

**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

	Q1	Q1	у-о-у	Q4	q-o-q
(Rs. Million)	FY2016	FY2015	Growth (%)	FY2015	Growth (%)
Net Sales	2,758	3,515	(21.5)%	3,412	(19.2)%
Adjusted EBITDA <sup>1</sup>	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 <sup>2</sup>	(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



# **About Himadri Chemicals**

Himadri Chemicals & Industries Ltd. ("Himadri Chemicals") is a wholly integrated specialty carbon company and the largest producer of coal tar pitch in India. The Company has a market share of around 65% catering to around two-thirds of the Indian Graphite and Aluminium industry. Leveraging its leadership in coal tar, Himadri Chemicals has diversified its portfolio to integrate byproducts including carbon black, advanced carbon material, 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 Chemicals is one of the few companies globally which produce advanced carbon material, a critical input for Lithium Ion batteries. Himadri Chemical's advanced R&D unit has been recognized by the Government of India as a Research & Development Centre.

Started in 1990s, the Choudharys hold 44.63% of the Company's shares. Himadri Chemicals is listed on the BSE (code: 500184) and NSE (code: HCIL). Himadri Chemicals is also the first private equity participation of Bain Capital in India, a leading private equity firm that acquired a 26.75% stake for \$92 million.

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#### Safe Harbour:

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Himadri Chemicals & Industries' future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Himadri Chemicals & Industries undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.