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E-mail: monika@himadri.com

Ref: Listing Code: 500184 BSE Limited Department of Corporate Services P. J. Towers, 25 th Floor, Dalal Street, Mumbai- 400 001	Ref: Listing Code: HSCL National Stock Exchange of India Ltd Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E) Mumbai- 400 051
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Sub: Transcript of Earnings Conference Call for Financial Performance for the 2nd Quarter and Half Year ended 30 September 2026 held on Thursday, 22 October 2026

Dear Sir/ Madam,

Further to our letters dated 16 October 2026 and 22 October 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") read with Schedule III of the SEBI Listing Regulations and other applicable provisions of the SEBI Listing Regulations, we are enclosing herewith the transcript of earnings conference call for Financial Performance for the 2nd Quarter and half year ended 30 September 2026 held on Thursday, 22 October 2026 at 04:00 p.m. (IST).

The above information will be made available on the Company's website at www.himadri.com

You are requested to take the same on record.

Thanking you.

Yours faithfully,
For Himadri Speciality Chemical Ltd

Monika
Saraswat
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Monika Saraswat
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Monika Saraswat
Company Secretary & Compliance Officer
ACS: 29322

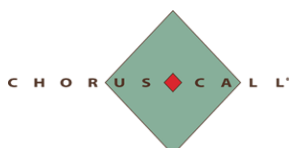
Himadri Speciality Chemical Ltd

(Formerly known as Himadri Chemicals & Industries Limited) CIN: L27106WB1987PLC042756
Regd. Office: 23A, Netaji Subhas Road, 8th Floor, Kolkata – 700 001, India
Corp. Office: 8, India Exchange Place, 2nd Floor, Kolkata – 700 001, India
Tel: 91-33-2230-9953, 2230-4363, Fax: 91-33-2230-9051, Website: www.himadri.com



“Himadri Speciality Chemical Ltd
Q2 FY27 Earnings Conference Call”

October 22, 2026



**MANAGEMENT: MR. ANURAG CHOUDHARY – CHAIRMAN, MANAGING
DIRECTOR AND CHIEF EXECUTIVE OFFICER –
HIMADRI SPECIALITY CHEMICAL LTD
MR. SOMESH SATNALIKA – EXECUTIVE VICE
PRESIDENT, TYRE AND STRATEGY – HIMADRI
SPECIALITY CHEMICAL LTD**

Moderator:

Ladies and gentlemen, good day, and welcome to the Himadri Speciality Chemical Ltd Conference Call. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

Today on the call, we have with us Mr. Anurag Choudhary, CMD and CEO; and Mr. Somesh Satnalika, EVP, Tyre and Strategy.

Before we proceed with the call, I would like to give you a disclaimer that this conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions, and expectations as of today. Actual results may differ materially. The statements are not the guarantee of the future performance and involve risks and uncertainties that are difficult to predict. A detailed Safe Harbor statement is being given on Page number 2 of the Investors presentation of the company, which have been uploaded on the Stock Exchanges and on the company's website.

I now hand the conference over to Mr. Anurag Choudhary. Thank you, and over to you, sir.

Anurag Choudhary:

Thank you. Good evening, everyone, and thank you for joining us today. We deeply value your continued trust, confidence and engagement with Himadri. Q2 FY27 was another important quarter in Himadri's transformation journey. Several initiatives we have spoken about over the past several quarters are now translating from research to qualification, from capacity creation to customer engagement, and from strategic intent towards commercialisation.

Before discussing these developments in detail, let me briefly touch upon our financial performance for the period ended 30th September 2026. For H1 FY27 on a consolidated basis, revenue surpassed INR 3,000 crores, EBITDA exceeded INR 600 crores and profit after tax crossed INR 450 crores. This performance reflects the strength of our business, an optimised product mix, operational efficiencies, and our continued focus on value-added products.

Over the years, we have invested consistently in research and development, process engineering, manufacturing capabilities, customer relationships, and strategic partnerships. These investments are increasingly expanding our addressable markets, strengthening our competitive position and creating the foundation for next phase of Himadri's growth.

Let me begin with the area where this transformation is perhaps most visible: speciality and advanced materials.

Across our new material platforms, our focus remains clear: develop differentiated technologies, validate them rigorously with customers, and scale them in a disciplined manner.

Our 200 TPA Carbon Nanotube facility remains targeted for commissioning in Q4 FY27. Carbon Nanotubes represent an important next-generation material with applications across lithium-ion batteries, semiconductors, electronics, conductive applications, and other high-performance uses.

In Super Speciality Carbon Black, our planned 6,000 TPA capacity remains targeted for Q4 FY28. This represents the next step in our journey from speciality carbon black to super speciality grades, towards highly engineered niche products designed for demanding applications.

Our LFP cathode active materials roadmap is also progressing well with the initial 2,000 TPA capacity targeted for commissioning in Q3 FY27. The initial capacity is designed to support customer qualification and early commercial engagements, while also establishing the foundation for a significantly large scale-up opportunity. The progress in customer engagements together with strong visibility on future demand gives us confidence to move into the next phase of expansion with 40,000 TPA capacity planned for commissioning next year.

On the anode side, our capabilities continue to progress across synthetic graphite and next-generation silicon carbon technologies, strengthening our objectives of building a comprehensive battery materials portfolio. We have already provided materials to leading domestic and global customers for their qualification process. Customers' feedback and engagements have been very encouraging.

In anthraquinone and carbazole, our in-house engineering team has enabled us to accelerate execution with full capacity 5,300 TPA now targeted for commissioning together in Q4 FY27. The reason we are doing 2 phases together is there, that so in order to avoid any shutdown of 3 months during the commissioning of Phase 2. This allows us to bring the entire capacity to market in one shot, enabling faster market penetration and market share gains. As you all are aware, these expansions are focused largely on very high value-add categories and are therefore expected to have meaningful impact on company's profitability and margins.

Importantly, let me inform you, all these developments are increasingly being complemented by deeper and more frequent customer engagements. During the quarter, we have entered into NDAs with Indian and international customers across Battery Materials, Carbon Nanotube (CNT) and Super Speciality Carbon Black segments. Our ENERGEX speciality carbon black grades received approval for high-voltage cable and battery applications followed by commercial orders.

For us, this progression from research to qualification to customer relationship and commercial adoption thereafter is particularly important. It validates both the technology and the market opportunity. We continue to build ecosystem across lithium-ion battery value chain through our strategic investments and partnerships with a focus extending from material innovation and technology development to cell-level validation and eventual commercial deployments.

During the quarter, we invested further in Sicona Battery Technologies. Sicona has also completed the acquisition of 100% of Advano in United States, adding valuable silicon anode intellectual property, a U.S.-based pilot plant facility and additional R&D and cell-testing capabilities.

Further strengthening its commercialisation road map, Sicona has secured AUD45 million in funding from Australian Renewable Energy Agency (ARENA) to advance its next-generation

silicon carbon anode technology. These developments add significant technological and execution depth to the platform and reinforce our conviction in silicon carbon as an important next-generation anode technology.

Our strategic investment in International Battery Company (IBC) further complements this ecosystem in a unique way. Through IBC, Himadri has access to a platform that bridges material innovation, cell-level validation and commercial deployment, providing us with a strategic advantage as we strengthen our presence across the lithium-ion value chain.

Together, Sicona, IBC, and our in-house capabilities are creating a collaborative innovation ecosystem that spans material science, technology development, validation, and application. This gives us a differentiated position as the lithium-ion battery value chain continues to evolve.

As our portfolio becomes increasingly sophisticated and global, our commercial architecture must evolve alongside it.

During the quarter, we incorporated Ardent Impex FZCO in Dubai Airport Free Zone Area as a wholly owned subsidiary. This provides a dedicated platform for global sales, marketing, strategic trading, and procurement, thereby enhancing our proximity to customers and suppliers across Middle East, Africa, and Europe.

Simply put, as Himadri becomes more global in what it develops and manufactures, we must also become more global in how we reach markets.

Global supply chain realignment is also creating a significant opportunity for India. Building domestic capabilities in advanced materials can reduce import dependence while creating global competitive manufacturing platforms. Our investments across CNT, Super Speciality Carbon Black, LFP, synthetic anodes, and silicon carbon technologies align closely with this opportunity and with the larger vision of Atmanirbhar Bharat.

Another significant development during the quarter was the proposed merger of Birla Tyres business with Himadri.

Following the acquisition of Birla Tyres in October '23, we focused on restoring operations, modernising the manufacturing infrastructure, upgrading equipment, rebuilding the distribution network, and refreshing the product portfolio. Commercial production resumed on 29th May 2025, and since then, the business has steadily strengthened into operating foundation and market presence.

The Board has proposed the demerger of tyre business from Dalmia Bharat Refractories Limited into Himadri Speciality Chemical Ltd, subject to the requisite statutory, regulatory, creditor, and shareholders' approvals.

Strategically, the proposed transaction brings together complementary capabilities across feedstock, speciality carbon black, R&D, manufacturing, and finished tyre production.

Direct ownership should enable closer alignment across capacity utilisation, modernisation, capital allocation, and product development. More importantly, it creates opportunity to bring our understanding of carbon material closer to tyre engineering, particularly in a specialised application where material performance can play meaningful differentiation. We, therefore, see this as a natural next phase in the journey of Birla Tyres and an important step towards building a more integrated and scalable mobility platform.

As we enter the second half of FY27, our priorities are clear: We'll continue to strengthen our core business, accelerate customer qualification, commercialisation across new material platforms, expand international presence, and progress the proposed merger of Birla Tyres.

We remain confident in achieving our previously guided target of INR 1,100 crores plus PAT by FY28. This will be supported by the sustained performance of our core business and commissioning of new capacities over the coming periods.

Our philosophy remains unchanged: invest patiently in science, execute with discipline, and scale when the technology and the market are ready.

I would like to thank every member of Himadri family, our customers, business partners, shareholders, and stakeholders for their continued trust and support.

With that, I'll now hand over the discussion to Mr. Somesh Satnalika for further details on financial performance and business outlook. We look forward for your questions to an engaging discussion. Thank you.

Somesh Satnalika:

Thank you, Anuragji, and good evening, everyone. Now let me take you through the key financial highlights for the quarter and half year ended 30th September 2026. On a standalone basis, our revenue from operations for Q2 FY27 stood at INR 1,543 crores compared to INR 1,070 crores in Q2 FY26. EBITDA for the quarter came in at INR 308 crores, a growth of 27% year-on-year compared with INR 243 crores in Q2 FY26. PAT stood at INR 240 crores, reflecting a 28% increase year-on-year compared to INR 187 crores in the same quarter last year.

For the first half year of FY27, revenue stood at INR 2,817 crores while EBITDA reached INR 610 crores, up 28% year-on-year from INR 477 crores in first half of FY26. Profit after tax for the half year stood at INR 463 crores, up 25% year-on-year over INR 369 crores reported in H1 FY26.

On a consolidated basis, revenue for Q2 FY27 stood at INR 1,691 crores versus INR 1,071 crores in the same period last year. EBITDA for Q2 FY27 stood at INR 303 crores, recording a growth of 27% year-on-year and PAT at INR 231 crores with a growth of 31% year-on-year.

Our half year revenue stood at INR 3,123 crores, EBITDA at INR 616 crores, PAT at INR 460 crores, reflecting strong performance across all business segments. We continue to maintain a healthy liquidity position with a comfortable leverage profile. That is all from our side. We will now open the line for questions and answers. Thank you.

- Moderator:** Thank you very much. We will now begin with the question-and-answer session. The first question is from the line of Sagar Jethwani from Phillip Capital PMS.
- Sagar Jethwani:** Firstly, what explains the sharp moderation in the gross margins during the quarter? Are there any one-offs? And when can we see the recovery? So that is my first question. I have a few more questions.
- Anurag Choudhary:** So if you actually see, the margins are stable. And if you compare with the corresponding quarter last year, there has been significant growth in the margins. So as we told last time also, the right way to look at is per metric ton EBITDA. So per metric ton EBITDA is around 21,000, which in the sequential quarter was at around 22,700-22,800 and in the corresponding quarter, that is last year, it was at around 17,900.
- So if you see on a year-on-year basis, it has gone from 17,900 to 21,000 level. But if you look on a sequential basis, it has come down, which is normal adjustments, which happens in a business, and there is nothing significant. So we are confident of achieving EBITDA above 20,000 on a sustainable basis, and this will strengthen in the quarters to come.
- Sagar Jethwani:** And secondly, what drove this 58% revenue growth?
- Anurag Choudhary:** So 2 factors. One was volume growth. If you see, there has been 11% volume growth on quarter - corresponding quarter from last year. And comparatively, the value of finished product and raw material, both has gone up. And consequently, there has been increase in the top line.
- Sagar Jethwani:** Any specific segments would you like to point out?
- Anurag Choudhary:** No, it's general. All the segments, the value of raw material has gone up. And with more focus on value-added products, the selling price is also going up.
- Sagar Jethwani:** So third is all related to the Birla Tyres business. What was the revenue during the quarter? And are we on a track to attain breakeven during this year?
- Anurag Choudhary:** So Birla Tyres basically is under Dalmia Bharat Refractories Limited. We do a trading sales from Himadri and we achieved a top line of INR 140 crores on which we have an EBITDA of INR 1 crores as a trading margin. And once it is consolidated with Himadri, we will see the numbers being added to Himadri figures. And we are on track to achieve breakeven.
- Sagar Jethwani:** And sir, on these new products such as LFP cathode, anthraquinone and carbazole, will these products be margin accretive from the start of operations? If you could confirm that. I'm not asking for any margin number here, but just want to understand from the start of operations, whether these products would contribute towards the incremental margins?
- Anurag Choudhary:** Yes, definitely, these products will start from the start only. They will add to the incremental margin. Like anthraquinone and carbazole, they are very high value-added products. We are converting from oil, we are going to extract these products. So like for LFP also, once we attain a particular capacity, you will see the margins coming in significantly.

- Sagar Jethwani:** And on this anode capacity that commenced in the previous quarter, how has been the initial response from the customer?
- Anurag Choudhary:** I'm very happy to share with you, the response has been fantastic. We have shared -- we have supplied sample B to a lot of customers globally and in India. And their response has been very encouraging.
- Sagar Jethwani:** Could you throw some light on the realisations?
- Anurag Choudhary:** Realisation for?
- Sagar Jethwani:** Anode.
- Anurag Choudhary:** No. See, realisation is not a plan because now we are supplying samples. So we are in sample stage now.
- Sagar Jethwani:** And any colour on the spreads between coal tar and coal tar pitch you can share the trends maybe?
- Anurag Choudhary:** This is standard. There is no significant difference in spreads in coal tar and coal tar pitch, which has been historically there, that is there only.
- Moderator:** The next question is from the line of Bhavin Chheda from Enam Holdings.
- Bhavin Chheda:** Congrats on overall good set of numbers and overall very good presentation, which covers a lot of data. So I was seeing the Slide number 15, where you have given investments for various projects, LFP, speciality chemicals, carbon nanotube. So overall, I think capex is roughly around INR 1,500 crores. How much has been spent till date? And what is the plan to be spent in FY27 and FY28?
- Anurag Choudhary:** So, till date, if you look at this quarter, the spend has been around INR 250 crores in terms of Birla Tyres and other capex investments. And we expect in this year to be around INR 800 crores to INR 900 crores of spend in total.
- Bhavin Chheda:** So this year would be INR 800 crores to INR 900 crores. Okay. Okay. And all these projects will have commercial date before FY28, right?
- Anurag Choudhary:** Right, right.
- Bhavin Chheda:** So full impact of most of the capacities would be visible from FY29?
- Anurag Choudhary:** That's right.
- Bhavin Chheda:** Congrats, Anurag, and congrats to the team.
- Moderator:** The next question is from the line of Rohit Sinha from Sunidhi Securities.
- Rohit Sinha:** One thing on the mining segment, as in the last quarter also, we have indicated that some licensing are pending in that side. So the profitability was impacted. So this quarter also, I think

there's no such contribution from the mining side. So where we are progressing there? And what sort of fixed cost we are having in the mining business?

Anurag Choudhary: Yes. So last quarter, in fact, the current quarter, we had negative EBITDA from the mining segment because expenses were there and it was not operational because environmental clearance was pending. I'm happy to announce that we have received environmental clearance during the current month and the mining will be operational during the current quarter.

So if you look at the -- current quarter, there was a drop in the profitability from standalone to consolidated. And it was basically because the mining segment from INR 240 crores PAT, it came down to INR 231 crores. So expenses in the other entities where there was no revenue generation led to this. But in the current quarter, with mining operations start -- we have got the clearance, environmental clearance for starting the mining operations. So there will be upside in terms of mining revenue and profitability.

Rohit Sinha: And sir, in a longer timeframe, what sort of annual revenue we can expect from this mining business?

Anurag Choudhary: See, this will depend on the volume we are able to generate year-on-year. But on a broader basis, we look at around INR 500 crores of top line from this.

Rohit Sinha: And sir, a follow-up question from one last participant on the gross margin side. Although on the standalone basis, as you rightly said that the EBITDA per tonne or EBIT per tonne has improved on Y-on-Y basis. But still, if we look at the gross margin side, it has contracted almost 500 bps on Y-on-Y basis.

So is it all the -- I mean is there any product mix change or raw material pass on has been still pending how to look at -- since as you already indicated that raw material prices has increased. So all these are passed through or some are still yet to be passed, maybe would be reflecting in the Q3 numbers?

Anurag Choudhary: See, what happens, the raw material, we have a pass-on model in which we transfer the increase in price. But it happens at times in a quarter when the raw material increase is there in the previous month, and it has to be passed in the next month and the next month falls in the coming ensuing quarter. So that price is not passed on. And if you look at our inventory levels, inventory levels, we have moderated to a great extent. We are only having 9 days, 10 days of raw material inventory in order to take care of this volatility.

So overall, if you look, 17,910 was the EBITDA margin on corresponding quarter last year. And today, it is 20,990. So 3,080 increase in EBITDA margin. It is basically because the high value-added products we are going. Some dip is there compared to sequential quarter, which was normally higher INR 1,500 to INR 1,800 per metric ton. And this, there are many factors which attributed to this.

One is the last quarter, some pricing was not able to pass on, which will be passed in the next quarter. Then export has increased as a percentage of total sales. Corresponding quarter last year, we had 26% as export, today, we have 33%. You know with the geopolitical situation, the freight

rates have gone up on the top of the roof. Because of that, there has been some hit. So these are temporary phenomenon, which has -- short-term to medium-term business impact of the company.

Rohit Sinha: And sir, as for you, you have maintained the guidance for INR 1,100 crores PAT for FY28. With all these just wanted some clarification on all the new segment like for Carbon Nanotube and Super Speciality Carbon Black, would that all be coming in a separate segment or it would be in the carbon black business only? And how we'll be reporting the numbers going forward?

Anurag Choudhary: It will be coming in the carbon segment only because all things are related to carbon. So on the carbon segment only everything will be reported.

Moderator: The next question is from the line of Harsh Motika from SKP Securities Limited.

Harsh Motika: Congratulations on a great set of numbers. Sir, my question is more on the macro side because you covered pretty much everything on your opening remarks. So sir, from a pricing perspective, with respect to both Carbon Black and CTP coal tar pitch, how has the West Asia crisis and the ongoing stalemate affected the prices? And whether it is only the supply chain constraints that are driving the realisations up? Or do we also see a lot of demand pull coming in now?

Anurag Choudhary: See, we see the volume growth is there. This itself signifies there has been demand upside is there. And as I have been always telling, the business model which Himadri has developed is resilient to geopolitical situation. And that we are proving quarter-on-quarter with the current quarter also with so much of geopolitical tension, issues happening, but you see our numbers are very strong. People are only looking at some contraction in margins.

But the bigger picture is that, that we have grown margins after the speciality by 3,000 metric ton compared to corresponding period last year. And this will strengthen further, 1,000- 1,500 is not at all issue. There are so many geopolitical situations impact. But if you look at the overall story, compared to last year, we have a top line growth of 58%. We had a PAT growth of 31%. So even in kind of this kind of difficult times, Himadri is able to sustain and grow the business. That is the strength of the business model.

Harsh Motika: And sir, on the side of Birla Tyres, so do we still maintain our guidance that we had given earlier with respect to top line? Or do we expect some more upside on that?

Anurag Choudhary: No, no, definitely, we maintain our guidance what we have given.

Moderator: The next question is from the line of Raghav Angra from Money Stories Asset Management.

Raghav Angra: First of all, congratulations on the quarterly numbers. My question would be regarding the Himadri Silicon Carbon Anode Technology. So what is the commissioning timeline and capacity that this company is targeting? And what premium it could command over the graphite anode? Like it's part of the anode capacity altogether?

Anurag Choudhary: Yes. So, we are at the advanced stage of announcing capex for the project. We have not made any formal announcement as such. The product has been well accepted in the market, and we

have got very good results from our customers. So we are working on the engineering side of it. And once it is completed, we'll make a formal capex announcement with the timelines.

The product is very high end of anode technology. So the normal anode has 360 milliampere per gram of capacity and silicon carbon has 4,000 plus. So it is 10x of it. And the price, there is no comparison between the price of synthetic anode and silicon carbon. It's far, far higher than that. So at the right point of time, once we are completed with this, good thing is that we are moving ahead in the right direction and in very high speed.

I have made announcement that our partner, Sicona Batteries, they have secured AUD 45 million as a package from Australian government. So this itself certifies that we are moving in the right direction.

Raghav Angra: And one more question. Like with the emerging battery technologies like sodium ion and solid state, what's the company targeting in the future? Do you have any future plans?

Anurag Choudhary: We are working on the raw material cathode and anode for that also. So at the right point of time when that matures, we'll announce capex for that also. There's no problem. So all these technologies will coexist.

Moderator: The next question is from the line of Preet Nagarsheth from Wealth Finvisor.

Preet Nagarsheth: My question is regarding the Carbon Black business. So I wanted to understand how is the capacity utilisation that you are experiencing and which you are guiding for the next quarter relative to the current quarter? If you can share some light.

Anurag Choudhary: So Carbon Black business is doing strong. The demand is very robust. And during the current quarter, we had a capacity utilisation of 88%. And we are looking forward at these levels only 88% to 90%- 95% capacity utilisation.

Preet Nagarsheth: And sir, on the realisations, are you seeing an increase in realisations over quarter 2? How is the trend basically shaping up is what I'm trying to understand.

Anurag Choudhary: With the increase in raw material prices, the realisation is also improving.

Preet Nagarsheth: So the point I'm trying to make is that almost 21,000 EBITDA that you had in quarter 2, do we anticipate an increase in this for quarter 2? Or is this a run rate that we should go with going forward?

Anurag Choudhary: See, you should factor in EBITDA per metric ton from 20,000 to 24,000. So in some quarter you will have 20,000, in some quarter 21,000, 23,000. See, this will keep on varying depending on what happens during a quarter. Like in the current quarter, there was so much -- the freight rate just went on the top of the roof, container freights went skyrocketing. So because of that, some cost element was additional cost element, which is not normally there, that came into play.

Other than that, some at the end of the quarter, you see the price increase in the raw material. So you buy at a higher price, but that you get in the next month. So that little hit is there. So these

are very small things. But on a macro basis, I think anything between 20,000 to 24,000, this should be the level which it should play around.

Moderator: The next question is from the line of Amay Sharda from Purnartha Investment Advisors.

Amay Sharda: I just had a question regarding the mining business. So can you just like explain or shed some light what products are we mining over here? Where are the mines located? Who will be our customers in this segment? Anything will help?

Anurag Choudhary: We are basically into sand mining in Bengal. And it will be the construction industries who are our customers.

Moderator: The next question is from the line of Paras Chheda from Purpleone Vertex Ventures LLP.

Paras Chheda: Congratulations...

Moderator: Paras, your voice is breaking.

Paras Chheda: Am I audible now?

Moderator: Yes, now you're audible. Please proceed.

Paras Chheda: Yes. So sir, I understand there has been a short-term impact on the EBITDA margins for this quarter. But I mean, more broadly, on a sustainable basis, on an annual basis for FY28 and beyond when some of these new projects also come in, can we work with 20% plus sort of EBITDA margins or that will be difficult to sort of underwrite?

Anurag Choudhary: I'll tell you. So the right way to look at Himadri is not as a percentage. At some quarter, you'll find 20%, you will find 25%, 26% also. So the right way to look at is not a percent, but as I told you, absolute margin per metric ton. If the raw material -- suppose tomorrow, the raw material prices come down, then you will find 28% margin. If the prices go up, you will find 20% margin. So that will not be the right way to look at it. The right way is to look at the per metric ton margin, which will hover from around 20,000 to 25,000. And this is a journey in which depending on what specific incidents happen in the quarter, it will keep on changing.

Paras Chheda: Right. So then how do we look at the margins for LFP and speciality chemicals, sir?

Anurag Choudhary: So LFP margins, that it's premature now because it will commence in FY29 only. So there is no point discussing the margin from now onwards for LFP. Now we are setting up our 2,000 TPA plant, will be commenced in Q3. We'll supply the samples and have commercial discussions. I think after that, we'll be able to guide you on the right way to look at it.

But one thing I will say, see, look at from the perspective of ROCE, for us, ROCE is an important factor. If you look at the current quarter also for half year, we have ROCE of 30%, and that is the baseline we want to maintain for all our projects at optimum capacity utilisation.

Paras Chheda: Sir, just for this 2,000 TPA, do we have some sort of commitments now with customers or it is still premature?

- Anurag Choudhary:** Definitely. We have already engagement with the customers; we have to supply them samples from our 2,000 TPA plant. Definitely, we have a lot of customers globally and in India, all of whom we have to supply the samples.
- Paras Chheda:** And sir, just one thing on the trade receivables and working capital thing is negative for the first half. How do you expect -- I mean, do you expect this to turn positive for the end of the year on an annual basis? And just on a little bit on the trade receivables, if you can comment, please.
- Anurag Choudhary:** Yes, sure. So if you look at the working capital, Q1 FY27, our net working capital as a percentage of sales was 41%, which has come down to 37% in Q2 FY27. If you compare it to Q2 FY26, it was 31.3%, which has gone up to 37%. So in fact, on a quarter-on-quarter basis, if you look, the working capital has come down.
- But compared to corresponding quarter last year, it has slightly gone up, which I think in next coming 2 quarters will normalise and will come down further. Regarding receivables, if you see, the sales have gone up by 58% in this quarter. And that is the reason. But in terms of days, if you see, last quarter, it was 63 days, this is 65 days. So there is hardly any variation in terms of days of debtors.
- Paras Chheda:** Right. So on an annual basis, we'll turn cash flow positive from operations, I mean, hopefully, with these next 2 quarters normalising?
- Anurag Choudhary:** Definitely, definitely.
- Paras Chheda:** And sir, just last one, what kind of peak debt shall we assume with this capex that are coming up in the next 1 or 2 years?
- Anurag Choudhary:** See, idea is to invest from internal accrual, not from debt. So the focus will be to generate and invest. That is the reason, if you see, our working capital has increased, but the investment has gone. We have already invested in capital in this year, in capex already we have invested more than INR 400 crores, in investment in capex.
- So that has also actually come from internal accrual only. Working capital, the debt was basically working capital. And this, everything has come from internal accrual. And that will also come down in the next 2 quarters.
- Moderator:** The next question is from the line of from Meet Bhuvra from Entigrity Ventures and Partnerships.
- Meet Bhuvra:** Am I audible?
- Moderator:** Yes, sir.
- Meet Bhuvra:** So my question is on the cathode and anode side. So like on our pricing, our pricing will be on the line of these Chinese suppliers who are currently dominating the market on the cathode and anode side?
- Anurag Choudhary:** Your question is not clear. Can you repeat? Can you speak...?

- Meet Bhuv:** Yes. So I was asking just on the cathode and anode side, our pricing will be in line with the Chinese suppliers?
- Anurag Choudhary:** Definitely. It has to be in line with that only.
- Meet Bhuv:** Okay. And IBC is the one who will be consuming 100% of our capacity or we will be planning to sell to the other domestic and global manufacturers as well?
- Anurag Choudhary:** No, no. IBC will not be consuming any material. IBC is a technology partner for many companies who are setting up cell manufacturing capacities in India and globally. So for whom IBC is providing technology and EPC contract for cell manufacturing facility. In that Himadri product automatically qualifies. That is one market. Other than that, we are engaging with many customers and OEMs globally and in India. So it will be a fully diversified market on a global basis.
- Moderator:** The next question is from the line of Animesh Jain from Dalal & Broacha.
- Animesh Jain:** My question is from volume side. So in this volume, 1,46,000, we have added our anthraquinone and carbazole volume also?
- Anurag Choudhary:** No, no. Anthraquinone and carbazole has not commenced production. This is from our existing business only. Anthraquinone and carbazole was supposed to start. First phase will start from this quarter. What we did, instead of starting on 2 phases, this one phase this and one phase 1 year later, we have made in next 6 months 2 phase to commence together.
- So with that what is happening, the next year, we were supposed to have a shutdown for 3 months for connecting the lines. So there was no point in stopping the plant because that has severe impact on the facility. So our technical team decided that we will commence both lines together instead of single line. So it will commence by March. Then you will see, next year, you will see full operation of 9 months of the full capacity.
- Animesh Jain:** And sir, our -- we have created a brand called Durofresh, which will be added INR100 crores EBITDA to the business. So how it's performing?
- Anurag Choudhary:** I don't know from where you got this INR 100 crore number. But yes, we have added a brand in Durofresh. It is performing very well. The purity levels are the best in the market, and we have got a very, very positive response from the consumers.
- Moderator:** The next question is from the line of Nirav Gandhi from Sunidhi Securities. Since there is no response from the participant, we'll move to the next participant. The next question is from the line of Kruti Bhimani from Wealthyvia Ventures LLP.
- Kruti Bhimani:** I just wanted to ask, how much capital has Himadri put into each subsidiary so far? And what is still committed?
- Anurag Choudhary:** Yes. Can you please speak a bit louder and repeat your question?
- Kruti Bhimani:** How much capital has Himadri put into each subsidiary so far? What is still committed?

- Anurag Choudhary:** So all the subsidiaries are 100% WOS of Himadri. And till yet we have not put in significant capital in these companies.
- Moderator:** The next question is from the line of Parth Kotak from Plus91 Asset Management.
- Parth Kotak:** Most of my questions have been answered. One bookkeeping question from my end is, I think in the consolidated segment-wise reporting, we do other revenue from operations, which is to the tune of INR 288 crores for the first half, about INR 140 crores. That is what we are referring to Birla Tyres, right?
- Anurag Choudhary:** Right, right, right.
- Parth Kotak:** Perfect, sir. And secondly, for LFP materials, can you provide some colour on how the capacities would ramp up from '29 onwards? Like I know it's probably difficult to say today. But once we put up a capacity, does the ramp-up happen immediately or probably maybe 30%, 40%, 50% in year 1 and then it gradually ramps up?
- Anurag Choudhary:** So for the year 1, we are targeting 50% plus capacity utilisation. And from the next year, it will be 90% plus.
- Moderator:** The next question is from the line of Krish Kothari from K Kothari & Associates.
- Krish Kothari:** I just wanted to understand the technical specifications of the Carbon Nanotube project that we are about to start?
- Anurag Choudhary:** Thank you for your question. But very sorry, I cannot speak technical specification on our con call. It's a highly technical product with a strength of 100x of steel and with the conductivity of copper and very light material. It's a unique material which Himadri has developed.
- Krish Kothari:** And sir, is there any timeline when we are going to commercialise this?
- Anurag Choudhary:** Yes, Q4 FY27, we are starting production.
- Moderator:** The next question is from the line of Mohit Chugh from Subh Labh Research.
- Mohit Chugh:** Sir, my question is more based on realisation side. So we have been seeing the numbers that realisation has been increasing Y-on-Y as well as sequentially. And with further launch of value-added products, should we take the current realisation as a base?
- Anurag Choudhary:** Should we?
- Mohit Chugh:** Take the current realisation as a base?
- Anurag Choudhary:** No, no, no, you cannot take the current realisation as base because if tomorrow, the raw material prices come down by 30%, 40%, the realisation has also to come down. So I don't think that will be the right way of looking into it. The realisation will vary depending on the raw material prices, and that is something how we have built our business. And same thing if the raw material prices

goes up tomorrow, the realisation may increase by 30%, 40% also depending on how much the raw material goes up.

Mohit Chugh: But we can see an upward trend from the value-added products that we will be adding in coming years?

Anurag Choudhary: Yes, definitely. So if you - actually, if you look at the journey the company has embarked over the last few years, you just track year-on-year per metric ton EBITDA margin. Last 3 years, if you see, you'll see big uptrend. Even last year, you see, we are up by 17% in terms of EBITDA margins. I'm talking about only EBITDA per metric ton margin. We are up by 17%.

This shows the value addition the company is doing in its existing portfolio. Sequential way of looking into margin, I don't think it's the right way. The right way is corresponding quarter last year, that shows the value addition the company has done over the year. Quarter-on-quarter, it can go any side, it can increase, it can come down, that's okay.

Moderator: The next question is from the line of Sanjesh Jain from ICICI Securities.

Sanjesh Jain: Sir, a couple of questions from Battery Chemical first. On the anode side, where are we in the process? And how established is the technology now that we have 200 TPA of capacity? So how many approvals have we secured? When should we see this commercialisation? Apologies if some of these are repetitive questions. I joined a little late in the call.

Anurag Choudhary: So thank you, Sanjesh. Our plant has commenced operation, and I'm very happy to announce that the capacity of the material we have received is better than what we expected. So the quality-wise, the material is perfectly bang on target and even better, I can tell you. The response from the customers have been very encouraging. And in fact, we have engaged with much more higher number of customers compared to what we were envisaging.

And now they are testing the material, and it takes time for them to test the material. But things are moving in the right direction. And the preliminary feedback, what we got from the customers are very, very encouraging. Regarding the capex part of it, we are working on the same. We are doing engineering of the plant. So once we are completed with the engineering, we'll announce the capex and the time frame, then we'll commence the commercial operation.

Sanjesh Jain: That's great. But just on the anode side, when we say we have achieved the material quality, which is far superior, what parameter are we really looking at here?

Anurag Choudhary: Main parameter that we look is the capacity per milliampere per gram.

Sanjesh Jain: Okay, which is...?

Anurag Choudhary: Suppose the benchmark is supposed 100. So we have achieved 100 plus. So that is the main criteria for anode material.

Sanjesh Jain: So is this compactisation are we talking here when you say...?

- Anurag Choudhary:** Here compactisation is not there. No, no. For LFP compact density is an important factor. Here, the compact density is not there. Here, the main factor is capacity per milliampere per gram. Milliampere per gram is the capacity metrics you calculate. That is an important factor, so how much capacity is stored in a gram.
- Sanjesh Jain:** Okay. So basically, energy density.
- Anurag Choudhary:** Right.
- Sanjesh Jain:** Got it. And what is the global benchmark energy density in the synthetic? This we are talking about synthetic graphite or a natural graphite because we intend to do both, right?
- Anurag Choudhary:** Synthetic graphite. So global benchmark, theoretically, the highest you can achieve is 360.
- Sanjesh Jain:** Correct. And where are we theoretical versus where are we now?
- Anurag Choudhary:** Very near to that.
- Sanjesh Jain:** We are very near to that. That's great. And we have all the kiln and everything to make it, right? When we plan for the capacity, we will be doing the entire process, right? And can you tell us because we are hearing a lot on CPC shortage globally, which is calcinated petroleum coke. How do we solve that? Because we have coal tar, which is one part of the raw material, but even CPC is a very important part right here?
- Anurag Choudhary:** No, no, no. I think CPC is not an important part because we will not use any CPC. There are 2 raw materials that we'll be using. One is our own coke which we'll be making, and that will be the raw material for making anode material. And we have established this product globally. I have supplied and we have manufactured and supplies to who's who of anode material business in China. So this is a very well-established product, which Himadri has developed as a raw material.
- Now coming to the other raw material, other raw materials will be different types of cokes, but not CPC. And we don't see any problem and issues in sourcing those also. So depending on economics, we will use the raw material.
- Sanjesh Jain:** That's very clear. That's very nice to hear. Second, on the LFP, where are we in the process? Because we expect Q3 to start the 2,000 TPA plant. So where are we in the process for that?
- Anurag Choudhary:** We are moving ahead as per the schedule. We'll commence production of 2,000 TPA trial production in Q3 FY27. And from there, next in Q4, the samples will start generating. First, we'll optimise the plant. So next 2- 3 months after that the operation, the samples will start coming in, and we'll distribute samples to the global OEMs and Indian players, the next stage sample. So basically, laboratory scale sample has already been approved. Now the plant scale commercial plant scale sample will be distributed, and we'll look forward to that.
- Sanjesh Jain:** And this will all have that accelerated degradation process. And also, it will take what, good 12 to 18 months to get the sample approved and move to the commercialisation stage?

Anurag Choudhary: Yes, yes. That's why we have deferred our 40,000 TPA plant to commence in FY28 end so that by the time we have that plant operational, we have all the qualifications, we have all the approvals, and we start the plant with commercial capacity. That was the only reason we deferred it. There was no point committing capex ahead of the curve.

Sanjesh Jain: Got it. Got it. Now on our core business, on the carbon black because last quarter, we see one of the competitions reporting a disproportionately high EBITDA per kg. We did not see that phenomenon in our company. And this quarter, we saw a sequential decline. You did mention the sequential decline, we shouldn't focus.

But just for theoretical understanding, why was -- because I thought we were in a much better position considering that the petroleum raw material, which is CBFS, has also gone up so sharply. And coal tar probably where we are in a sweet spot, I thought we should have benefited a lot more than the competition. So where is this reconciliation?

Anurag Choudhary: See, we do not benefit from the competition in terms of pricing of raw material because pricing is all the materials are correlated. If the petroleum raw material price goes up, coal tar prices also will go up. So there cannot be a significant difference between the 2 raw material prices. What is our advantage? Our advantage is Speciality Carbon Black.

And in Speciality Carbon Black, you need a stable clean raw material. So we produce our own raw material, which is highly stable and clean. So speciality carbon black is nothing but a clean carbon black. So that is the advantage Himadri has, not the pricing. So pricing will go as per the market pricing.

And I cannot comment on what happened, how it happened with some other carbon black companies. But if you look at our EBITDA, our EBITDA is very growing strongly every quarter. If you look at the last quarter, it was at 22,000, which means there's a 1,800 per metric ton reduction, but that is not because of any product challenges.

See, the demand has been good. You see the volume growth. There has been as I explained earlier also, there has been some issues like freight. So as a percentage of our top line, the export has gone up from 26% to 33%. And the freight has gone up to another level altogether. And that had some impact, which was there on the margin. So these are temporary things.

Sanjesh Jain: And we started this carbon black plant, now that is fully stabilised, I hope so. When should we see that volumes actually showing up in the number because volume growth has been quite muted. I understand the logistic part, but the capacity which we commissioned was pretty large.

Anurag Choudhary: No, we commissioned 70,000 TPA.

Sanjesh Jain: 70,000, correct.

Anurag Choudhary: And if you see, the volume growth is 14,000 a quarter. This quarter, the volume growth is 14,000. So already that capacity plus some plus/minus in the earlier capacity, like earlier, we were selling large volumes of oil. If you remember, I explained also in one of the con calls, we were selling oils instead of consuming in-house, we are selling them. So that volume we have reduced. So

volume there has come down and this volume is increasing. So actually, it's not 14,000, it's much above than that, but that volume has come down and this volume is increasing.

Sanjesh Jain:

Got it. And when are we starting the 2 chemicals, which we intended to, based on that oil, anthraquinone and -- yes?

Anurag Choudhary:

Anthraquinone and carbazole, these we're doing in 2 phases. Phase 1 was supposed to start from Q2 FY27 and Phase 2 from Q2 FY28. So what was happening when we were supposed to add on the capacity, that time we had to take a 3-month shutdown as per our technical team. So -- and that shutdown we'll have because it's a continuous plant that will have an impact on the life of the equipment.

So we decided not to take a shutdown, instead start up the entire capacity altogether by Q4 FY27. So with 1 quarter of trial, maybe Q1 FY28, then 9 months of full operation of the entire capacity you have. So all in all, the project is ahead compared to what it was supposed to be there.

Moderator:

The next question is from the line of Rohit Sinha. We lost the connection for that participant. We'll move to the next participant. The next question is from the line of Kruti Bhimani from Wealthyvia Ventures LLP.

Kruti Bhimani:

Yes. I just wanted to ask that the net debt is roughly like INR 500 crores against INR 1,500 crores of capex and ongoing investments. So what's the funding plan for the rest of the capex.

Anurag Choudhary:

So INR 1,500 crores is over 2 years. So everything will be through internal accrual.

Moderator:

Ladies and gentlemen, due to time constraint, that was the last question for today. I would now hand the conference over to Mr. Anurag Choudhary for the closing comments.

Anurag Choudhary:

Thank you once again for taking the time to join us on today's conference call. We hope we have been able to address your queries adequately. Yet we firmly believe the best chapters of Himadri story are still ahead of us.

We remain committed to delivering long-term value and are grateful for your trust, confidence and engagement as we scale new capacities and capabilities, expand into new frontiers and shape the next phase of our growth.

Should you have any further questions, please feel free to reach out to our Investor Relations partner. Thank you once again for joining the conference call today, and we look forward to your continued support. Thank you.

Moderator:

Thank you. On behalf of Himadri Speciality Chemical Ltd, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.