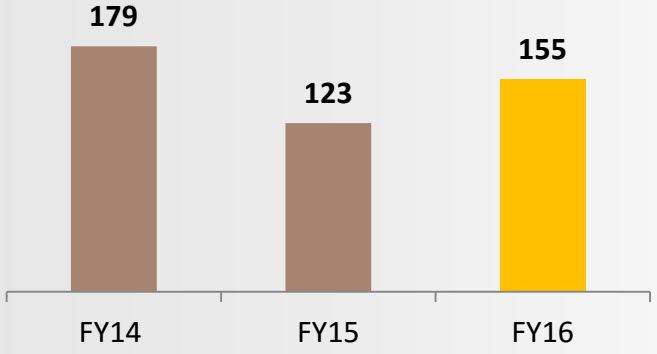
Revenue from Operations (Rs. Crs)



Gross Profit (Rs. Crs)



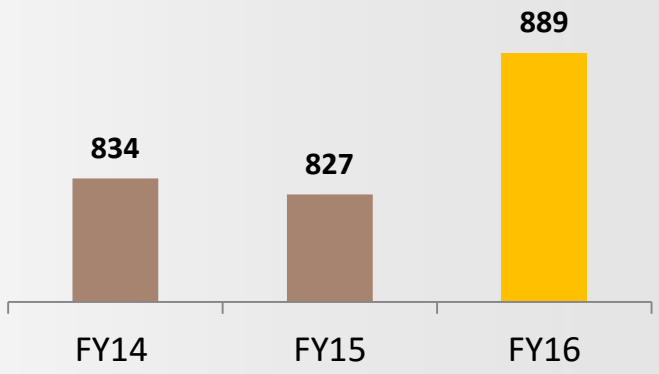
EBITDA* (Rs. Crs)



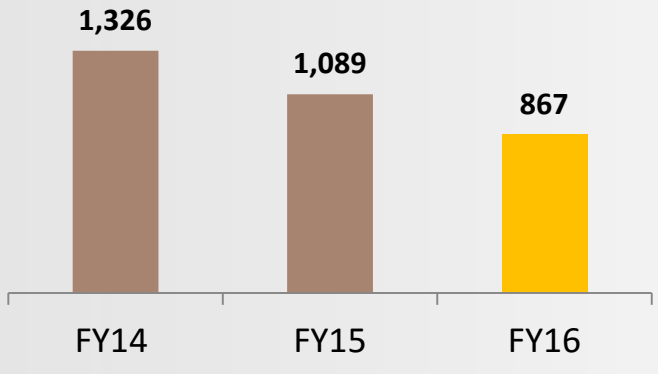
**EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuation. Provision for doubtful debts in FY14 only also excluded in EBITDA*

Annual Balance Sheet Highlights- Standalone

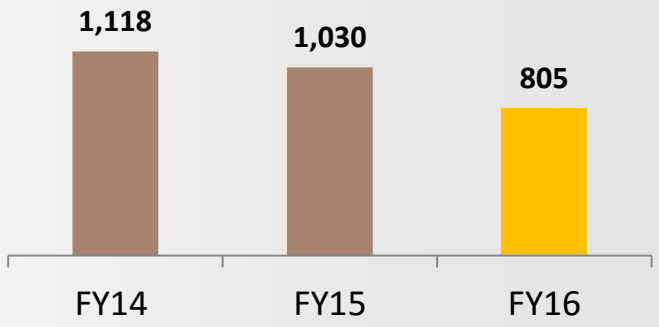
Net worth



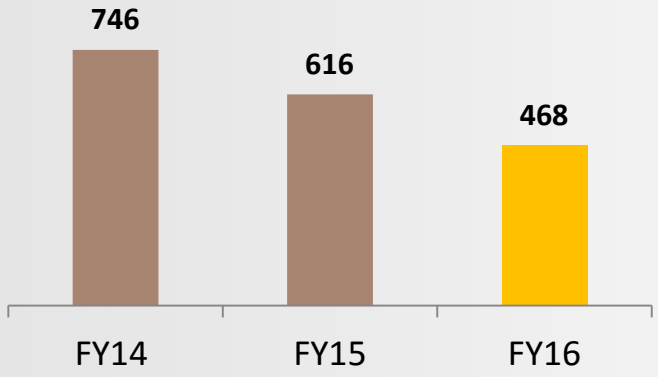
Total Debt



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 **~65% 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
- **Seven 'zero discharge' strategically located manufacturing facilities** spread across India in **West Bengal, Gujarat, 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

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

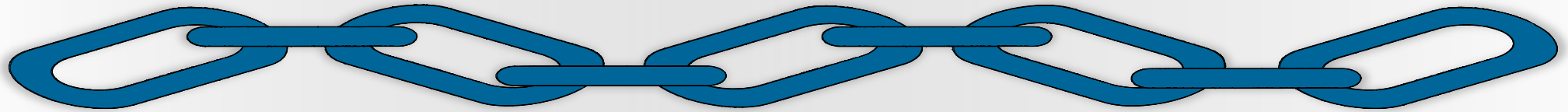
- Engaged in producing a wide range of carbon products - Coal Tar Pitch, Chemical oils, Carbon Black, Naphthalene, Corrosion protection, Sulfonated Naphthalene Formaldehyde (SNF) and clean green Power
- One of few global manufacturers to produce Zero Quinolene Insoluble (QI) impregnating Coal Tar Pitch

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

- Seven manufacturing facilities spread across India in West Bengal, Gujarat, 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

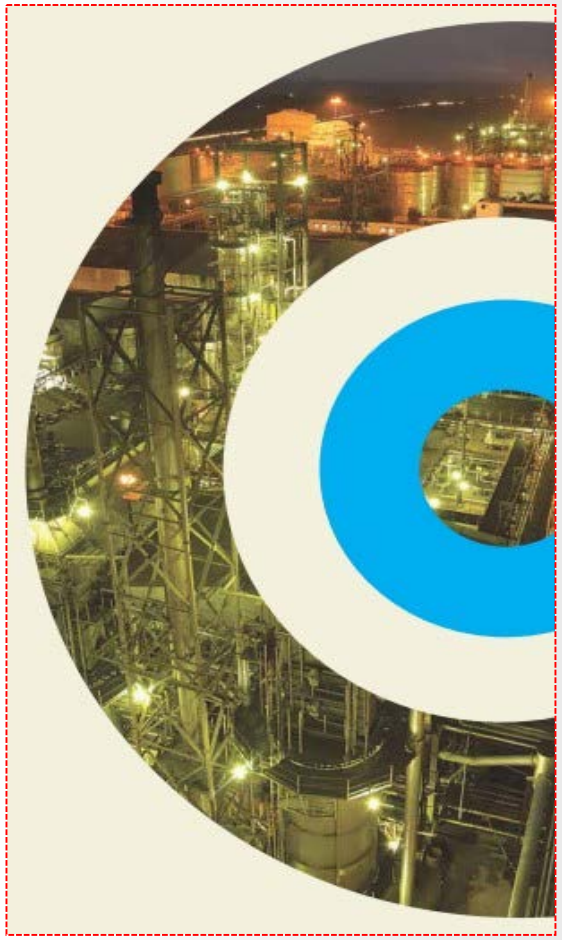
Research and Development

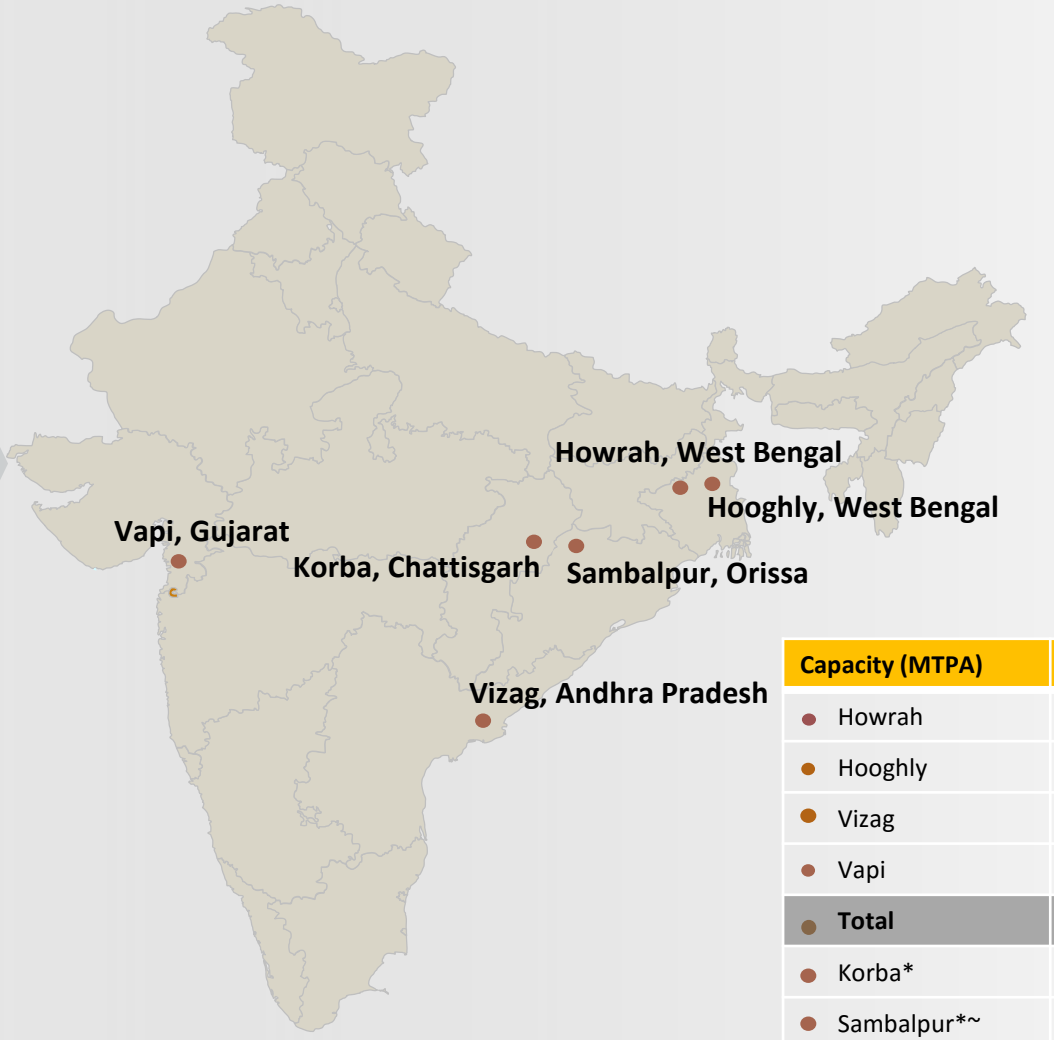
- R&D Centre at Mahistikry unit - recognized by the Government of India
- Experienced R&D team with international experts
- Introduction of new value added speciality chemicals, specialized testing of coal tar pitch and carbon black to maintain best in-class quality

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

Strategically Located Manufacturing Facilities





Capacity (MTPA)	CTD	CB	SNF
Howrah	48,000		
Hooghly	3,22,000	1,20,000	50,000
Vizag	30,000		
Vapi			18,000
Total	**4,00,000**	**1,20,000**	**68,000**
Korba*	60,000		
Sambalpur*~	40,000		

*Melting Facility | ~Under Construction

Professional Management Team

Anurag Choudhary **CEO**	➢ More than two decades of experience in finance and overall operations of Company ➢ Under his leadership company gained reputation in international markets, undertook expansion projects, raised capital through prominent investors viz; CVC & Bain Capital(US)
Dr. Soumen Chakraborty **President**	➢ PhD, B.Tch, M.Tech, IIT Bombay ➢ 37 years experience in the carbon chemicals and allied industries
Manual Cimas Gonzalez **Head International Business Development**	➢ Spanish National, Ex MD of I.Q.Nalon ➢ 34 years experience in carbon chemicals ➢ Expert on CTP and anode production
Monojit Mukherjee **Business Head, Carbon Black**	➢ B. Sc, B.Tech, PGDM, IIM Ahmedabad ➢ 25 years+ experience in the carbon black industry ➢ Leadership roles across Profit Centres, Marketing and New Initiatives
Tapas Bhaumik **Business Head, SNF**	➢ B.Tech with 30 years+ experience in the chemical and specialty chemical industry ➢ Leadership roles across Profit Centres and Supply Chain
Somesh Satnalika **Head Strategy**	➢ MBA (ISB, Hyderabad) and Chartered Accountant ➢ 12 years+ experience across Management Consulting and FMCG
Rene Genin **Head Technical**	➢ A French national with 37 years experience in CT distillation ➢ Pioneer in development of process technology in CT distillation
Kamlesh Agarwal **CFO**	➢ Chartered Accountant and Company Secretary ➢ 21 years+ experience in Finance function with last 10 years in leadership role

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

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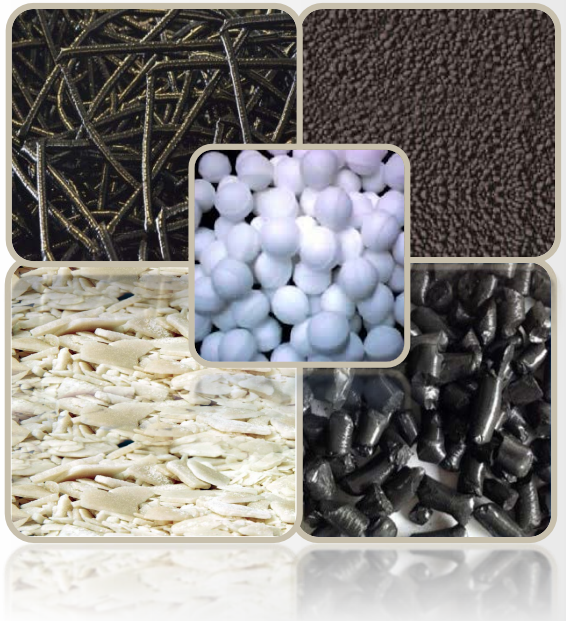

For further information, please contact:

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www.bridge-ir.com

Media Release

Q1FY17 Sales Volume at 75,661 MT, YoY growth of 13%

EBITDA at Rs. 51.21 crore, YoY growth of 217%

Q1FY17 EBIDTA margins at 20% - YoY improvement of over 1,400 bps

Kolkata, Aug 11, 2016: Himadri Speciality Chemical Ltd (referred to as "Himadri Chemicals" or "Company"), leading integrated speciality carbon chemical company in India, announced its unaudited results for the quarter ended 30th June 2016.

Key Financials Standalone (Rs. In Crore) :

Particulars	Q1FY17	Q1FY16	YoY
Volumes (MT)	75,661	67,162	**12.7%**
Net Sales	255.1	275.9	**(7.6)%**
EBITDA	51.2	16.2	**217.2%**
EBTDA margin	20.1%	5.9%	**1,423 bps**
PAT	11.6	(19.7)	**159.1%**
Total Comprehensive Income	39.4	(23.9)	**264.8%**

Performance Highlights - Standalone

For the quarter ended June, 2016:

- **Revenue from operations at Rs. 255.1 crore** in Q1FY17, as against Rs. 275.9 crore in the corresponding previous period, a decline of 7.6%, mainly on account of decline in price realization . The volumes **grew by 12.7% YoY to 75,661 MT**
    - **Exports contributed to 16.3% of revenues**

- **EBITDA at Rs. 51.2 crore** in Q1FY17 as against Rs. 16.2 crore in the corresponding previous period, **an increase of 217.2%**

- The **EBITDA margins were at 20.1%, a YoY improvement of over 1,423 basis points**, mainly on account of operating efficiencies and increase in capacity utilization

- **Capacity utilization** for the quarter stood at **86%** as against 62% for the corresponding previous period

- **Profit After Tax was at Rs. 11.6 crore** in Q1FY17 as against a loss of Rs. 19.7 crore in Q1FY16

Recent Developments

New Logo – A Butterfly; an aesthetically designed to illustrate the wings of growth

- Depicts a sense of life, growth and care that accurately represents values and journey of the Group
- Himadri – a vibrant, ever-growing and environment-friendly Company like a butterfly
- The Colors of yellow, orange, mauve and red, used in the logo, evoke a sense of strength, energy, and growth
- Multiple wings emerging from same focal point, signify multiple lines of businesses, that maybe different but work with close association to each other
- Butterfly symbolizes tenderness and care which truly reflect the Group's emphasis on sustainability of eco-system and its approach towards its employees and stakeholders

Name Changed to "Himadri Speciality Chemical Ltd"

- The name was changed to reflect the true nature of the business operations and products that are primarily Speciality chemicals formulated for specific applications and used solely based on performance and applications
- All Research & development activities and efforts have always been aligned towards Speciality products and businesses

Management Comments:

Commenting on the results, Mr. Anurag Choudhary, CEO, Himadri Speciality Chemical Ltd, said:

"I am happy to share that this quarter as well, we have delivered a good performance in terms of volumes and profitability. Our exports as compared to last year increased, demonstrating a good demand as well. Our capacity utilization also continued to increased month over month.

Going forward, with the increasing industry demand for our products, we expect this growth momentum to continue.

I also want to share that recently we changed our corporate identity. We changed the name of the Company to "Himadri Speciality Chemical Ltd", which is in line with our business operations and products that are primarily speciality chemicals. We also changed our logo to the shape of a butterfly, an aesthetically design illustrating the wings of growth. It symbolizes the care and compassion which truly reflect the Group's emphasis on sustainability of eco-system and its approach towards employees and stakeholders."

Earnings Conference Call – Q1 FY17

Edelweiss Broking Limited is organizing an Earnings Conference Call to discuss the Quarterly Financial performance of the Company. The conference call details are as under:

Date: 12th Aug 2016

Time: **03:00 PM**
Dial-in Numbers: **+91 22 3960 0738 / +91 22 6746 5982**

About Himadri Speciality Chemical Ltd:

Himadri Speciality Chemical Ltd ("Himadri Speciality") is a wholly integrated speciality carbon company and the largest producer of coal tar pitch in India. The Company has a market share of around 70% catering to more than two-thirds of the Indian Graphite and Aluminium industry. Leveraging its leadership in coal tar, Himadri Speciality has diversified its portfolio to integrate by-products including carbon black, SNF, naphthalene and value added oil.

The Company has a seven manufacturing operations spread across India in Andhra Pradesh, Chhatisgarh, Gujarat and West Bengal. The Company is one of the few global manufacturers to produce Zero Quinolene Insoluble (QI) impregnating coal tar pitch. Himadri Speciality advanced R&D unit has been recognized by the Government of India as a Research & Development Centre.

For more details please visit: *www.himadri.com*
For any Investor Relations query, please contact:

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Note: *Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Further, past performance is not necessarily indicative of future results. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward looking statements. Himadri Chemicals & Industries Ltd. will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.*