

Kolkata, India, August 12, 2015 – Himadri Chemicals & Industries Limited (referred to as “Himadri Chemicals” or the “Company”; NSE: HCIL, BSE: 500184), a world leading fully integrated specialty carbon company and the largest coal tar pitch manufacturer in India, announces its unaudited First Quarter Results for FY2016, in accordance with Indian GAAP.

Standalone Performance Highlights: Q1 FY2016 vs. Q1 FY2015

- Net Sales of Rs. 2,758 million
- Adjusted EBITDA of Rs. 237 million; Margins of 8.6%
- Net Debt of Rs. 10,671 million; Net Debt/Equity ratio of 1.32x

Commenting on the performance, **Mr. Anurag Choudhary, CEO of Himadri Chemicals** said:

“The headwinds of the sluggish aluminium and steel sectors coupled with unfavourable currency fluctuations continued to impact our financial performance during this quarter with revenue declining by 21.5% and operating profit by 63.5%.

The slowdown in the steel sector has been prolonged and harsh. It has been reeling under the pressure of overcapacity, waning demand and declining prices. The major steel producing country, China, has been exporting significant amount of steel at lower prices owing to its weakening domestic demand and stagnant economy. Steel demand from India will likely increase in the near to medium term however it is unlikely to be sufficient to offset the decline in China. The steel consumption in India is expected to grow by 7% in FY2016. The aluminium industry is in a tight spot due to surging cheap imports into India and declining LME prices. A proposal has been made to the Government to increase the import duty to bring some respite in the near term.

The long term prospects of the steel, aluminium and auto sectors in India is promising as the Indian economy is back on the growth track due to the increased demand from key sectors of economy such as infrastructure, logistics and real estate. The revival in the economy is bound to increase the demand for all our primary products. Himadri is also expected to benefit from the growth in the auto segment primarily the Commercial vehicle segment.

The Company has invested in state-of-the-art distillation plants and captive power units which will cement our position as the industry front runner. Himadri is well positioned to overcome the obstacles and adequately capitalized to benefit from the rebound in the overall economy. Risk mitigation, improving operational efficiencies and enhancing shareholder’s value continue to remain our focus.”

Financial Overview

Standalone Financial Highlights

(Rs. Million)	Q1	Q1	y-o-y Growth (%)	Q4	q-o-q
	FY2016	FY2015		FY2015	Growth (%)
Net Sales	2,758	3,515	(21.5)%	3,412	(19.2)%
Adjusted EBITDA ¹	237	315	(24.7)%	406	(41.6)%
Adj EBITDA Margin (%)	8.6%	9.0%		11.9%	
EBITDA	166	454	(63.5)%	57	188.6%
EBITDA Margin (%)	6.0%	12.9%		1.7%	
Profit After Tax (PAT)	(201)	144	nm	(160)	nm
Adjusted PAT ²	(128)	35	nm	(201)	nm
Adj PAT Margin (%)	nm	1.0%		nm	
Basic EPS (Rs.)	(0.52)	0.37		(0.41)	

Note 1. Adjusted for write down in inventory valuation by Rs. 46.9 million in Q1 FY2016, (139.6) million in Q1 FY2015 and 340.9 million in Q4 FY2015, and on account of expenses related to previous year by 24.1 million in Q1 FY2016 and 7.5 million in Q4FY2015

2. Adjusted for foreign currency gain / (loss) and other income of Rs. (72.6) million in Q1 FY2016, Rs. 41.3 million in Q4 FY2015 and Rs. 108.6 million in Q1 FY2015

