

KNOWLEDGE PAYS

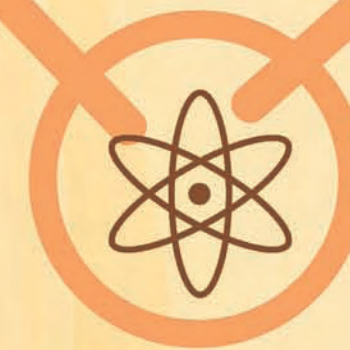
Himadri Chemicals and Industries Limited | Annual report, 2010-11

WHEN YOU ONLY INVEST IN
PHYSICAL PRODUCTION

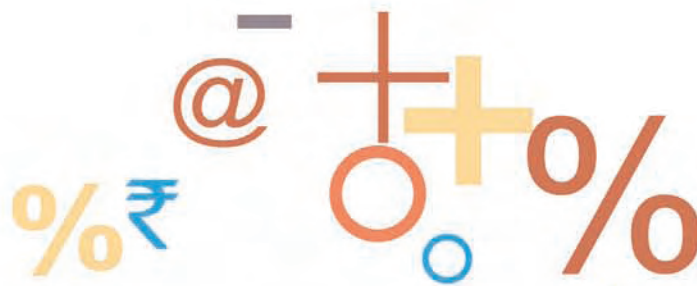
ASSETS, RETURNS DECLINE
OVER TIME.



Himadri Chemicals and Industries Limited



DUE TO INCREASING
KNOWLEDGE-BASED
INVESTMENTS, WE ACHIEVED
A COMPOUNDED ANNUAL
**GROWTH OF 32.51% IN OUR
TOPLINE AND 36.61% AT THE
PAT LEVEL IN THE FIVE YEARS
LEADING TO 2010-11.**



CARBON.

A WORLD OF POSSIBILITIES.

At Himadri Chemicals and Industries Limited, we took this simple insight ahead and created a multi-product, multi-geography Company.

Using unique processes. Creating pioneering products.

Resulting in high margins on the one hand and growing revenues on the other.

Putting knowledge at work.

- Commenced operations in December 1990 with its headquarters in Kolkata, India
- India's leading and only integrated specialty carbon corporation and largest coal tar pitch (CTP) manufacturer
- Seven manufacturing facilities in India and one in China
- Core competence lies in the specialty niche business of coal tar distillation
- Among the few global manufacturers of zero quinolene insoluble (QI) coal tar pitch, a critical input in graphite electrodes manufacture and raw material for high value-added carbon materials
- Among few global manufacturers of Advanced Carbon Material, a critical input in lithium-ion batteries
- Research & development centre recognised by the Government of India

Mission

- Ensure customer satisfaction by strengthening core competencies in developing best-in-class products, processes and people – and delivering global standards of excellence
- Be a cost leader while being a responsible corporate citizen and adhering to our core values
- Unlock the potential of all employees and encourage them to excel in their professional, personal and social lives
- Protect the environment, maintain high levels of safety and address social concerns in the regions of operation

Presence

- Four facilities in West Bengal
- One facility each in Visakhapatnam (Andhra Pradesh), Korba (Chhattisgarh), Vapi (Gujarat), and China.

Product applications

Himadri's products are critical inputs in downstream industries like aluminium, steel, automobile, graphite electrode, infrastructure, lithium-ion batteries, tyres and other rubber products, in addition to clean and green power generated by the Company.

Leading global long-term investors

- Bain Capital India Investments
- Citigroup Venture Capital International Growth Partnership Mauritius Ltd (CVCI)
- IFC, Washington
- DEG, Germany

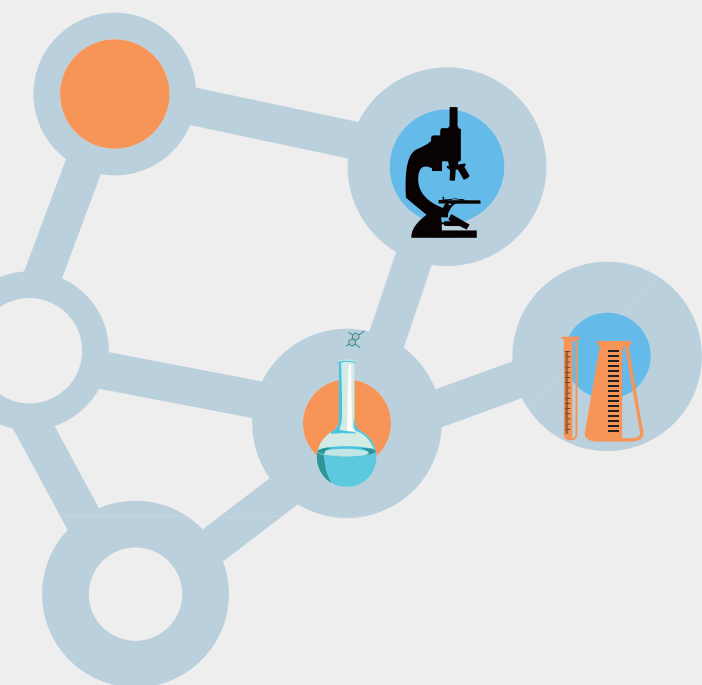
Vision

To become a globally acclaimed leader in carbon products by adopting appropriate eco-friendly technologies and enhancing core capabilities through continuous product improvement, technical innovation and customer satisfaction

Comprehensive portfolio

Product	End use
Coal tar pitch – binder grade	Used as a binder of anodes and electrodes, a prime input in aluminum and graphite electrodes manufacture
Coal tar pitch – impregnating	Used as a prime input in graphite electrodes manufacture and raw material for high value-added carbon materials
Coal tar oils	Used as a carbon black feedstock
Naphthalene	Used in the manufacture of dye and dye intermediates, super plasticisers and tanning agents
Super plasticisers (SNF)	Used in ready mix concrete and for admixture manufacture
Advanced carbon material	Used in making anodes for lithium-ion batteries
Carbon black	Used in tyre, rubber application, plastics, coating, ink and battery
Corrosion protection products	
Himcoat enamel	Provides anti-corrosion protection to underground and off-shore pipelines
Himcoat Primer-B and Himtape	Oil and gas pipelines, tanks, underground structures and fittings, water and sewage pipelines, fire hydrant lines, pipe joints, fittings and couplings
Himwrap	Provides complete protection to the underground pipeline, protecting the enamel against soil stress, pipe shift, moisture, bacteria and root growth

Knowledge at work, 2010-11



Financial highlights

- Revenues increased 48.51% from Rs. 47,141.94 lacs in 2009-10 to Rs. 70,008.26 lacs
- EBIDTA increased to Rs. 20,635.39 lacs with a margin of 29.48%
- PAT increased to Rs. 11,438.91 lacs with a margin of 16.34% in 2010-11
- Strengthened the networth position of the Company from Rs. 73,640.57 lacs in 2009-10 to Rs. 84,578.11 lacs in 2010-11
- Strengthened the gross block (including Capital work-in-progress) from Rs. 70,622.45 lacs in 2009-10 to Rs. 97,118.33 lacs in 2010-11

Post balance sheet developments

The Company reported the following developments in the first quarter of 2011-12:

- Revenues of Rs. 21,136.97 lacs
- EBIDTA of Rs. 5,861.24 lacs
- PAT of Rs. 3,063.04 lacs
- EBIDTA margin of 27.73%
- PAT margin of 14.49%
- Cash profit of Rs. 4,241 lacs

Milestones

2004

Established a new coal tar distillation unit in Mahistikry

2005

Started to double production capacity in Mahistikry

2006

Commercialised a by-product refining plant at Mahistikry

2007

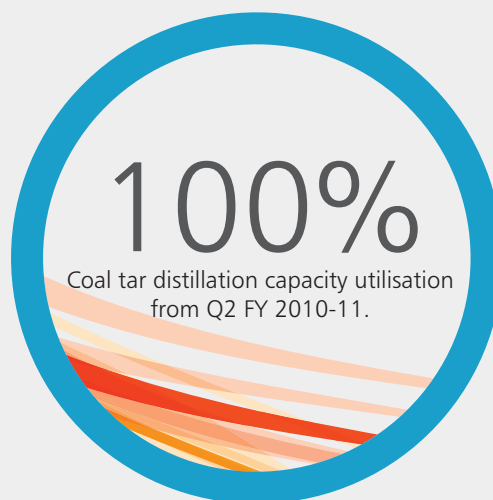
Established a new pitch melting facility at Korba in Chhattisgarh

Operational highlights

- Increased coal tar distillation capacity by 48% at the end of March, 2010 and 100% capacity utilisation from the second quarter of 2010-11
- Embarked on carbon black capacity expansion by 100%.
- Higher utilisation of SNF capacity
- Embarked on increase in SNF capacity by 278%, through a new manufacturing facility at Mahistikry
- Enhancing power plant capacity at Mahistikry by 67%.
- Establishing a 100% export oriented unit in Falta SEZ to manufacture advanced carbon materials
- Expanding the capacity of the existing coal tar distillation plant at Mahistikry
- Finalised plans to set up a new coal tar distillation plant in Odisha
- Establishing a manufacturing unit in China.
- Recognised as a research and development centre

Marketing highlights

- Entered new geographies to market products
- Established SNF quality with established customers
- Established carbon black quality in the domestic and international markets
- Established a coal tar pitch manufacturing presence in China for mainly supply to global market (operational during FY 11-12)
- Commenced the export of liquid coal tar pitch from the liquid pitch terminal at Haldia.



2008

Commenced production of the Advanced Carbon Materials plant

2009

- Commissioned production at the carbon black plant in Mahistikry
- Established a power plant at Mahistikry
- Commenced SNF commercial production through the acquisition of a plant in Vapi

2010

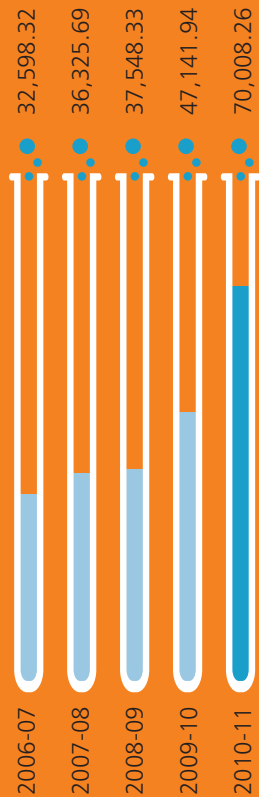
- Completed additional expansion of the coal tar pitch plant in Mahistikry
- Completed the capacity expansion of SNF in Vapi

2011

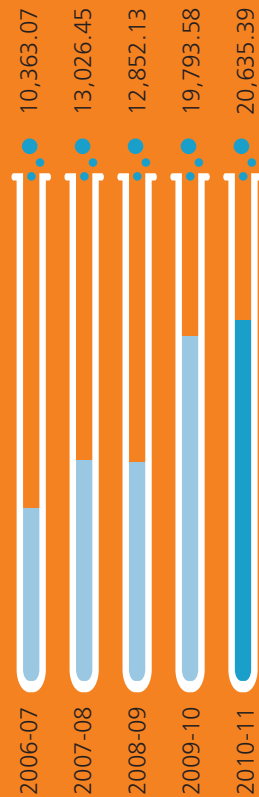
- Recognised as a research and development centre by the government of India
- Began several capacity expansion projects – carbon black, SNF and power plant at Mahistikry, 100% export oriented unit in Falta SEZ for advanced carbon material and a coal tar pitch plant in China

Knowledge pays. Again and again.

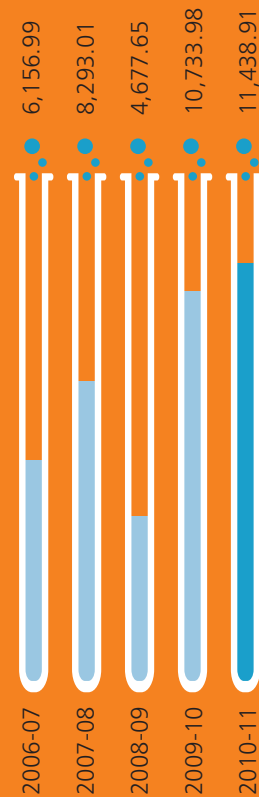
Revenue (Net of excise)
(In Rs. lacs)



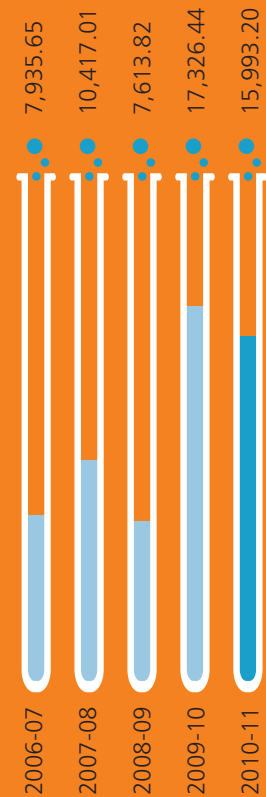
EBIDTA
(In Rs. lacs)



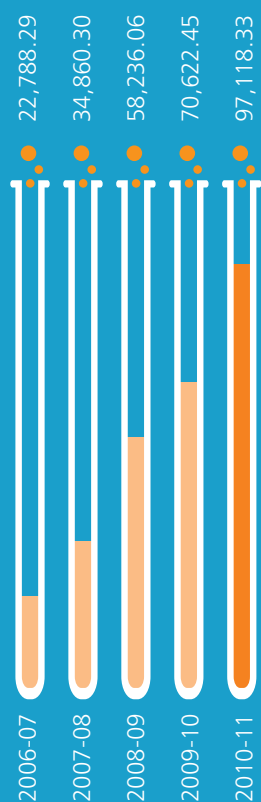
PAT
(In Rs. lacs)



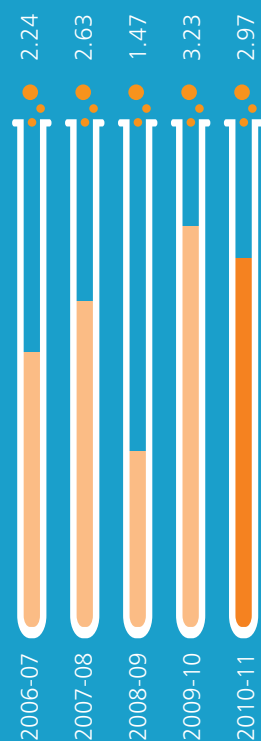
Cash profit
(In Rs. lacs)



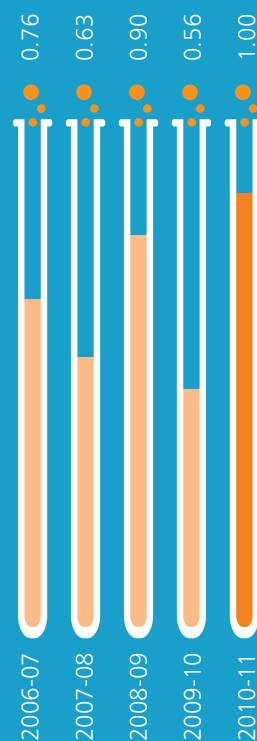
Gross block (including capital work in progress) *(In Rs. lacs)*



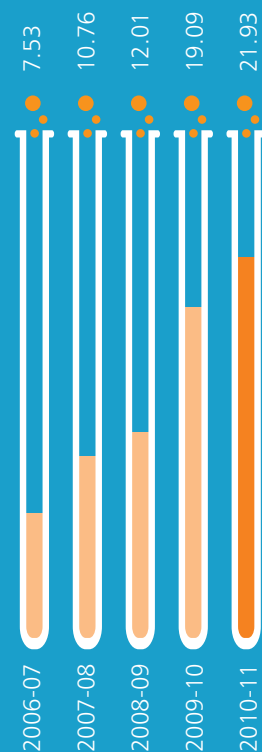
EPS (basic) *(In Rs.)*



Debt-equity ratio



Book value per share *(In Rs.)*



The infographic is divided into two horizontal sections. The top section has a yellow background and features a network of orange circles and lines. A large blue number '2' is centered in this section. The bottom section has a blue background and features a network of blue circles and lines. A large white number '8' is centered in this section. The text 'We manufactured' is above the '2', and 'products upto 2005.' is below it. The text 'We have extended our value chain to' is above the '8', and 'products in 2011.' is below it.

We manufactured

2

products upto 2005.

We have extended our value chain to

8

products in 2011.

Knowledge pays.

- The two products that we were engaged in upto 2005 comprised coal tar pitch and oils.
- We successfully leveraged our insight into core carbon competence by integrating our product portfolio forward by launching six products – Advanced Carbon Material, impregnating pitch, purified naphthalene, SNF, clean and green power and carbon black.
- We serve core sectors of the economy like aluminum, graphite electrode and carbon black to aluminum, graphite, automobiles, lithium-ion batteries, infrastructure, dye and dye intermediate and power.

