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HEG/SECTT/2026

23rd January, 2026

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Sub: Transcript of Webinar on Update on Composite Scheme of Arrangement

Dear Sir/Madam,

Please refer to our Webinar on Update on Composite Scheme of Arrangement held on 19th January, 2026 at 1600 hrs IST intimated vide our letter dated 13th January, 2026.

Please find enclosed the transcript of the said Webinar on Update on Composite Scheme of Arrangement.

The said transcript is also available under the Investors Section of the website of the Company i.e www.hegltd.com.

This is for your kind information and records.

For **HEG Limited**

(Vivek Chaudhary)
Company Secretary
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TRANSCRIPT

Demerger Update Webinar

of



On Monday, January 19, 2026

Riju Jhunjunwala, Vice Chairman, HEG Limited
Basant Jain, Joint MD and CEO, Bhilwara Energy Limited
Manish Gulati, Executive Director, HEG Limited
Om Prakash Ajmera, Group CFO, HEG Limited
Puneet Anand, Group CSO, HEG Limited
Ravi Tripathi, CFO, HEG Limited
Ankur Khaitan, MD and CEO, TACC Limited
Hiren Pravin Shah, MD and CEO, REPlus
Salil Bawa, Group Head, Investor Relations



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Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Good day, ladies and gentlemen, and thank you for attending this virtual meeting. I'm pleased to welcome you on behalf of HEG Limited and SKP Securities to HEG Limited's demerger update webinar. We have with us:

- Riju Jhunjunwala, Vice Chairman, HEG Limited
- Basant Jain, Joint MD and CEO, Bhilwara Energy Limited
- Manish Gulati, Executive Director, HEG Limited
- Om Prakash Ajmera, Group CFO, HEG Limited
- Puneet Anand, Group CSO, HEG Limited
- Ravikant Tripathi, CFO, HEG Limited
- Ankur Khaitan, MD and CEO, TACC Limited
- Hiren Pravin Shah, MD and CEO, REPlus
- Salil Bawa, Group Head, Investor Relations

Friends, this virtual meeting is being recorded for compliance reasons. During the discussion, there may be certain forward-looking statements that must be viewed in conjunction with the risk that the company faces. We will have the opening remarks from the management, followed by a Q&A session. Thank you, and over to you, Mr. Jhunjunwala.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Thank you, Navin ji. Good afternoon to all our shareholders and participants on the call. Thank you for joining us today and for your continued trust in HEG and the LNJ Bhilwara Group. Today's call is focused on our proposed composite scheme of arrangement, the demerger of our existing graphite electrode business into a separate listed company and the formation of a listed HEG Greentech company that will house our integrated clean tech business.

A brief note before I begin. Certain comments may be forward-looking and are subject to market conditions and to the receipt of necessary regulatory and statutory approvals.

Why are we doing this? Sharper focus and value unlock. We are at an inflection point where two strong franchises sit within one listed company, a mature cash-generating graphite electrode business and a fast-scaling green tech growth platform. These businesses have different growth drivers, risk profiles, capital needs and valuation frameworks. The scheme is designed to unlock value for public shareholders by creating two focused listed companies, each with its clear strategy, governance and capital allocation discipline. In practical terms, the scheme is intended to deliver a clear value discovery as each business can be valued on its own merits or demerits, better transparency and capital allocation assigned to each business model, improved strategic flexibility wherein maintaining strong governance and promoter alignment.

What the scheme means for you as a shareholder? Subject to approvals, the scheme proposes the following mechanics. Demerger of the existing graphite electrode business into HEG Graphite Limited and issuance of shares to HEG shareholders in a 1:1 ratio on the record date. Merger of Bhilwara Energy Limited which houses two of our hydroelectric assets with the existing listed company with the shares issued to BEL shareholders other than HEG, based on completely independently determined swap ratios reviewed by merchant bankers. Post implementations, HEG Graphite Limited will be renamed HEG Limited and the current HEG Limited will be renamed HEG Greentech Limited. The structure is designed to preserve continuity. You will hold shares in the legacy business of graphite electrodes through the new HEG Limited company and you will also hold shares in HEG Greentech representing the clean tech

businesses.

Understanding HEG Greentech and integrated clean tech platform in India's energy transition growth story: India's decarbonization and electrification agenda is accelerating at the adoption of by the renewable and energy storage, and in turn driving demand for battery materials and enabling infrastructure. HEG Greentech is being built as an integrated clean tech platform to operate across the renewable energy and battery storage chains, both growing at a fast pace.

HEG Greentech, as you see below, will be operating across four synergistic pillars. First being the advanced battery materials. Over the last couple of years, India's renewable capacity additions have shifted away from standalone solar and wind projects to FDRE, RTC and storage led tenders, including standalone BESS driven by intermittent generation, peak versus off-peak differentials, phasing out of banking, tighter DSM provisions for renewables, supportive policy measures and falling battery prices. Battery storage is increasingly becoming a critical component of upcoming projects, both for utilities and for CNI consumers.

India has also seen a very strong growth in EV penetration across segments with the government's agenda of making India more self-reliant in battery storage. A range of fiscal and non-fiscal measures are encouraging local manufacturers of batteries and associated value chain materials. More than 150 GWh of local lithium ion battery cell manufacturing capacity has already been announced in India.

At HEG Greentech, we have identified advanced battery materials as a key growth pillar, starting with the establishment of a 20,000 tonnes per annum active anode material manufacturing facility. We intend to be high quality technology led anode manufacturer catering to multiple battery chemistries and to end users. To this end, we are working on silicon and graphene based doping solutions to enhance the existing anode performance.

RE power generation, solar and BESS: Our investee company REPlus is a leading battery energy solutions provider with a broad portfolio across the BESS, EV and hybrid applications. REPlus has a highly automated 1 gigawatt cell-to-pack line which is currently being expanded to 6 GWh as we speak and it serves marquee customers across these segments. REPlus is creating a niche by indigenously developing smart battery and grid management solutions in partnership with leading academic institutions along with a cloud-based analytics platform. These capabilities can help improve performance, enable AI-ML enabled insights from across the battery life cycle and reduce the levelized cost of storage. REPlus is well positioned to benefit from the rapid growth in storage adoption across segments, and is building tailor-made solutions aligned to global standards. It has also established an office in Dubai recently to serve a growing Middle East and Africa region where grid-scale storage deployments are scaling up as much as India.

The third pillar being the renewable energy IPP: As mentioned earlier, India is moving from a standalone solar and wind to FDRE RTC projects with a large BESS component. Accumulative BESS capacity of over 250 GWh is projected across utility and CNI segments with annual installations expected to rise meaningfully over the decade. With REPlus' in-house technical expertise in energy storage solutions and a team with a track record of building and developing multi-gigawatt solar assets, we are building a storage-led IPP platform to capture the growing demand for firm and dispatchable renewable power.

During the current financial year, we have secured an order for a 200 MWh BESS project in Gujarat. We have emerged as the L1 bidder for a 1000 MWh standalone BESS project in Maharashtra. We are focusing on standalone solar and solar plus BESS projects in both B2G and CNI, with a clear aim to deliver an equity IRR of anywhere between 16% to 20%.

The fourth business which is the pillar of our company to begin with is the RE power generation, the hydroelectric plants. We have two highly efficient run-of-the-river hydroelectric projects in Himachal Pradesh, Malana around 100 megawatts operational for 25 years, and AD Hydro 200 megawatts operational for 15 years, both delivering consistently an 80% high EBITDA margin. Both these projects are debt-free, eligible for renewable energy certificates and operate as run-of-the-river plants with approximately 3.5 to 4 hours of reservoir capacity, enabling peaking generation. These assets generate steady cash flows of approximately 300 crores plus annually, strengthening the platform's resilience as we scale.

We have also signed a Conditional Agreement to acquire a 76 megawatt hydroelectric project in Uttarakhand and are in the process of securing all the necessary approvals. Subject to approvals, this could be a very attractive addition into our hydro portfolio.

Roadmap, discipline and shareholder value creation: We remain committed to disciplined execution and transparent communications as the scheme progresses through the stock exchange and NCLT approvals. If approved, shareholders will have direct ownership in two focus-listed companies, one anchored in a global graphite electrode franchise, and the other positioned for long-term growth in India's energy transition, enabling clear value discovery and unlocked value over time.

Thank you for your time. With that, I would just like to introduce to you the management team that is here today with us, and apart from them, others who are present with us who will be answering the questions.

I am pleased to introduce Mr. Basant Jain, who is the CEO and the Joint Managing Director for the company. His resume speaks for itself. An ex-MD & CEO from Mahindra Susten. He's led clean tech portfolios including 6 plus gigawatt solar projects and 25 plus years of experience with leading large industrial companies. So, it's a pleasure to introduce you to Mr. Basant Jain.

Mr. O. P. Ajmera, who is the Group CFO and CEO for the hydro and wind segment. Mr. Ajmera has been with the group from inception, I would say, and he has led the entire hydroelectric power business of the company, which has enabled us today to get to the Greentech platform.

Mr. Ankur Khaitan, who is the CEO of the Advanced Battery Material, the anode project in the company called TACC. He has 17 plus years of experience with 12 plus years at HEG Limited in its graphite business. And later in the presentation, you will come to understand why that is very, very important in this particular framework that we are trying to work on.

Mr. Hiren Pravin Shah, who's the CEO of REPlus, the Battery Energy Solution. He's a very, very passionate battery man, that's all I can say. 23 years plus in the battery segment and new energy solutions with having worked with pedigree companies like Panasonic and Delta and led ESS projects for Jio, Tata, AWS and Indian Oil. He breathes and eats, I think, BESS.

You have Puneet Anand, who's the Group Strategy Officer, who is helping us create a very robust platform in terms of efficiencies on taxation, in terms of new business ideas. And Puneet's experience has been 16 plus years of experience. I think 14 out of the 16 being in Ernst & Young at very, very senior positions.

Mr. Salil Bawa, who is the Head of Investor Relations. Thank you, Salil again, for helping Puneet and everyone at SKP organize this call. Salil would be based out of Mumbai, so he will be your point of contact for any information that you need from the company. He has had 25 plus years' experience in this business with companies like DHFL, Edelweiss and Welspun.

Mr. Karunesh Chaturvedi, who's the Head of the Corporate Affairs. He has over 30 plus years in

corporate affairs and strategy, advocacy and government affairs. He's been the ex-Head of Corporate Affairs, Welspun India, Waree Group, etc.

Ms. Indu Mehta, who is the Chief Sustainability Officer for the company. Her resume includes 30 plus years in sales and marketing across industries and has been a director with us in our other companies like Bhilwara Infotech, etc.

And one of the newer members of the team, Mr. Ranjan Sarkar, who has a lot riding on his shoulders as the Chief Human Resource Officer for the company with 25 years in HR leadership in large Indian companies and MNCs, including being the Ex-President of HR in Exide Industries.

So with that, I think I will end my part of the presentation, and I'm around for any questions or answers that we'll have after the presentation. With a promise to everyone that, you know, whatever we are trying to build over here in HEG Greentech is absolutely above board and will carry the legacy of the LNJ Bhilwara Group forward as its fourth pillar - textiles, graphite, power and now the new generation.

So, Basant ji, Basant, over to you. I think Basant will do the talking from now and the rest of us are available on the call. Basant, please.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Thank you very much, Riju and a very good evening to you all. Thanks for taking out time. Riju has already given a good introduction. Let me just try to explain these businesses in a bit of details. As Riju mentioned, that we are building India's first technology-led integrated Greentech platform, which primarily focuses on storage as a technology and all other businesses around it.

To begin with, one of the most promising businesses in which we see in our portfolio is our Advanced Battery Material vertical, wherein we are setting up a 20,000 tonne annual plant, which will produce one of the highest quality synthetic graphite material for lithium-ion batteries. As we speak, the plant is already at an advanced stage of construction near Indore.

Apart from this, we are also, as Riju mentioned, that in the RE power present through hydroassets and storage-led IPP and battery energy solution through REPlus.

In all three businesses, India is going to see a massive capacity addition over the next few years, and the reasons which Riju articulated, how India is decarbonizing its energy sector, trying to make India self-reliant, and hence lithium-ion batteries, battery materials, battery storage solution, and then the RE IPP, they will all play a significant role, and we want to be a sizable player in all these segments. Next slide, please.

Why anode material? As we all know that today, lithium-ion battery technology has overtaken any form of technologies, and it has emerged as one of the most promising technologies for storing the energy for a variety of reasons. One of the biggest reasons, of course, is the falling prices. The price is tumbling from \$450 to now almost like \$60, and that has led to the increased penetration. Because of the increased penetration of batteries across all segments, be it electric vehicle, battery energy storage, and hybrid applications, there is a significant increase in the anode material demand, which from current level stands at 1.5 million tonnes. As per the projections given by the leading research firms, this demand is likely to reach to about 4.5 million tonnes.

Now, typically, 1 GWh of battery requires about 1,000 tonnes of anode material. That's the kind of thumb rule. Now, Riju you mentioned, India is going to see a capacity addition of almost 150 GWh over the next

4 to 5 years' time. That will entail a demand of almost 1.5 lakh tonnes in India. Apart from this, a lot of global cell OEMs are also looking at manufacturers outside of China. As we all know, China today controls almost 97% of this synthetic graphite supply globally. From a de-risking point of view, all these European and American and even Asian vendors are looking at suppliers who can deliver high-quality anode material at a competitive price. And, we are here to set out and meeting this requirement.

Apart from this, the PLI scheme, which mandates the domestic value-add starting from 25% to going up to 60%, these local Indian cell manufacturers will be required to source battery materials locally to meet this DBA. And we believe anode material will be the first one to be adopted in this direction. Next one.

What is our right to win? This, I think, I already explained. We all know how Indian cell landscape and global cell landscape is going to be a factor for us to be confident about this vertical. Next one, please.

What is our right to win? As we all know that we are one of the leading players in the graphite electrode space, having a plant which delivers these anodes at the world-beating cost structure. One of the most complex processes in the graphite electrode is graphitization. This is a process which entails a lot of technologically sophisticated process control. We are the ones who have perfected this art with the experience of 50 year plus in this space.

The process for manufacturing the synthetic graphite for battery anode material is similar, if not same, to the process being followed in the graphite electrode. Even the raw material, which is required, is the same. Taking the expertise of our HEG Limited, we have decided to get the synthetic graphite manufacturing. What we did, we ensured, like in HEG, that have access to the best technology, which can help us compete with the Chinese. As we all know, the Chinese are already ahead in many aspects, but given our experience and expertise, we are very confident of ensuring that we also deliver the material which meets the requirement of the global OEMs. In this direction, we already set up a 200-tonne pilot plant almost two years back. Next slide.

The idea behind setting up this demo plant was that how do we really make all these global cell OEMs comfortable? Because, we don't want a situation where we set up a plant and then we are sending the material for certification. It would have delayed the commercialization of the plant, of the material. So, this 200 TPA plant is absolutely identical in terms of process flow, and then the technology which is being used for this 20 kTPA plant, which is being built. The material produced by 200 TPA plant has been sent to almost over 20 leading global cell OEMs. These cell OEMs have tested our material. And, I'm pleased to say that the majority of these cell OEMs have been extremely pleased, happy with our material, both in terms of the material specifications and quality. Now, we are at a stage where we are now discussing with them, potentially, the terms for the long-term offtake. Next slide.

There is a lot of innovation which is happening in the battery anode material. As everybody is chasing higher energy density and faster charging time, there's a lot of elements which are being added to the synthetic graphite. One of them is the silicon. We are working on manufacturing our own high-quality silicon material, which, if it is doped with the anode material, will increase the energy density by almost 20% and also improve the charging time. Likewise, we are also at a very advanced stage of producing quality graphene, which again, if added to the battery anode, will further improve the charging speed and also prolong the battery life.

In terms of a product mix, we will be catering to the price-conscious ESS segment and then the mid-range and high-range EVs, which are premium segments, where the energy density and charging speed is really the primary criteria. Hence, the silicon doped and graphene doped anode material will come into play here. Next slide, please.

As you could see here in some of the pictures, this plant is spread across 100 acres, already at an

advanced stage of construction. Overall progress of the project is 30%. Bulk of the procurement process is complete. 90% engineering is also over. We have built this plant with the aim of expanding it to 30 kTPA within the same premises at a very optimal investment. This will further reduce our CapEx burden cost and also reduce our OpEx, thus enhancing our competitiveness. We aim to expand this overall capacity to 60 kTPA by FY32. This decision to invest this additional CapEx will be taken once we stabilize our initial 20 kTPA plant. Next slide.

What is our go-to-market strategy? As I mentioned, our team is already in touch with almost every single cell OEM. Some of those names are supplying to the marquee electric vehicle EV OEMs, and even the companies which are making the batteries for all segments, whether ESS or hybrid. The team is already in an advanced stage of discussion with customers, which could potentially offtake 30,000 metric tonne, which is more than the capacity which we are setting up in Phase 1. Next slide, please.

As I mentioned about graphene, we all know that graphene is known as a magic or wonder material. Apart from utilizing part of the graphene in our anode material to enhance its longevity and also improve the charging rate, graphene also has some unique applications. As we all know, graphene has a strength of almost 200 times than steel. It is one of the lightest yet strongest material available on earth. There are very interesting use cases of graphene, right from cement to the textile to paint, and as I mentioned, anode. We already piloted and experimented in cement and road infra where we got a very encouraging result. There is a very good economic case for doping a very tiny quantity of graphene, which improves the anti-corrosion properties of concrete and also reduces cement consumption significantly. In textile and paint also, there have been very encouraging results. Over the next few months, we will complete these testing and then we intend to set up a 4,000 metric tonnes of graphene derivative plant within the same premises where the anode plant is coming up. Next one.

Battery energy solution: REPlus is a portfolio company which provides the battery energy solution. We all know how battery energy storage demand is going up, both in India and globally. As energy becomes... as more and more solar is deployed and people are finding it very difficult to really... or there is a massive surplus of daytime power due to excess solar capacity, solar is now becoming an integral part of all projects, whether it's in India or Middle East or even Western world. Next one.

Even in the MEI region and Middle East, again, we have seen a multi-gigawatt hour (GWh) of single location project with the power backup ranging from 2 hours to 6 hours. There have been some cases in Middle East where 100% solar is being stored and then being discharged in the evening hour. At REPlus, we are fully focused on developing solutions, a plug-and-play solution, which will ensure the onsite installation time is reduced. A solution that can withstand all extreme weather conditions, whether it's India or even Middle East, where the ambient temperature goes up to 50 degrees Celsius. And also, ensure that the life of the battery installed is adequate enough for people to get the economic benefits out of their projects. Next one, please.

As you can see here, we have already commissioned 100 MWh plus capacity, both within India, and we have done some marquee projects in Saudi Arabia and DRC, which reflects the confidence our customers have about our offering. We have over 2,000 MWh of capacity under execution in different parts of the world. As I mentioned, the India and MENA region remains a key focus area, and we already have an office in place in Dubai. And as we speak, we are already in discussion with all the Dubai-based IPPs who are working in both MENA as well as the other African countries, and soon we should be able to secure a good chunk of orders from these markets as well. Next one.

In case of EV, as we all know how EV penetration has really gone up significantly in India. As we speak, the growth rate in the two-wheeler, three-wheeler, and busses and trucks, especially the 29.45 segment, it's 20% plus CAGR. And I'm pleased to share that today we have the AIS-certified battery pack for all these applications, and in many cases even certified by ICAT. And some of the battery packs

homologated with the E-bus and three-wheeler and trucks. We see this as a massive growth area. And REPlus is well positioned to be a leading partner for the EV OEM player.

In case of hybrid applications where, in most of the applications, the lead-acid batteries are paving the way for lithium-ion both from the price standpoint and overall life point of view, and also from the safety and, I would say, the overall energy standpoint.

There are a lot of interesting use cases emerging now especially for cases like a data center where you need to have a very fast response in battery solutions. And we at REPlus are well positioned to cater to the needs of emerging segments like drone, data center and even telecom tower where most of the earlier installed lead-acid batteries are now being replaced and now lithium-ion batteries are now becoming a norm there.

Here again we are the industry's first, in fact India's first battery solution provider where our packs are certified by TSEC that means we can sell our packs to some of those very demanding markets, even European market. And we are also working on solutions for the High C-rate batteries as I mentioned to you especially for the data center and drone applications.

RE Power generation and Solar BESS:

We all know that how the whole Indian RE landscape has changed.

The chart towards your top right illustrates the current situation of RE in India. As you could see from almost 10 to 11 a.m. till 4 p.m. the RTM which is the real-time market for the renewable, the price point falls to practically zero, that means there are very few takers because of the mismatch in demand and supply.

What is also concerning is that even though the prices have reached to a near zero level, the overall volume cleared in RTM market during these hours is only 20-25%. That has set the panic button among the utilities. So, if you see none of the utilities are now going for standalone solar projects anymore, and they are then being very reluctant to sign even the earlier awarded capacity. Because of this reason only because they are obligated to buy these units at whatever Rs. 2.50 plus where they are not able to find customers.

So now almost every single project in the last 18 months if you see is now integrated with the BESS in minimum of two hours and in some cases even four hours and five hours as well. And even a lot of hybrid and RTC capacity has been auctioned which requires a significant chunk of BESS to be part of the overall project in our mix.

In addition to this, we have also seen the DSM which is Division Settlement Mechanism charges going up significantly. Government is now making the DSM provision for RE almost at par with the thermal. That means if you do not deliver the scheduled energy, then you will be penalized in a heavy manner. Now in many cases the DSM penalty is very steep and in excess of Re. 1. What it means that all RE developers will have to forcibly integrate storage because you can't avoid the, I would say, intermittency of power or the availability in the weather. Hence the storage is the only way to go. And we all know the banking provision in almost every state is now going away because all discoms are now facing losses. So, they don't want to give banking as an artificial storage capacity. So, now there is more of a utility-based settlement. So, all these factors are driving the demand for BESS storage in a massive manner.

Apart from this, as you know, there are a lot of policy tailwind. While ISTS waiver for the conventional

RE is now being withdrawn by 2028 fully. But the Ministry of Power has kept the waiver extended for the standalone BESS up to 2028 and we believe it might be extended further to improve the penetration.

There is a VGF provision also which has also led to the reduced cost of BESS for the discoms.

There are market dynamics as I mentioned earlier that the battery pack price is falling and then as the ToD base, the banking provision moves away and then the discoms are ensuring that your RE capacity is limited to your connected load. So, without storage you can't really have a meaningful RE penetration. So, if I were to look at the standalone, pure solar is only 12% whereas with Solar + BESS you can go up to 63%.

So, all these are factors which are leading to the higher adoption of BESS projects in India and globally.

Now these I just now mentioned. So, if I were to look at even the economic case for it, if you look at the peak grid power rate which is after 6 p.m. and up to 10 p.m., it is invariably Rs. 9 in majority of the states. So, even if I were to look at the current solar rate and then the LCOS of BESS, you are in the money. So, the cost of Solar + BESS is lower than your grid power. And this grid power by the way is a brown power and then you get a green power at a price lower than the grid power. So, this is where most of the discoms and even C&I consumers primarily are now more and more inclined to have Solar + BESS to meet their requirement.

As I mentioned that India will see an annual addition of close to 50-60 gigawatt hour per annum both in utility as well as C&I space.

What is our right to win?

We have a very strong IPP team. The team, some of the very senior people from Statkraft have joined us and we have also built a very experienced team over the last couple of months. We have a very strong technical know-how through REPlus and TACC to ensure that we choose the right kind of batteries. And the supply chain is, I would say, ensured through REPlus. So, all these factors gave us that extra edge over competition.

Over the next five years, we intend to build a total portfolio of about 5.9 gigawatt hour in BESS and about 3.7 gigawatt hour in the solar.

And then the philosophy which you're going to follow here, as Riju said, that we'll target 16% plus IRR, which we are very confident using, given our expertise. And we will follow the capital recycling model because we don't see ourselves becoming a long-term asset owner in RE space. Once the project is stabilized, it is delivering the generations as per the design, then we will sell it to some of the InvITs so as to improve our overall returns going forward.

In hydro, as I mentioned, we are one of the pioneers in this space. And then the performance of both Malana and AD Hydro speaks volumes about how the quality assets should be built. And these are today considered as a role model in Indian hydro energy sector.

As Riju mentioned, we operate two plants, very high quality, delivering consistent EBITDA. We have proven a lot of naysayers wrong, where a lot of people said that we should really contract this capacity on a long-term basis. But the management at that time took a decision to keep this entire capacity on a merchant basis. And now we are reaping the dividend of this strategy.

As we speak today, these projects deliver almost 370 plus crore EBITDA and a free cash flow of 300 crore plus. I mean, these are all like, both the projects have a reservoir. So hence, we take advantage of generating during peak hour and getting extra revenue.

This is a synopsis of the Capex, which we have planned over next three to four years.

By end of FY27, we intend to deploy almost 4300 crores capital. Bulk of it is going in anode material and RE power generation. And then taking it to overall capex of 7700 crores.

As I mentioned that while you see a big chunk of RE capacity coming here, but using a build and flip model or capital recycling model, we would like to minimize our capital outlay here. Assuming 3070 capital structure, the total equity requirement comes to 2300 crore. Hence, we are well capitalized for this kind of growth plan, which we have set out on ourselves for next three to four years' time.

And thank you very much. With this, I will end my presentation.

Now over to Riju and Salil and team, and then we open for questions.

Riju, maybe you may like to open this floor for Q&A.

Mr. Riju Jhunjhunwala - Vice Chairman, HEG Limited:

No, I think you've summed it up well. If I could just add a couple of things from the management side, I mean, from my side, the absolute vision, everything is absolutely clear in my head that we have to be following the highest corporate ethics possible we will maintain in this particular company, the best-in-class team. So, every business that you are seeing that [40:55] just spoke about all the four different SBUs right now, although they sound like we have four different businesses within the company, but all four of them are being headed by very, very strong individuals who are the best in class in that particular segment.

So, we will continue to focus on team building.

R&D is one area that we would wish to spend a lot of money on as a company because contrary to our existing businesses of textiles, graphite, etc., R&D has to be a major portion if we have to stay ahead of the curve.

So, I mean, these are the two or three guiding principles. And of course, the principle of scale on how to scale up this particular business is something that we will be looking at as four different SBUs operating within the confines of HEG Greentech as a company.

So, glad to take any questions. I think we have all the CEOs of the existing businesses over here. So, glad to answer any question that anyone may have.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Mr. Jhunjhunwala and Mr. Jain.

Q&A Session:

Friends, we open the floor for the Q&A session now. Anyone wishing to ask a question, please raise your hand and we'll take it up. A request if participants could introduce themselves before asking the question.

We'll take the first question from Amit Lahoti. Amit, please unmute yourself and go ahead.

Mr. Amit Lahoti – MK:

Hi, good evening team. This is Amit Lahoti from MK. Thanks for hosting this presentation.

I have a few questions. The first one is that in slide 4, how do we arrive at promoter group interest of 61.92%? Does it take into account the swap ratio given by the valuers?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

I think, Puneet, you could answer that question.

Mr. Puneet Anand - Group CSO, HEG Limited:

Hi Amit, good afternoon.

So, Amit, the shareholding of promoter has increased because the BEL which is getting merged, it is 49% owned by HEG and 51% was owned by promoters. So, they are letting their shares of BEL and in lieu they are getting shares of HEG Greentech per se. It is as per the swap ratio given by PwC and vetted by ISAC.

Mr. Amit Lahoti – MK:

Right. So, what is the swap ratio here?

Mr. Puneet Anand - Group CSO, HEG Limited:

It's 8:7. For every 7 shares, they're getting 8 shares.

Mr. Amit Lahoti – MK:

Okay. The second question is the acquisition price for Phata Byung Power plant that you are about to acquire. So, when is it expected to get completed? And what is the acquisition price?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

So, acquisition price, if I can say that, I mean, that's kind of confidential between us and Statkraft right now, but I can tell you it's not anything very significant. In fact, we are getting a good value out of that because the project has a lot of built-in stuff in it when it comes to the tunneling and the material that has been ordered.

So, I think we have to wait for the next four to six months for all the environment clearances, etc. to happen. And after that, I think we can quickly build the plant up in the next two and a half years.

And it'll be up to us at that time to decide whether to keep it open as a merchant plant or to tie it up as a 16% return on equity kind of fixed plant.

Mr. Amit Lahoti – MK:

Okay, got it. And then few questions on TACC. How much CAPEX have we spent on this Anode project so far, given that our progress is currently at 30%? So, can we say 30% of CAPEX has been spent or it is a little more or little less?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

I'll ask Ankur to take that question. Ankur is leading TACC and the entire Anode project.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

We have committed more than 50% of the Capex, which will be spent over the next 15 months now. And all the major commitments regarding the procurement is done. And of course, the engineering, which is also a very critical part of it, is completed.

Mr. Amit Lahoti – MK:

Okay, so we have spent 50% already on this?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

In terms of commitment, yes.

Mr. Amit Lahoti – MK:

Okay, but in terms of actual cash outflow from the balance sheet, how much is that?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

In terms of cash outflow, it will be close to 30%, depending upon the various terms and conditions.

Mr. Amit Lahoti – MK:

Yeah, right.

The second thing, which I wanted to check on the same TACC project, the Capex per ton, which I calculated for 20,000 tons, works out to \$12,500 per ton in terms of Capex intensity. And whereas the selling price for this Anode is about \$7,000. So, this implies an asset turn of only about 0.6 times. So, with that economics, can we still make 20% ROCE or is it going to be little possibly aspirational at this stage?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

No, it is not aspirational because when you see the overall market, then if you see the market outside China, because as we covered in the presentation as well, that today most of the market is concentrated within China. And when we are speaking with various companies outside China, which does not only include the Indian geography, but other geographies, including Europe, US and Asian markets, then they are very much willing to work with non-Chinese players.

And with us having a very rich background in terms of graphite and carbon knowledge, as well as

operational factors of that, today we are in very advanced discussions with the key players in the market, which gives us a very positive edge. So, all the demo plant material, which is going to the customers and the kind of responses in terms of both in terms of product quality, as well as willingness to offtake the material for the next five to seven years we are getting, is very positive. And it doesn't give us any reason to think that we would have any ROI less than what you have mentioned right now.

Mr. Amit Lahoti – MK:

Right. So eventually we will be looking at a price hike from the current level of say \$7,000 to \$8,000. Is that what you intend?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Yes, definitely.

Mr. Amit Lahoti – MK:

Right. And the last question here is, from the perspective of demerger, that we have current consolidated net debt of about 500 crores for the entire HEG Limited business. So, how are we going to split this between the graphite business and the Greentech business at the time of the demerger?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

I think Puneet could answer this.

Mr. Puneet Anand - Group CSO, HEG Limited:

Hi Amit, I'll take this question. So, Amit, at the HEG level today, we are not on the debt side. Net, we are positive. The entire debt, which you see in the HEG balance sheet is primarily for the graphite business and it will go with graphite.

Mr. Amit Lahoti – MK:

So HEG Greentech, it's at a zero net debt initially, is that right?

Mr. Puneet Anand - Group CSO, HEG Limited:

So technically, you can say yes, but all the debt which has been taken for TACC will go with TACC. Other than larger debt is towards the HEG graphite business.

Mr. Amit Lahoti – MK:

But could you quantify the amount what will remain in the graphite business in terms of either gross debt or net debt?

Mr. Puneet Anand - Group CSO, HEG Limited:

So, I think it will be a net debt, it will still be a debt-free company if we do the division. So basically, HEG Greentech, it's a 750 crores amount committed by the board for TACC. Plus, they have certain surplus assets, which are being left in the company wherein the merger is going on with BEL.

Other than that, graphite will take the additional cash plus the investment, which is in GrafTech, and the working capital limits. So, since the scheme appointed date was 1st April 2024, so by the time it gets implemented, I don't see a larger portion of debt, which would be in HEG Graphite also.

Mr. Amit Lahoti – MK:

Got it. Thank you so much. Thanks for the answers.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Amit.

We take the next question from Dhananjai Bagrodia. Dhananjai, please go ahead.

Mr. Dhananjai Bagrodia – ASK Group:

Yeah, hi.

This is Dhananjai Bagrodia from ASK Group. Thank you for this presentation. Just wanted to ask you, so the company which you're acquiring, the BEL one, which will be merging, what were the revenues of that company?

Mr. Puneet Anand - Group CSO, HEG Limited:

We didn't understand your question. Dhananjai, can you repeat?

Mr. Dhananjai Bagrodia – ASK Group:

BEL, which owns 49% of the company, what were the revenues of that? And what multiple would that be valued at?

Mr. Puneet Anand - Group CSO, HEG Limited:

So, the valuation is done by independent valuer, PwC. And BEL today has around EBITDA of 400 crores, which is getting merged into this.

Mr. Dhananjai Bagrodia – ASK Group:

And what value are you getting merged at?

Mr. Puneet Anand - Group CSO, HEG Limited:

At what value?

Mr. Dhananjai Bagrodia – ASK Group:

Yes.

Mr. Puneet Anand - Group CSO, HEG Limited:

The value is around 3100 crores.

Mr. Dhananjai Bagrodia – ASK Group:

So, around 8 times EBITDA.

Mr. Puneet Anand - Group CSO, HEG Limited:

Around 8 times EBITDA, you can say. But it also has some cash, so net cash, if you see, the numbers will be different. The entire calculation and the valuation has already been uploaded with the stock exchange. You can go through them.

Mr. Dhananjai Bagrodia – ASK Group:

Sure. And regarding the advanced battery material business, so if Anodes are going to be there, then the HEG standalone business and in this business, is that right? Or how will that be done by the management for Anodes going ahead?

Mr. Puneet Anand - Group CSO, HEG Limited:

So, what the demerger process is, we are only demerging the existing graphite business.

The Anode business will be in HEG Greentech, which is housed in a separate entity, which is TACC Limited. That will remain in this company and BEL will get merged in this company.

Mr. Dhananjai Bagrodia – ASK Group:

Okay. But as a pure play, I know that will stay in the earlier business, right?

Mr. Puneet Anand - Group CSO, HEG Limited:

No.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Puneet, you can put up that sheet of the HEG Greentech structure that I can quickly explain in one.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Puneet, if you can tell me which slide.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

So, Dhananjai, just to reiterate, there will be two companies post the demerger.

One will be the graphite company, which will have the 100,000 tons of graphite electrode business.

And the second company will be HEG Greentech, which you see here.

Under HEG Greentech, you will have four different entities.

- TACC, which is 100% owned by it, which will have the active anode materials to start with.
- Then the Solar + BESS IPP that Basant spoke about in which we are looking for the IPP and C&I kind of projects and we hope to do more than a gigawatt a year for the next three or four years. That is 100% again owned by HEG Greentech.
- REPlus is the battery storage company where we will manufacture high quality BESS systems and implement them along with the EV solutions. That company is owned 74% by HEG Greentech and the balance 26% is with the founders of REPlus, who are continuing to manage that particular business along with HEG Greentech.
- And then you have the two power plants, which are Malana and AD Hydro, which are 100% owned by HEG Greentech.

So, HEG Greentech as a company owns 100% of the anode material, your IPP business, your hydro business and 74% of the battery manufacturing business.

And HEG Graphite, as you are seeing on the right-hand side of the slide, has 100,000 tons of graphite electrode, which also we are increasing by 15,000 tons and a 10% strategic investment in GrafTech USA, which is the world's largest graphite electrode company.

Mr. Dhananjai Bagrodia – ASK Group:

Sure, sir, very well done.

So, sir, anode and electrode, those will be considered even though they are the same operationally, will they be separate?

Mr. Riju Jhunjhunwala - Vice Chairman, HEG Limited:

So, they are absolutely separate. HEG Graphite, our plant is situated in a place called Mandideep near Bhopal. And this new TACC plant is situated in a place called Dewas, which is near Indore.

So, to understand what Basant was also trying to say that, you know, the core of the business, which is graphitizing - when you convert the carbon from graphite, that technology is something that inherently TACC as a company has inherited from HEG Limited. And we've actually taken physical people on board of TACC, who have had years and years of experience of managing graphitization. So, the companies will be totally separate. The locations will be completely separate. Yes, the same raw material will be bought for TACC and the graphite electrode, where we will definitely see some synergies. And the technology, although this is different, there you are producing long graphite electrodes, here you are producing carbon in the purest carbon form... in the purest talcum form, for lack of a better example. But nothing to do with each other except for, you know, common promoter shareholding.

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

Also, Dhananjai, as I mentioned to you that it is similar process, but not same. The graphitization process, so that is where you know, we have an edge, you know, and that is what I said, it's a right to win. So, the process of graphitization here and here is pretty similar, you know, but then as Riju said, you know, here

we are making those long, you know, those, you know, electrodes which are used in electric arc furnace. And then here, this anode material being in a powder form, you know, this goes in making the lithium ion battery anode.

Mr. Dhananjai Bagrodia – ASK Group:

Sure, this is very helpful. And lastly, what is the total Capex we require for all the HEG Greentech entities?

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

If you see my slide, that the previous slide, you know, you just show that in our slide. So, this is where I explained that the, up till '27, we have set out a Capex outlay of 4,300 crore and by FY30 accumulated 7,700 crores.

Mr. Dhananjai Bagrodia – ASK Group:

Okay, fine. Thank you so much and congratulations again.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Dhananjai.

We'll take the next question from Abhishek Geta. Abhishek, please unmute yourself and go ahead.

Mr. Abhishek Geta – Analyst:

Yeah, am I audible?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yeah. Yes, loud and clear. Please go ahead.

Mr. Abhishek Geta – Analyst:

Yeah. Sir, on slide three, we see that we own 100% of TACC, but I believe we have done a 500 crore capital raise with Singularity, from Singularity in May of 2025. So, what is the status on the capital raise and at what valuation did we raise that capital?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Puneet, can you answer that? I don't think there are any valuation over there, but if there is any difference you can explain that.

Mr. Puneet Anand - Group CSO, HEG Limited:

I'll take the question. So, Abhishek, I'll explain to you. We haven't raised money at the TACC level. So, if I just show you the slide, give me one second.

So, if you see on the left, there's an entity called Bhilwara Energy Limited, BEL. So, the investor has put

the money in this. They have given the premium on the valuation. They have put the money at around 3600 crores in this company, whereas the company was valued at 3100 crores for the swap and they have invested 500 crores in this company. Since they are also sitting as a shareholder in this company, BEL, which is getting merged into HEG Limited, pursuant to that they are getting shares of the HEG Greentech Limited, if you see on this next slide. So, out of this public shareholder of 38%, 12% is the investor holding and the remaining 26% is held by HEG public shareholder.

So, there is no dilution we have done at the SubCo level. The idea is to have the structure concretely in place so that tomorrow if we want to do an independent listing of fundraisers or any other entities, we can do that.

Mr. Abhishek Geta – Analyst:

Understood. Another question was on the demand of 1.5 lakh tons of anode, if you could briefly segment that demand across categories if possible.

Mr. Puneet Anand - Group CSO, HEG Limited:

Ankur, you want to take this part?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

So, yeah, thank you, Puneet.

So, when we are talking about the Indian market, then today the Indian market is mostly coming on the ESS side, but there are players who are working across the chemistries on ESS as well as on the EV side.

So, if we talk about absolutely on the short term, then of course the ESS is the fastest growing. But when we talk about the complete 120,000 tons of demand in India alone, then it would come both from ESS as well as EV side.

Mr. Abhishek Geta – Analyst:

Okay, but in short term, what is like the demand number on ESS and EV?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

So, in short term, when we are talking about next couple of years, then the majority part would be on the ESS side because when the current companies which are coming ahead, they are focusing more on ESS side. And, of course, the demand is going to start less than about 35 to 40 gigawatts in India. It is going to grow very rapidly because just in the next 3 to 4 years all the plants which have done their research as well as development work over the years, and are going to come up with their respective capacities.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

And also, having said that, if I can add, Ankur, there's a large traction, there's a huge traction that we are seeing from the global markets, because now, you know, till now, like we mentioned that more than 90 to 95% of the battery material - anode is coming from China. So, we are seeing a lot of positive development with all the European, US and other countries that manufacture cells or are having plans of manufacturing cells. They all want to buy their anode, which is around 15% of their overall battery cost. They want to split it between China and other countries. And if we talk about other countries, I think apart

from Indonesia, we would be the only plant that would come up first as far as the anode product is concerned. So, I mean, and that is where our, you know, kind of focus is, is to sell more and more on the EV side. Because that is where the higher paying customer is, ESS customer is on the lower end of the side. So, our target is that 70% of our sales should be towards the EV side and only 30% towards the ESS side. And ultimately, try and sell as much of this product in India once the cell companies come on board in India, which is taking longer than this expected time.

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

Also, for EV and these higher applications....

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Abhishek, may I request you to keep this as a last question, because there's a long list of participants waiting.

Mr. Abhishek Geta – Analyst:

Okay. If there's room, can I ask one more question?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yeah, please go ahead.

Mr. Abhishek Geta – Analyst:

Okay. Thank you.

Another question was, so what are the cost advantages in, you know, India versus China for graphite anode? And, you know, what are like the cost economics of India versus China? And with, you know, Epsilon and Himadri also adding capacities, how do you see the, you know, demand panning out also, demand supply structure panning out?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Ankur, maybe.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

So first I'll talk about the cost economics. So, when we're talking today, a very good part about Indian ecosystem is that right from the center to the state, there is a massive support by the government. So overall, when we see the economics, then on EBITDA level, we are either better or at par with China. The main component of the cost is the power cost. And again, because we are getting some very good support, both because of our own facilities plus having a good power tariff here, we are competing very well with China definitely at an EBITDA level. And when you talk about the overall supply situation in India, then the kind of demand we are seeing, we are talking about 120 to 140,000 tons. So, when we're talking about these kinds of numbers, then we don't see an issue with other competitors also coming up in India.

In fact, it is good for the overall Indian ecosystem to have a larger capacity in India. Because when you go a little further with the cell companies, then the PLI scheme makes cell manufacturers mandatory to go

up to 60% of the localized material. So, the more you have a local production, the more cell people will be encouraged to ramp up their capacities and be dependent on the local suppliers. So, it's a complementary situation, in fact, at this moment of time.

Mr. Abhishek Geta – Analyst:

Understood, sir. Thank you.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Abhishek. We'll take the next question from Jatin Damania. Jatin, please unmute yourself and go ahead.

Mr. Jatin Damania – Analyst:

Good evening, sir. And thank you for the opportunity.

Sir, I just wanted to understand more on the BEL. If I'm not wrong, you indicated there's a 400% EBITDA, but earlier AD Hydro was a JV of BEL through a Malana. And lately, we purchased the remaining stake from a joint venture company. At what valuation did we do that acquisition?

Mr. Riju Jhunjhunwala - Vice Chairman, HEG Limited:

Ajmera ji, can you take that question, please, since you've been the architect of that side? I can answer, but I'd rather have you do that.

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

Yeah. See, this 49% stake we have acquired from Statkraft with a valuation of precisely 1205 crores.

Mr. Jatin Damania – Analyst:

1200 crores?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

Yeah.

Mr. Jatin Damania – Analyst:

So that means you're valuing AD Hydro?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

No, actually, let me explain to you. We had the first right of refusal with the joint venture agreement. And we exercised our right to acquire this stake at 49%, for 1205 crores.

Mr. Jatin Damania – Analyst:

Right. So, in fact, you are agreeing the value of near about 2400 crores for the AD Hydro. And when you...

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

Not for AD Hydro, it's a combined Malana and AD both put together, both the Hydro assets.

Mr. Jatin Damania – Analyst:

Both the Hydros? But, sir, BEL used to hold 100% in Malana and Malana used to hold 51% in AD Hydro, right?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

No, sir, no, no. Always BEL had 51% only in Malana and Malana had 100% of AD Hydro. So basically, we had a joint venture with Statkraft, 51:49 in both the companies together.

Mr. Jatin Damania – Analyst:

Okay. So, now when you are valuing the entire company, when you divested or you raised that 500 crores, valuing BEL at near about 3600 crores, which is a premium of 500 crores, does that indicate that the other four businesses, which is currently not generating any revenue, we are valuing that at around 500 crores of revenue at this point of time? Is it fair to...

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

No, actually, Hydro assets itself is valuing higher than what we have acquired.

Mr. Jatin Damania – Analyst:

I'm agreeing that because BEL, when you divested or you raised 500 crores from Singularity, you indicated 3600 crores of the valuation for that BEL, where you have only two operating assets, which is Malana and AD Hydro, which is giving you 400 crores of revenue. And you are giving 8 times, which gives me about 30 to 3300 crores of the valuation. 700-800 crores is for your Solar, BESS and tech business. Fair to assume that?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

Yes, you can assume that because tech was also valued at a particular valuation.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

And you can speak about the cash in BEL, that we'll have to reduce from that.

Mr. Jatin Damania – Analyst:

So, what is the cash in the book at BEL level?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

At that point of time, when the valuation was done, it was about 250 crore was lying in the company.

Mr. Jatin Damania – Analyst:

Okay. And, sir, once our entire Capex is done of 7700 crores across all the business vertical, what sorts of IRR one should look in the consolidated entity?

Mr. Om Prakash Ajmera – Group CFO, HEG Limited:

I think it's a 4000 for 300 crores Capex.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

That's stage one and then after that, after the C&I projects, like Basant mentioned, I think we are not chasing the regular IPP or the regular tenders that are coming every day. We are only targeting a 16 to 20% plus kind of this thing, which will be led primarily by the C&I segment. So, if you see all the four different businesses combined together, we are aiming for a healthy at least 20% IRR across the four different businesses. They could delay from time to time or year to year. But on a steady flow basis, all the four business should be generating a healthy 20% IRR.

Mr. Jatin Damania – Analyst:

And post the completion of the phase one, what should be a steady state EBITDA for us other than this 400 crores that will generate from the hydropower?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

I think, Puneet, would you like to answer that or?

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

Well, I mean, we haven't worked out the number we are, you know, because there are multiple things, you know, because we are following the asset recycling model. The EBITDA number and all will not be that relevant, you know, because bulk of the IPP assets are being, you know, I would say flipped. But if you were to look at now, out of these four businesses, REPlus will require a very limited capital. So there the best mode of, you know, gauging the performance is not IRR, but more like ROCE. And we believe REPlus will really generate a very healthy ROCE. And IPP business is more like an IRR game.

And I agree with what Riju already clarified, you know, and then you can imagine that the hydros we are generating 300 crores plus cash and a 3070 crore plus kind of an EBITDA, you can then calculate there. And then the TACC business, we already mentioned that 20,000 capacity EST of 7,500 plus, and the Capex of 2,200 crore. So, one can calculate now the overall financials.

Mr. Jatin Damania – Analyst:

I mean, sir, I agree with what you're saying, but since our capacity is going to start from FY27, which is the second quarter, definitely that will be, I mean, we're estimating that there could be some amount of the greater benefits will come from the BESS. Because when we generally talk to BESS players, they indicate about a Rs. 4 lakhs of EBITDA per megawatt. So, we are also working on the same number, or probably we are on the IRR side?

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

When you say, sorry, Rs. 4 lakh rupees EBITDA per megawatt hour.

Mr. Jatin Damania – Analyst:

Yes. For BESS. Is it fair to assume it or probably the numbers...?

Mr. Basant Jain - Joint MD & CEO, Bhilwara Energy Limited:

Well, honestly, I don't have the number handy with me. And I don't know whether Puneet or somebody else has this number, but we can come back to you on this.

Mr. Jatin Damania – Analyst:

Sir, last question, other than Singularity.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Jatin, may I ask you to join the queue, please?

Mr. Jatin Damania – Analyst:

Navin ji, last question.

Other than Singularity, who are the other key investors who are invested in the BEL?

Mr. Riju Jhunhunwala - Vice Chairman, HEG Limited:

So right now, we only have Singularity as the investor. And today, I mean, with the business plan that we have in place and showed you, I think we are very well funded because the cash that HEG is leaving behind, plus the surplus of the hydro assets and another 300-400 crores of EBITDA coming in the next one year or two, and 500 crores coming in from Singularity will give us enough equity for this, you know, around 5000 crores of investment.

And later we will see, I mean, then your hydro assets will, then your, sorry, TACC will start performing and throwing out EBITDA, your IPP projects will start throwing out EBITDA, REPlus will start throwing out EBITDA. So, then we can, you know, we'll be in a position to decide, I think, in the next 12 to 18 months, whether we need any outside funding or we can do without any outside funding. But I think today, I mean, Singularity is the only investor.

Mr. Jatin Damania – Analyst:

And in REPlus, who holds 26%?

Mr. Riju Jhunhunwala - Vice Chairman, HEG Limited:

REPlus was founded by Hiren, who's on the call right now. And between Hiren and their partners, they own 26% of REPlus.

Mr. Jatin Damania – Analyst:

Sure, Riju ji. Thank you for answering all the questions.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Jatin. We'll take the next question from Rajesh Majumdar. Rajesh, please go ahead.

Mr. Rajesh Majumdar – Analyst:

Hi, good evening. Am I audible?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yes, you are. Please go ahead.

Mr. Rajesh Majumdar – Analyst:

So, I had a couple of questions. One was on the raw material. See, in the case of your core business electrodes, we have a raw material constraint due to which there can't be any global capex and there seems to be some kind of capacity constraint there. But what is the raw material here in anode? Is it calcium, petroleum, coke, coal, tar, pitch, any of the raw materials which are amply available in the market? Number one.

And secondly, if you look at the China anode capacities, they are well over 3 lakh tons or 4 lakh tons. And so, what kind of competitive edge are we really talking about? Are we expecting something like ALM coming in the procurement process, which can give this kind of competitive edge? So, that was my first question.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Yeah, thank you, Rajesh. So, coming to the first question that about the raw material. So, there is a slight difference between the raw material what we're using for anode and what we're using for graphite electrodes. So, while in graphite electrodes, the material used is 100% glycine.

In case of anode, the material used is green. So, when we're talking about green, then we're talking about green needle coke, green petroleum coke.

Now, as per today, we have evaluated all the major global players, whether it is European, American or Japanese. And we are qualifying our material based on different kinds of coke.

Of course, there are a lot of Chinese producers as well. But in today's scenario, when we're discussing with various customers across the globe, there are a lot of players who want absolutely a non-Chinese source. So, we are prepared for that. But if somebody is agnostic, they are indifferent towards Chinese or non-Chinese and we are prepared for that as well. But coming to the level of quantities available in the market. So, the good part is that for green coke, the feedstock is completely different, the feedstock management is completely different. That is why as per the capacity is what we have planned now, as well as in the future, we are not seeing a big challenge in this. And with HEG experience over the last 50 years, with HEG relationship with these companies over the last 50 years, we are very confident and we

are very sure that after all our discussions, we are even able to have long-term agreements with them depending upon the kind of requirements we have for the cell companies.

Mr. Rajesh Majumdar – Analyst:

And who are the suppliers of green pet coke, or which are the companies...?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

The supplier names are common for electrodes. Outside China, the suppliers names are common. In China, there's a slight difference but outside China the names are common.

Mr. Rajesh Majumdar – Analyst:

Okay. Yeah, second part you were addressing, yeah-yeah.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

So, second question, yes, when we are talking about, you know, the kind of restrictions in India, so it's not only about India but it is about a geographical restriction. Even today when we talk about countries like United States, then there are two very critical points which are coming here when it is coming to a non-China supply. You know, you must have read about foreign entity of concern and not only about foreign entity of concern restricts Chinese players even if they are manufacturing outside China. So, today while a Chinese player may be manufacturing in Indonesia or Morocco but if the entity is identified as a foreign entity of concern there will be more restrictions from the US players. And the restriction is not only in form of duty but the restriction is also in form of the kind of benefits the local cell players in US would be able to get.

Point number two, that in India right now we are seeing a lot of momentum and a lot of support from the center towards pushing the lithium-ion value chain. Now, of course, in this there will be made various measures which will be tariff and non-tariff barrier. But it is too early to comment upon whether they are at the advanced stage or at their early stage. But all we can very confidently say is that the first step itself is very progressive with Indian government coming up to have a 60% mandatory localization. Of course, this is only the first step. Going ahead, we do foresee very progressive steps to be taken both in terms of BESS as well as in terms of anode materials in India.

Mr. Rajesh Majumdar – Analyst:

And I had one more question on graphene. So, I read about your initiatives, new initiatives. So, actually, there are nearly 40 plus companies who are startups in graphene globally. And there seems to be some company, companies rather, who already reached some kind of critical mass in terms of the scalability of production in these products. In which case, is it feasible to kind of acquire a company in this business or start a new capacity? I wanted your thoughts on that.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Rajesh, to keep it brief, I mean, we have evaluated almost all the startups which are today, our graphene work is going on for about 10 years. There are two things which give an edge in graphene - one is the cost point because when you just look at the numbers of graphene, the cost per kg is very, very insane. And we have used our own technology in order to write, to develop the synthetic graphite and we also have some natural graphite tie-ups. So, to develop the feedstock, to develop a consistent feedstock of low cost.

And second point is quality because in graphene even to supply to one particular application there can be 10 types of different graphene. It is a very, very customized product because we are talking about wonder material, which is actually split, which is actually you're talking about just some layers of atoms. So, our edge is quality as well as cost.

And, yes, we have evaluated a lot of companies but our focus is scalability because while R&D is, as Riju and Basant ji said, R&D is the engine but end of the day the whole thing revolves around the commerciability of the product on which today we are very confident on our product.

Mr. Rajesh Majumdar – Analyst:

And this is going to be my last question. So, addition going to be in flakes, CVD graphene or graphene flakes or what product exactly you're looking at?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Rajesh, this I cannot answer right now because we have a mix of technologies. So, on technology I would not be able to comment right now.

Mr. Rajesh Majumdar – Analyst:

Okay, thank you.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Thank you so much.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Rajesh. We'll take the next question from Devang Sanghvi. Devang, please unmute yourself and go ahead.

Mr. Devang Sanghvi – Analyst:

Am I audible?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yes, Devang, you are audible. Please, go ahead.

Mr. Devang Sanghvi – Analyst:

Yeah, thank you. This is Devang Sanghvi from Abacus. My first question is regarding the TACC company. How quickly can we optimize capacity utilization? And how do we start initially? At what utilization can we start for the first year, say FY28, or maybe Q4 when we are starting this particular plant?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Devang, in our business plan we do have in the initial times, in the initial couple of months we would have less than 50% but we are confident that within a year's time we would be able to ramp up beyond 75%.

Mr. Devang Sanghvi – Analyst:

Okay. And what is the optimum we can reach for this particular plant? We can go to, 90-95? Is that a

good number to take?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Yeah, we are well spaced within our capacity. So, definitely we can go above 95%.

Mr. Devang Sanghvi – Analyst:

Right, Sir. And in terms of the other two, the IPP company as well as the BESS, what can be the optimum topline for both these entities at full utilizations? Maybe a rough cut number for the same?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

You mean to say the BESS manufacturing that these..?

Mr. Devang Sanghvi – Analyst:

Yeah-yeah, the 6 gigawatt that we are planning to go to. Yeah.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Maybe Hiren bhai, you want to?

Mr. Hiren Pravin Shah - MD and CEO, REPlus

Yeah. So, actually with the ultimate capacity I think we should be able to target ₹6000 crores.

Mr. Devang Sanghvi – Analyst:

₹6000 crores for 6 gigawatt, right?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Now, just to put a caveat here, this is not just the sales of the pack but also we will be selling the solutions. So, it's like, for example, BESS, we are not just going to be a supplier of the pack but we are going to supply the entire container and we will also be system integrator. So, a lot of revenue will also come from there. So, 6000...

Mr. Devang Sanghvi – Analyst:

Okay-okay. And in the IPP model what could be the optimum top line, similarly?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

So, as I mentioned to you, IPP business should not be seen from a topline perspective because it is more of an IRR game.

Mr. Devang Sanghvi – Analyst:

IRR. Okay-okay.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Yeah, because we will be following the asset recycling model. At this juncture, we don't intend to be a pure play IPP like the rest of the folks. So, you should look at the kind of IRR we will deliver, which we've already indicated earlier.

Mr. Devang Sanghvi – Analyst:

Yeah, 20% plus, if I recall correctly?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

16-20 is the range we have.

Mr. Devang Sanghvi – Analyst:

Okay, 16-20. Right, Sir. And can you just break the CapEx year wise for all these entities going forward? Will it be possible?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Well, if you just go to that slide, I mean, look, your TACC after this investment of 2250, we might possibly expand it to 30,000. Okay, so there'll be some CapEx there. I think that sheet contains, you know. So, Puneet, if you just show that.

Mr. Devang Sanghvi – Analyst:

No, what I was coming to up till FY26 how much we have incurred? I think you said 30%.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Oh! Okay, up to FY26 how much we have incurred. Okay.

Mr. Devang Sanghvi – Analyst:

Yes. And probably what would be the second half CapEx or what would be the FY27 number accordingly? I was talking about those numbers.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

So, maybe, Puneet, maybe correct me. In case of the RE power generation we have not invested anything so far, any meaningfully, barring a very tiny amount. If you look at these four businesses, Anode material, as Ankur indicated, we have about 30% of this CapEx is incurred. Battery Energy Storage Solution, Puneet, about ₹50-₹60 crores, ₹60-odd crores.

Mr. Puneet Anand - Group CSO, HEG Limited:

₹65 crores CapEx. CapEx, yeah.

Mr. Devang Sanghvi – Analyst:

And then RE power generation.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

CapEx not equity.

Mr. Puneet Anand - Group CSO, HEG Limited:

Only CapEx. Devang, I'll give you a broader number. See, anode in FY27 we'll spend around 80%-85%, balance will be retention money for the performance. The large amount will be invested because the plant needs to be LIVE by April'27, March'27.

On the REPlus, the Battery Energy Solution side, till date we have spent only ₹50 crores and the balance will be deployed by Q3 of FY27 because the capacity will be coming LIVE by Q3, Q2.

On the RE generation solar BESS, one budget which we are doing and that needs to be LIVE by Q3 FY27, the CapEx will be used. That will be roughly around ₹235 crores. The other CapEx, the balance CapEx, will be in mid of FY27-28. So, larger amount will be going after Q3 but anode it will be 90% or 85% will be done in this financial year. I can't say the exact quarter by quarter because there are key milestones on the payment and the delivery. But on 4300, you can say by Q3 most of the amount will be deployed.

Mr. Devang Sanghvi – Analyst:

Right. And we had last time guided 30% EBITDA margins for the anode powder business. We kind of maintain that?

Mr. Puneet Anand - Group CSO, HEG Limited:

Yeah, we maintain that. That is for sure.

Mr. Devang Sanghvi – Analyst:

That is for sure. And also in the power business, sorry not power, in the anode powder business, we are also looking out for some subsidy from government, lower power cost. So, has any progress happened on that side?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Yes, I think that's what Ankur was mentioning also that when we compare ourselves, one of the major cost is power and we were trying to get good favorable power cost from the state and we have been able to get a very good rate, which I can assure you, I can't say the exact rate but I can assure you that it is probably much better than any Chinese or definitely much, much better than any European or American supplier would be getting which is why we are quite sure that on a per ton EBITDA basis we will be able to perform at around 30% with power being 30% of the cost itself.

Mr. Devang Sanghvi – Analyst:

Yeah, that is what I was coming to, yes. Well, thanks, Riju, it was very helpful. All the best for the projects.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Thank you.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Devang. We will take the next question from Shubham Thorat. Shubham, please unmute yourself and go ahead.

Mr. Shubham Thorat – Analyst:

Hi, am I audible?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yes, Shubham, please go ahead.

Mr. Shubham Thorat – Perpetual Capital:

Thank you for the opportunity. This is Shubham Thorat from Perpetual Capital. So, I just have a few questions on our legacy business, that is our graphite business. So, what kind of demand and supply situation are we facing there? And what are the growth drivers for that business going forward?

Mr. Riju Jhunhunwala - Vice Chairman, HEG Limited:

So, Devang, to be very honest, I mean, we had kept this call only and only very specific to the HEG demerger that is happening. So, we were not really talking about the existing graphite business. But I think if Manish is there on the call and can answer this question for everyone quickly, I think that will be great. Manish, are you there?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Just give me a second, I will just check with Manish ji. Give me a second, please. Shubham, if you could just continue, I will just check and ask Manish ji to respond.

Mr. Shubham Thorat – Perpetual Capital:

Yeah. So, in the Battery Energy Storage business, so could you please clarify on the kind of business model that you are using there? Is this an SMB business or have we developed any kind of tech over there?

Mr. Riju Jhunhunwala - Vice Chairman, HEG Limited:

Hiren, I think...

Mr. Hiren Pravin Shah - MD and CEO, REPlus:

Yeah. So, we have three business models. Actually, we start from design, then we do the engineering, we do supply and we also do installation and commissioning. So, as far as the large-scale BESS, utility-scale BESS projects are concerned, we do complete end-to-end design, engineering, supply, installation, commissioning and end-of-life treatment of the Battery Energy Storage Solutions.

So, having said that, we do EPC business, turnkey EPC. We also take a scope of system integration and we also are looking at product sales. It will be these three business models which we will continue. So, a couple of minutes ago Basant Sir mentioned that the turnover that we are looking at, you know, at the apex production quantity of 6 gigawatt hour, so we are looking at something like ₹6,000 crores where we will also have a bit of EPC business that we do.

In terms of technology, we have hands-on handles on the technology. As far as the battery cell-to-module and cell-to-pack is concerned, we have BMS, which is in-house, both slave as well as master. And then we also have developed USP in terms of Energy Management System because when we go to grid utility scale, Energy Management System is the most critical component for basically making the batteries work through the lifecycle.

So, these are some of the advancements that we have done. Of course, the first and the most important primary aspect is the selection of the right cell and the selection of the right product for building your systems. Thermal management, liquid cooling technology, these are some of the other complementing components or complementing products which we have developed. So, this is what I can say as of now. But, yes, we are going to be a technological player in this ESS systems.

Mr. Riju Jhunhunwala - Vice Chairman, HEG Limited:

Thanks. Thanks, Hiren. I think Manish is here. Manish, if quickly you could take us through the current prospect of the graphite business because, I mean, the gentleman just asked that. So, it will be good for everyone to just know that very quickly in 2 minutes.

Mr. Manish Gulati - Executive Director, HEG Limited:

Yes, Sir, I will be quick because the agenda of this was demerger expansion. Shubham, you see, we are catering to electric arc furnace steelmaking. That's where our product is used. For every ton of, let's say, steel melted, 1.5kg of electrodes gets consumed. So, what is happening now is that more and more electric arc furnaces are coming in the Western world. Already, if you exclude China, it has already crossed 50%. 50% of all steel made in the world, excluding China, is from electric arc furnaces. And this is only increasing by the day because of decarbonization efforts there are no new blast furnaces coming in the Western world. Whatever capacity is getting added is getting an electric arc furnace. We as well as our peer group have a clear visibility. We know the steel plants which are being constructed, as we speak. So, we foresee a demand of about 200,000 tons. We know for a fact that nobody outside China is expanding. We have the technological edge, we know, we compete with Japanese and American, these European companies. So, we have a good standing.

As a plant, this is the largest plant in the world ex-China. And as a graphite company, we are the 3rd largest company of the world. So, we have good cost control and cost competitiveness, I would say. And the demand which will come in the next 3-4-5 years or even later, so we'll be very well equipped to handle that. Even today, as we speak, our capacity utilization is between 85% and 90% and these are the worst of times which we are going through. So, we believe that when steel production increases, right now it's stagnating but when it increases, electric arc furnace steel will grow and HEG will be there as one of the very reliable suppliers.

That's all from my side, Shubham. If you have any query, you can always give me a direct call but right now the purpose was different for this call.

Mr. Shubham Thorat – Perpetual Capital:

Sure, sure.

Mr. Manish Gulati - Executive Director, HEG Limited:

Yeah, Shubham, satisfied?

Mr. Shubham Thorat – Perpetual Capital:

Yeah-yeah, that's it. Thank you.

Mr. Manish Gulati - Executive Director, HEG Limited:

Thanks. Thanks.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thanks, Shubham. We'll take the next question from Rohan Baranwal. Rohan, please go ahead. Rohan, please unmute yourself and go ahead.

Mr. Rohan Baranwal – Arihant Capital:

Thank you for the opportunity, Sir. I'm Rohan from Arihant Capital. My question was on the BESS side. So, currently, if we see the tendering prices for the whole market is actually very competitive and the

prices are a little bit lower side. That's why most of the peer groups, peer BESS manufacturers, are not able to get the tenders. So, how do you see these prices to be correcting going forward, Sir?

And on the manufacturing capability side, as you already have an existing assembly like 1 gigawatt of capacity and adding up 5 gigawatts more, so will you be adding a container fabrication as well for the manufacturing side or will it be imported, Sir?

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Hiren.

Mr. Hiren Pravin Shah - MD and CEO, REPlus:

Yeah. So, first of all, the prices that we see in the market and the prices which are being discovered in the market, actually there's a lot of volatility, you know, as far as these prices are concerned. Today, almost everybody is taking prices from BESS manufacturers in China. And we all know that, you know, China is highly unstable and very volatile at this point of time. So, while we are going through this situation right now, I feel more or less in about 6 months to 1-year time this market will be extremely stable. We will see, you know, lithium prices and also the prices of the cells will, you know, stabilize. The demand also will in a way, you know, streamline because right now there is a demand supply gap.

So, if you remember, just to give a little bit of background, 6 months ago the mining was stopped. CATL had stopped the mines for generating or for producing lithium bicarbonate. And because of that, a huge shortage was created. 6 months before that, there was excess production and because of that excess production they tried to do a correction. So, I believe that in the next 6 months this whole thing, the whole situation will get stabilized.

Coming to the tenders and the tendering part, because of this volatility people are taking aggressive calls going by the traditional drop in prices which has happened. And some, you know, may be able to reach there but some may not be able to reach there. So, it is a dynamic situation is all I can say right now. But in 6 months to 1-year time you will see a lot of stability as far as ESS projects are concerned.

Having said that, we have put 1 gigawatt hour of manufacturing capacity. We already have a hands-on experience by virtue of this. We have also figured out, you know, the components and we have also established a local ecosystem. And we are in the hard part of getting all the components and everything certified and, you know, achieved various certificates as well as credentials for our systems and solutions, both in EV as well as in ESS. So, the 5 gigawatt hour capacity will be catering to both EV and ESS. And having said that, even the container and the rest of the components will be developed locally. We will be doing the assembly of the containers locally within our factory. So, we will do cell-to-module, module-to-pack and then eventually a container will be built up in our system. We will also have facility to do FAT test and then do the mass supply for these BESS projects. So, we are building a capacity to do end-to-end solution making for that.

I hope I'm able to satisfy your question.

Mr. Rohan Baranwal – Arihant Capital:

Definitely, Sir. One more question on the TACC side, the anode material side. So, on the raw material of the anode side, Sir, as electrodes require majorly the needle coke. So, is this same material which is required for anode manufacturing or like it can be done through GPC as well, Sir? Like what is the raw material for that, Sir?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Rohan, as we explained earlier that the requirement for anode is basically green coke. It can be green petroleum coke, it can be green needle coke. And we have the common needle coke suppliers whether it is US, Europe, or Japanese. And whether it comes to the Chinese suppliers, then we have them also. But again, in case of anode, it is very much not only on the quality of the material desired but even a customer's choice because there are several customers who require a non-Chinese material. So, we are well positioned to get the green material outside China as well.

But specific question to your question, it is a green coke, whether it is needle or petroleum, both the material is green and not calcined.

Mr. Rohan Baranwal – Arihant Capital:

Got it, Sir. So, what do we procure? Is it GPC? Because if we see...

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

GPC.

Mr. Rohan Baranwal – Arihant Capital:

Yeah. Sorry?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Sorry, go on.

Mr. Rohan Baranwal – Arihant Capital:

Yeah. So, for GPC, Sir, we see a huge competition coming from the Chinese battery manufacturers. So, how do you see on the raw material sourcing? Will it be conflicted by these Chinese manufacturers or what is the scenario, Sir?

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

See, again, because we are procuring GPC as well as GNC and it is all directly linked with the customer requirement. When it comes to China then if a customer is agnostic of the material whether it is Chinese or non-Chinese, then we are able to procure both from China as well as outside China. And towards the business plan what we have made up to 60,000 tons, we are well positioned in terms of the capacities of coke which are available for the 60,000 ton final production. So, we do not see a challenge up to 60,000 tons and, in fact, even beyond.

Mr. Rohan Baranwal – Arihant Capital:

Got it, Sir. One last thing.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Rohan, we have already run out of time. In case there are any follow-up questions, please mail them to me. Thank you.

Mr. Rohan Baranwal – Arihant Capital:

Okay, Sir. Thank you, Sir. Thank you.

Management:

Rohan, we can connect separately.

Mr. Rohan Baranwal – Arihant Capital:

Sure, sir. Sure. Thank you.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Friends, we have run out of time but there are two participants who have been waiting for some time and those will be the last questions from the evening. Nikhil Singh. Nikhil, please unmute yourself and go ahead.

Mr. Nikhil Singh – Analyst:

Hello?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yes, Nikhil, please go ahead.

Mr. Nikhil Singh – Analyst:

Sir, my question is on the BESS side, on the IPP side. Sir mentioned like we have some asset recycling model. Can you put detail around that?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Yeah. So, Nikhil, typically asset recycling means that once the project is fully in operation, I would say about 6-9 months of operational track record, that means the plant has demonstrated its performance and it is derisked from the execution standpoint. There are a lot of takers like you might have seen India has now a very thriving RE InvIT platform and the typical yield there is about 10%-11%. Now, those guys are the ones who are very, very hungry to acquire operational assets. So, we will build the top quality assets and then flip them to some of these InvITs or even some of the customers depending upon... There are enough, I would say, buyers in the market who want to really own these annuity-based projects.

So, typically, anywhere between 6-12 months in post-commissioning is when we intend to divest these assets and monetize them.

Mr. Nikhil Singh – Analyst:

Okay. And on the battery side, so basically my question is that batteries are evolving technology like from lithium-ion to sodium-ion to solid-state batteries. So, do we see some risk in the anode business in terms of oversupply or market moving to different technology?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Ankur.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

(On mute)

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Sorry, Ankur, we can't hear you.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Hello, can you hear me now?

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Yeah, now we can.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Sorry.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

Ankur always goes mute when we ask him this question.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

So, no, actually when we talk about the anode space then anode for lithium-ion cells. So, lithium-ion cell, today when we talk about the market then the commitment of the market is anywhere between 8-10 years. Because, as Riju explained in the beginning, you know, our main target segment is electric vehicles. And when we talk about the electric vehicles, in Top 10, Top 20 OEMs in the world, they will not change their strategies in the short run, they will always look for advanced developments in the long run, which goes beyond 15 years, beyond 20 years.

So, hence, for our 20,000 tons going up to 60,000 tons, we don't see a market per se challenge whether it is Indian geography plus our qualification in the export market, we don't see a market per se problem for the anode business. Of course, having said that, when we talk about the advanced carbons company, the reason this is a carbons company is because we are not just focused on anode for lithium-ion cell but we are into very advanced development of various carbon material, which will ultimately go into different kinds of new chemistries as well. So, we are also evolving with time and we will be well positioned for these new chemistries as and when they come.

Mr. Nikhil Singh – Analyst:

Okay. Thank you, Sir. All the best.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Thank you, Nikhil.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Nikhil. We'll take the last question for the evening. Jigar, please unmute yourself and go ahead.

Mr. Jigar – Analyst:

Hello. Am I audible?

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Yes, you are. Please go ahead.

Mr. Jigar – Analyst:

Yeah. Thank you, management, for the presentation and accommodating the question, even if we are out of time. My question is based on the PwC valuation report wherein additional notes they have given the projection up to FY30 for various green tech segment businesses. So, if I just calculate it, roughly it is like ₹5,000 crore of revenue by FY30 with range of 20%-25% of EBITDA. So, I just wanted to ask what kind of major tailwinds or headwinds you see to that number? I believe that number might be conservative one, right? So, are there any upside surprises or downside risks? So, that I wanted to know from the management.

Mr. Riju Jhunjunwala - Vice Chairman, HEG Limited:

I think Basant ji can answer that better but I think, as far as I remember, in the PwC report, I think we have taken only the REPlus, the Hydro and TACC numbers in place. We have not considered any growth in TACC. We had not considered our buying 50% of the hydro assets over there. This report was pre us buying the hydro assets at the very, very cheap cost. And I think we had not considered the IPP business over there.

So, Basant ji, you can go ahead.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Yeah. So, you know, Jigar, the REPlus, as you know, what Hiren mentioned that we will be aiming 6,000 but, of course, in the long run. But if you were to look at the entire BESS landscape in India, where the 50 gigawatt hour per annum looks eminent, and even if we target I would say 10% of it, we're talking about 5 gigawatt, 5,000 megawatt hour. And if I were to take on an average about roughly whatever, say, ₹60-₹70 lakh of our own, our, I would say, value of it maybe it would be more. This itself gives about ₹3,500 crores. So, point I'm trying to make that the REPlus will definitely have a lot of tailwind. So, you'll be up for surprise from REPlus in some time.

And as Riju mentioned that we will expand our anode capacity also as we stabilize our first phase. So, the 10,000 ton of capacity expansion looks very, very imminent at the same location at a much lower CapEx. And then the additional revenue coming in from, as he mentioned, 49% extra revenue coming from the acquisition from Statkraft and GrafTech and then the IPP. So, there are a lot of tailwinds. So, I hardly see any headwind, honestly, why this number should not be higher.

As far as EBITDA is concerned, I think this number should hold good across all our businesses.

Mr. Jigar – Analyst:

Yeah, thank you. Just one suggestion or maybe remark. In the presentation, there is a pre- and post-scheme shareholding pattern for public holders of the HEG. May I recommend or may I suggest that we can also mention non-promoter existing HEG holders stake was like some 20%-25% in the Bhilwara or the sub-segment. Now, post-scheme, it might reduce to 18%. And because of the external investor, total non-promoter holding might be 38%; something like that. So, it might give an exact picture that there is no significant dilution but it is mainly from 22% to 18% for the existing non-promoter holder of HEG.

Mr. Ankur Khaitan - MD & CEO, TACC Limited:

Sure. Thank you.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

Thank you, Jigar.

Friends, that was the last question for the evening. I now hand over the webinar back to Mr.

Jhunjhunwala for his closing remarks.

Mr. Riju Jhunjhunwala - Vice Chairman, HEG Limited:

So, I think, I'll ask Basant ji to give his remarks for one minute and I'll follow up on that for the closing remarks. Basant ji, please.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Yeah, thank you. Thanks everyone. And very insightful questions and I think while we did try to respond to best of our ability but due to paucity of time if any one of you feel that you still have a few questions, feel free to reach out to SKP team and then get back.

One thing I just want to reiterate that we are a group which want to grow in a very responsible manner. And what it means by responsible manner is both in terms of governance and also prudence. So, these will be two cornerstone of our growth. Businesses which we are now gotten into via green tech are all tech-led businesses. So, we will be a technology company while we will manufacture material or even BESS or making packs and all but everywhere we will embed technology. We are focused on creating solid IP. And there is a good chunk of money being kept aside to build a very, very strong R&D team.

Hence, this is the only way for us to really be a significant player in these space and ensure that we don't really get commoditized in time to come. So, this is the assurance we just want to give all of you. Over to you, Riju.

Mr. Riju Jhunjhunwala - Vice Chairman, HEG Limited:

Thank you, Basant ji. Thank you, SKP team. Thank you to all the investors. And last but not the least, thank you to all the management team that we have here. If you ask me, we are trying to run this company very differently to what we run the traditional manufacturing companies. There will be in times to come, in very close times to come, a very generous ESOP option for all our employees. People ask me as to how do I see myself running the company different to running a textile company? My answer remains the same. I mean, in a textile company I am the senior most person but the youngest person in the room. Over here I am the senior most person but probably one of the elder people in the room. So, we have to make room for, you know, kind of young leaders, young people who are well acquainted with technology, who can use technology, AI, etc., who have passion for running their particular businesses; the way Hiren has a passion for BESS, Ankur has a passion for graphite, Basant ji having a passion for excellence and for the IPP, etc., business, people like Ajmera Ji who've been with us for long in terms of adding more to the Hydro portfolio. Manish, of course, who is running the current graphite business. Puneet; who is kind of helping on strategy, And all the other people, Salil, etc., and apologies if I have missed anyone. It is one team right now working on delivering results on both sides; on the HEG Graphite side and on the HEG Green Tech side.

So, to my mind, I see it as a very, very good opportunity for HEG shareholders to really, like I said in the beginning, to have their arm in both the pockets. As and when the company gets delisted, you will have shares of both the companies and, I think, we have very, very good long term plans to run both the companies in a very, very good manner under all the professional management that we have seen today. This was just to demonstrate to you that the depth of management that we have, despite the different businesses that we are trying to commit to, will 1.50.51.

And like Basant ji said, I will just close on one remark that this will be responsible growth and ethical growth; something that the Group and the company has always known for. Thank you very much.

Management:

Thank you, everyone, and have a great evening.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

On behalf of SKP Securities, thank you Mr. Jhunjhunwala and the entire leadership team at HEG for taking time out...

Management:

Thank you, everyone.

Mr. Navin Agrawal - Head - Institutional Equities, SKP Securities Ltd:

...and answering all the questions. And we look forward to hosting you for the Q3 results. Thank you and bye.

Mr. Basant Jain - Joint MD and CEO, Bhilwara Energy Limited:

Thank you.

(END OF TRANSCRIPT)