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Initiating coverage | Sector: Specialty chemicals

Himadri Speciality Chemical



Scaling the carbon materials value chain

Research Analyst: Sumant Kumar (Sumant.Kumar@MotilalOswal.com) | **Yash Darak** (Yash.darak@MotilalOswal.com)

Research Analyst: Swapnil Upadhyay (Swapnil.Upadhyayk@MotilalOswal.com) | **Nirvik Saini** (Nirvik.Saini@MotilalOswal.com)

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Financials and valuations

Himadri Speciality Chemical

BSE Sensex	S&P CNX
76,918	23,811

CMP: INR531 **TP: INR780 (+47%)** **Buy**

Scaling the carbon materials value chain

Incorporated in 1987, Himadri Speciality Chemical (Himadri) has evolved from a coal tar distillation player into an integrated specialty carbon and advanced materials company, with a diversified portfolio spanning coal tar pitch, carbon black, naphthalene derivatives, battery chemicals, and tyres, supported by an integrated feedstock-to-downstream value chain.

- Himadri is entering the lithium-ion battery materials space through LFP cathode and anode materials, targeting EVs and BESS. Key growth drivers include China+1 sourcing, OBBBA, India's cell manufacturing ramp-up, and growing global LFP adoption. The company targets 40,000 MTPA of LFP cathode capacity by FY28 (capex ~INR11.25b) and is developing anode materials through a 200 MTPA pilot facility (~INR1.2b investment).
- Himadri acquired Birla Tyres for INR3.1b, enabling forward integration for its carbon black business. Production resumed at Balasore in May'25, leveraging in-house carbon black to improve control over tyre chemistry. With 49 distributors, 1,000+ dealers, and exports to seven countries, the company plans to expand its SKUs from 75 to ~400 and enter the PCR tyre segment in FY27. These initiatives are expected to drive 109% revenue CAGR over FY26–29.
- Himadri is leveraging its leadership in CTP and integrated carbon platform to expand into higher-value specialty segments, including carbon black, carbon nanotubes (CNTs), super specialty carbon black (SSCB), and specialty chemicals. Rising demand from EVs, batteries, and electronics, along with China+1 sourcing opportunities, will lead to diversification and margin expansion.
- We expect Himadri to deliver strong growth (24%/23%/21% CAGR in revenue/EBITDA/PAT over FY26–29), driven by the scaling of its battery materials, specialty carbon black, CNT, and SSCB businesses, alongside the expansion of Birla Tyres. We value the company at 30x FY29E EPS with a TP of INR780 and a **BUY** rating.

Battery materials: Building capabilities for energy transition

- Himadri is entering the lithium-ion battery materials space through LFP cathode active materials and anode materials. According to the Press Information Bureau, ~178 GWh of additional cell manufacturing capacity is expected over the next five years, taking India's total cell capacity to ~181 GWh and implying ~USD7b battery materials opportunity. This could translate into ~2% market share for the company by FY30.
- Further, Himadri targets ~USD3b revenue from battery chemicals in the next six years, implying ~2% global market share by FY35 (global market of USD193b). LFP cathode capacity is planned to scale from 2,000 MTPA in 3QFY27 to 40,000 MTPA by FY28, with ~INR11.25b capex. Anode development includes a 200 MTPA pilot facility (Apr'26) with ~INR1.2b capex.

Stock Info

Bloomberg	HSCH IN
Equity Shares (m)	505
M.Cap.(INRb)/(USDb)	267.9 / 2.8
52-Week Range (INR)	820 / 419
1, 6, 12 Rel. Per (%)	-26/-12/19
12M Avg Val (INR M)	3719

Financials Snapshot (INR b)

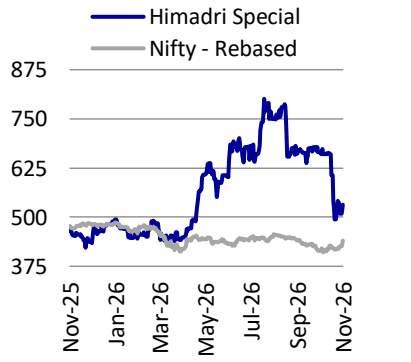
Y/E March	2027E	2028E	2029E
Sales	64.5	73.7	89.6
EBITDA	12.3	15.3	17.9
PAT	9.1	11.3	13.2
EBITDA %	19.1	20.7	19.9
EPS (INR)	18.1	22.3	26.2
EPS Gr. (%)	21.3	23.4	17.7
BV/Sh.(INR)	111.3	133.6	159.8
Ratios			
Net D:E	0.1	0.1	(0.1)
RoE (%)	17.7	18.2	17.9
RoCE (%)	13.6	14.6	14.6
Valuations			
P/E (x)	29.5	23.9	20.3
P/BV (x)	4.8	4.0	3.3
EV/EBITDA (x)	22.3	17.9	14.8
FCF per share	(9.3)	4.3	19.8

Shareholding pattern (%)

As On	Sep-26	Jun-26	Sep-25
Promoter	52.5	52.5	51.6
DII	2.9	3.3	3.2
FII	7.3	6.8	5.7
Others	37.3	37.4	39.5

FII Includes depository receipts

Stock's performance (one-year)



Overall, battery chemicals are expected to contribute ~15% of revenue by FY30, diversifying Himadri's business beyond traditional carbon materials and providing exposure to the EV and

- The company is building capabilities through an exclusive Sicona silicon-carbon anode technology partnership, a 19.44% stake in IBC, and a 40% stake in Invati Creations. Overall, battery chemicals are expected to contribute ~15% of revenue by FY30.

Strategic downstream expansion into tyres

- Himadri acquired Birla Tyres for INR3.1b through the National Company Law Tribunal (NCLT) resolution process, creating forward integration for its carbon black business.
- Commercial production resumed in May'25, focusing on off-highway tyres (OHT), agriculture, construction, industrial and mining (CIM), commercial vehicle, and EV tyres. Backward integration enables better control over tyre chemistry and product performance.
- With 49 distributors, 1,000+ dealers, and exports to seven countries in FY26, Himadri plans to expand its distribution network, increase SKUs from 75 to ~400, and enter the PCR tyre segment in FY27.

Capturing growth across the carbon materials ecosystem

- Himadri has the capacity (~300,000 MTPA) to cater to ~80% of CTP's domestic demand. Expansion into liquid coal tar pitch (LCTP) reduces customer handling costs, with the first 3,600-ton Middle East export completed in Nov'25.
- Specialty carbon black capacity doubled to 130,000 MTPA in FY26, alongside 120,000 MTPA of standard carbon black capacity. The addition of new CNT (200 MTPA) and SSCB (6,000 MTPA) capacities targets growing demand from EVs, electronics, and energy storage.
- Further, Sulphonated Naphthalene Formaldehyde (SNF), Polycarboxylate Ether (PCE), Anthraquinone, and Carbazole support downstream integration and value addition. Overall, expansion into higher-value carbon materials and specialty chemicals offers growth and margin expansion opportunities.

Valuation and view: Initiate coverage with BUY and a TP of INR780

With 49 distributors, 1,000+ dealers, and exports to seven countries in FY26, Himadri plans to expand its distribution network, increase SKUs from 75 to ~400, and enter the PCR tyre segment in FY27.

- Himadri is diversifying into battery materials with LFP cathode and anode capacities, targeting 40,000 MTPA LFP by FY28. With the global LFP cathode and anode market expected to reach ~USD193b by CY35, its ~USD3b battery chemicals revenue ambition translates into a potential market share of ~2%.
- Himadri is moving up the carbon materials value chain through specialty carbon black, CNTs, SSCB, LCTP, and downstream chemicals, while Birla Tyres provides forward integration into tyre manufacturing. The company also maintains a dominant position in CTP, with capacity to cater to 80% of domestic demand.
- The company is expected to deliver a 24%/23%/21% CAGR in revenue/EBITDA/PAT over FY26–29, and currently trades at 29x/24x/20x FY27E/FY28E/FY29E EPS, with FY29E RoE/RoCE of 18%/15%. We value the company at 30x FY29E EPS (in line with its 10-year average one-year forward P/E of 30.6x), resulting in a **TP of INR780 and a BUY rating.**
- **We value the company at 30x FY29E EPS with a TP of INR780 and a BUY rating.**

Key risks

- Manufacturing operations face risks from unplanned shutdowns, equipment failures, utility disruptions, and dependence on third-party suppliers and coal tar.

STORY IN CHARTS

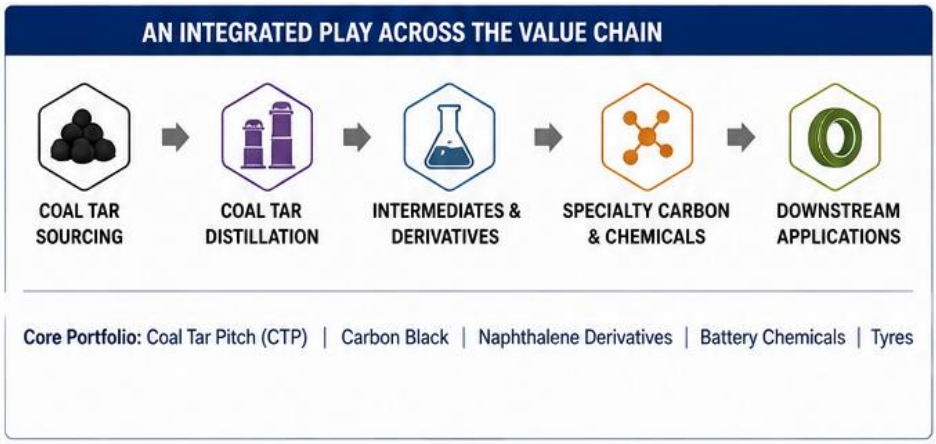
Key customers and product applications

Product	Key Customers	Product Application
LFP Cathode Active Materials	❖ Target customers: global lithium-ion cell manufacturers, EV battery companies, energy storage companies	Cathode active material for lithium-ion batteries
Battery Anode Materials (Graphite Anode)	❖ Target customers: global lithium-ion cell manufacturers, EV battery companies, energy storage companies	❖ Anode active material for lithium-ion batteries
Silicon Carbon Anode Materials (Sicona Battery Technologies)	❖ Target customers: global EV battery manufacturers, energy storage companies	❖ High-energy-density silicon-carbon composite anodes
Carbon Nano Tubes	❖ Lithium-ion battery manufacturers, semiconductor manufacturers, industrial coatings and plastic manufacturers, automotive and aerospace component manufacturers	❖ 100 times stronger than steel with conductivity of copper
Super Specialty Carbon Black	❖ Engineering plastics and conductive manufacturers, EV manufacturers, energy storage systems, fiber industry, coating & ink manufacturers, and infrastructure sector	❖ Superior and different morphology with high purity for niche applications
Specialty Carbon Black	❖ Global tyre companies, automotive component manufacturers, plastics companies, paints & coatings companies, ink manufacturers, electronics manufacturers, and packaging companies	❖ High-performance tyres, conductive plastics, paints, coatings, printing inks, cables, ESD packaging, polymer compounds, EV components, electronics, and energy storage systems
Standard Carbon Black	❖ Domestic and global tyre companies	❖ Reinforcing agent in tyre rubber compounds; improves abrasion resistance, strength, and durability
Coal Tar Pitch	❖ Domestic aluminum smelters, global aluminum smelters (Middle East, Europe, Americas), graphite electrode manufacturers	❖ Binder pitch for carbon anodes used in aluminum smelting; binder/impregnation pitch for graphite electrodes
Graphite Electrode Grade Pitch	❖ Domestic graphite electrode manufacturers, global graphite electrode manufacturers	❖ Manufacturing of graphite electrodes used in electric arc furnace steel production
Refined Naphthalene	❖ Construction chemical companies, dye manufacturers, agrochemical companies, specialty chemical manufacturers	❖ Raw material for SNF, dyes, pigments, resins, surfactants, phthalic anhydride, agrochemical intermediates
SNF	❖ Domestic admixture manufacturers, agrochemical manufacturers, textile manufacturers, dyes manufacturers	❖ Superplasticiser for concrete; dispersant in agrochemicals, textiles, gypsum boards, and dyes
PCE	❖ Concrete admixture manufacturers, ready-mix concrete companies, infrastructure chemical suppliers	❖ High-performance and modern construction applications like ready-mix and self-compacting concrete
Specialty Oils/Creosote Oil	❖ Wood preservation companies, chemical processors, industrial users	❖ Preservatives, chemical intermediates and industrial applications
Anthraquinone	❖ Dye manufacturers, pigment manufacturers, paper industry, and hydrogen peroxide manufacturers	❖ Critical intermediate for colorants and sustainable bleaching processes
Carbazole	❖ Pharmaceutical industry, electronics manufacturers, and agrochemical manufacturers	❖ Enhances thermal stability, ❖ electrical conductivity, and ❖ molecular performance
Birla Tyres	❖ Replacement market dealers, distributors, fleet operators; OEM and other auto ecosystem players	❖ Passenger vehicle, OHT/OTR, and truck/bus

Capacity trend across segments

Segment	Unit	FY26	FY27E	FY28E
Coal Tar Distillation	MTPA	600,000	600,000	600,000
Coal Tar Pitch	MTPA	300,000	300,000	300,000
Commodity Carbon Black	MTPA	120,000	120,000	120,000
Speciality carbon black	MTPA	130,000	130,000	130,000
Birla Tyres	TPD	400	400	400
LFP Cathode	MTPA		2,000	40,000
Anthraquinone and Carbazole	MTPA		2,600	5,300
Carbon Nanotube	MTPA		200	200

Source: Company data, MOFSL





Raw material details

Segment	Raw Material	Source	Remarks
Coal Tar Pitch	Coal tar	External	Primary feedstock from coke ovens (steel companies)
Coal Tar Pitch	Coal tar distillates (oils, pitch)	Internal	Derived via in-house distillation
Coal Tar Pitch	Additives/fillers	External	Speciality chemical
Carbon Black	Coal tar-derived oils	Internal	Captive feedstock advantage
Carbon Black	Petroleum-based aromatic oils	External	Supplementary feedstock
Carbon Black	Fuel (natural gas/fuel oil)	External	Utility input
Naphthalene & Derivatives	Crude naphthalene	Internal	From coal tar distillation
Naphthalene & Derivatives	Chemicals (H2SO4, NaOH, formaldehyde)	External	Standard chemical inputs
Speciality Oils	Coal tar	External	Base raw material
Speciality Oils	Distilled fractions (light, middle, heavy oils)	Internal	Integrated processing
Battery Cathode (LFP)	Lithium salts	External	Fully import dependent
Battery Cathode (LFP)	Iron & phosphate sources	External	Specialty chemicals
Tyres (Forward Integration)	Carbon black	Internal	Captive supply from Himadri/outsourced
Tyres (Forward Integration)	Natural & synthetic rubber	External	No backward integration
Tyres (Forward Integration)	Steel, chemicals, fabric	External	Standard tyre inputs

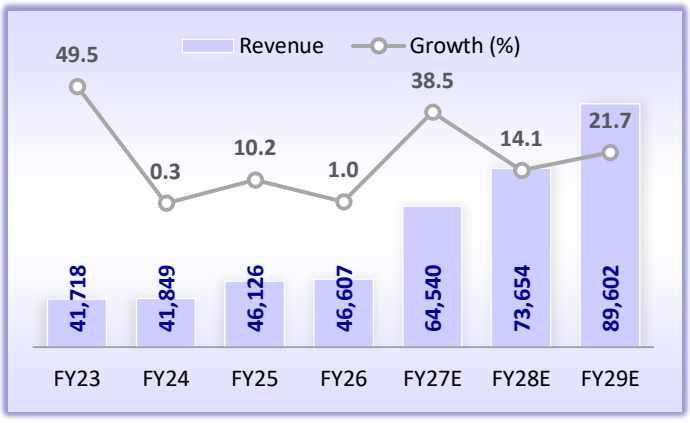
Source: Company data, MOFSL

Lithium ion battery component mix

Component	Approx. share of total BESS cost
Battery cells	58%
PCS (power conversion system/converter)	18%
BMS & control system	8%
Thermal management system	10%
Structural components, auxiliary materials, and system integration	8%

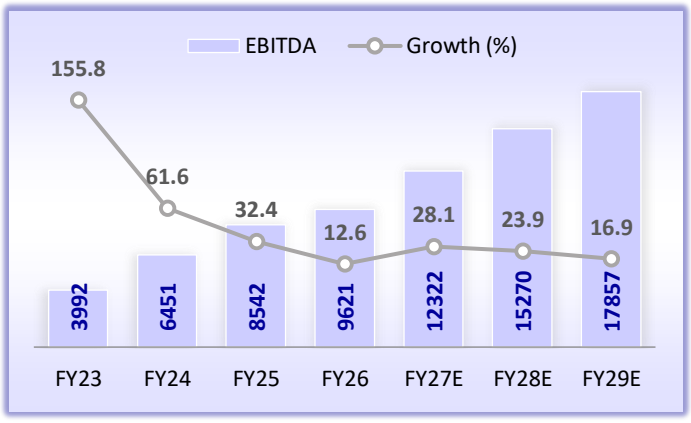
Source: Company data, MOFSL

Revenue growth trend



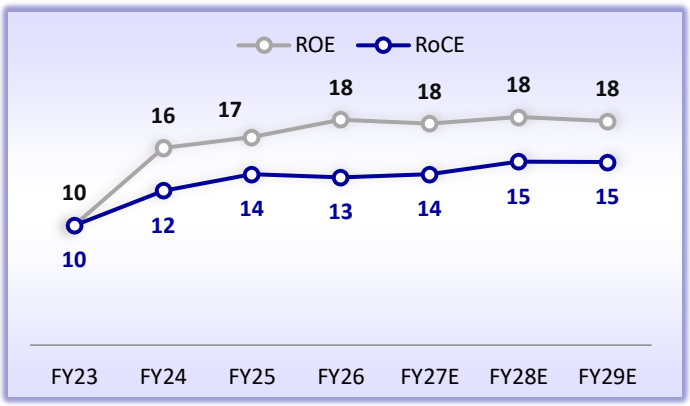
Source: MOFSL

To maintain steady EBITDA growth



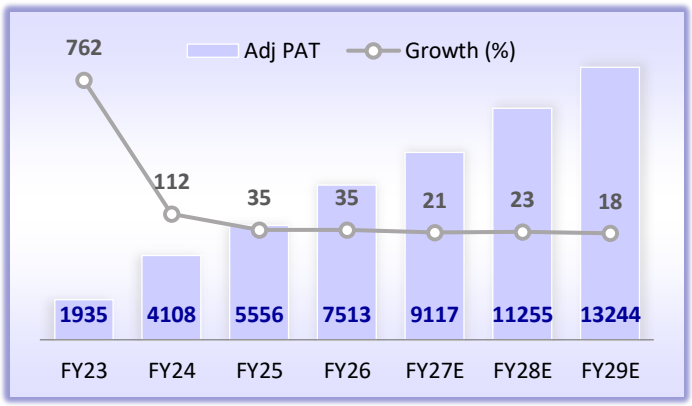
Source: MOFSL

To maintain healthy RoE and RoCE



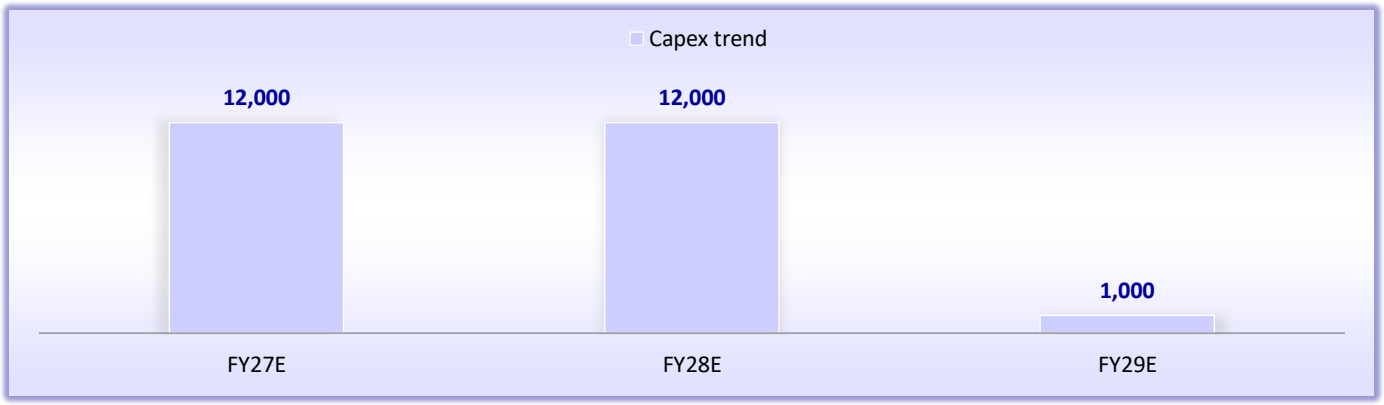
Source: MOFSL

Adj PAT growth trend



Source: MOFSL

Capex trend going forward



Source: MOFSL

Peer comparison

Company Name	Revenue (INR b)			EBITDA (INR b)			EBITDA Margin (%)			PAT (INR b)		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
SRF	158	193	217	36	47	51	23	25	24	20	27	30
Tata Chemicals	146	166	179	18	20	30	12	12	17	-4	3	11
Fine Organic Industries	24	26	29	5	6	6	21	22	21	4	5	5
Vinati Organics	22	27	31	7	7	9	29	26	28	4	5	6
Deepak Nitrite	79	90	101	10	14	15	12	15	15	6	8	9
Atul	63	72	80	11	14	15	17	19	19	7	9	10
Galaxy Surfactants	52	63	69	5	7	7	9	11	11	3	4	4
Aarti Industries	83	111	119	11	15	18	14	14	15	4	6	7
GHCL	31	NA	NA	7	NA	NA	22	NA	NA	5	NA	NA
Gujarat Fluorochemicals	50	66	83	13	18	24	26	28	28	6	10	13
Navin Flourine	33	44	53	11	14	17	33	33	32	7	9	11
Alkyl Amines	15	18	18	3	4	4	19	21	21	2	2	2
Clean science	10	11	13	4	4	5	37	36	37	2	3	3
NOCIL	13	16	17	1	2	2	8	9	11	1	2	2
Ellenbarrie	3	5	6	1	2	2	35	39	39	1	1	2
Privi Speciality	26	31	40	6	8	11	25	25	26	3	4	6
Himadri	**47**	**65**	**74**	**10**	**12**	**15**	**21**	**19**	**21**	**8**	**9**	**11**

Battery materials: Building capabilities for energy transition

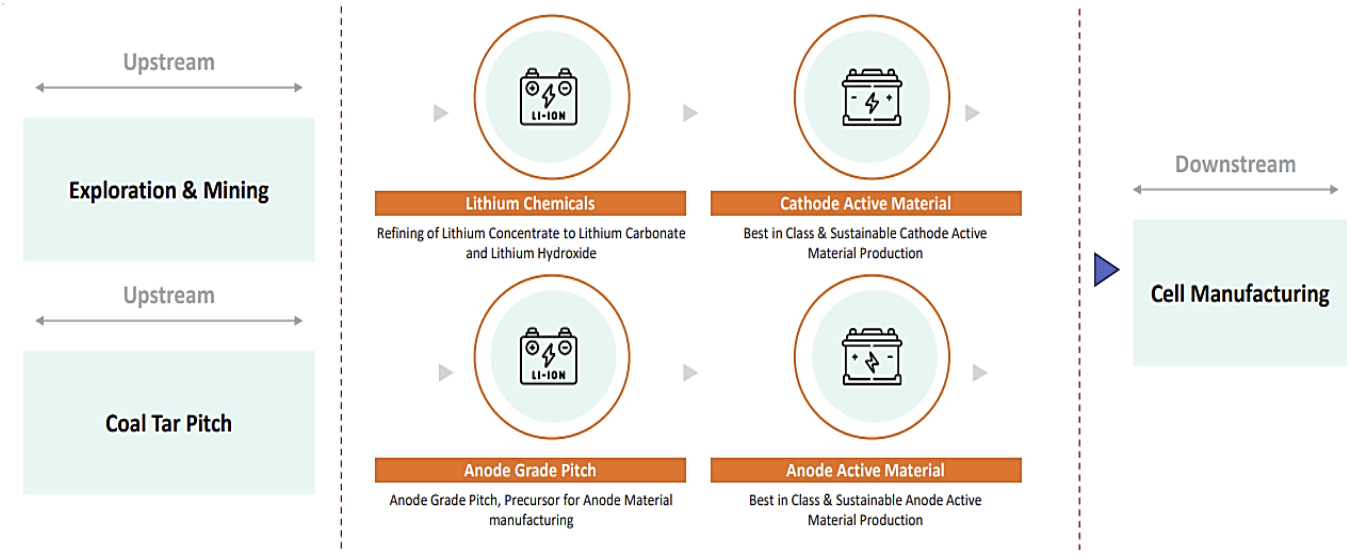
Himadri's integrated coal tar value chain provides a competitive advantage as it expands into battery chemicals.

Himadri announced its entry into the lithium-ion battery materials value chain in Dec'23, with proposed production of anode materials and LFP cathode active materials, which together form the foundation of battery storage. During charging and discharging cycles, energy is stored and released through interactions between **cathode and anode materials**, making them among the most critical components of a lithium-ion cell. Together, these materials account for **~60-65% of the total cost of a lithium-ion cell** and are expected to witness strong demand growth, driven by the rapid deployment of BESS and continued expansion of electric mobility.

Rising lithium-ion adoption and Himadri's integrated battery materials advantage

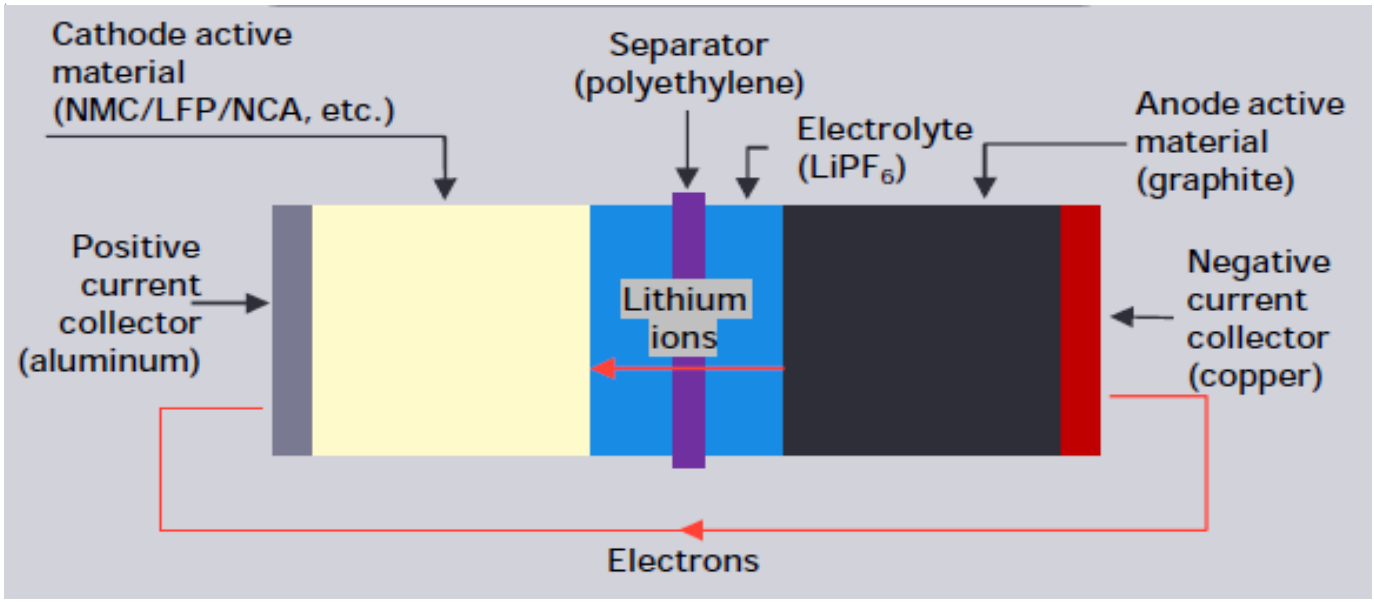
- Lithium-ion batteries have emerged as the largest battery technology, accounting for ~45% of the global market in CY25, significantly ahead of lead-acid batteries at ~24%. The higher share of lithium-ion batteries reflects their increasing adoption across EVs, energy storage, consumer electronics, and other high-growth applications.
- Himadri's integrated coal tar value chain provides a competitive advantage as it expands into battery chemicals. The company already produces key carbon intermediates such as CTP and specialty carbon materials, which serve as critical precursors for advanced battery materials such as synthetic graphite anodes.
- This backward integration enables greater control over raw material quality, improves supply security, enhances process consistency, and captures higher value across the battery materials ecosystem while reducing dependence on third-party suppliers.

Exhibit 1: Himadri is a critical player in LFP cathode and anode active materials



Source: Company Data, MOFSL

Exhibit 2: Components of a lithium ion cell



Source: Niti Aayog

Exhibit 3: Battery value chain



Source: Company Data, MOFSL

As battery manufacturers and OEMs increasingly adopt the **China+1 sourcing strategy**, commercial-scale LFP capacities are being developed across multiple geographies. Himadri, alongside other emerging global players, is positioning itself to participate in this evolving opportunity.

Global battery supply chain diversification supports Himadri's entry into battery materials

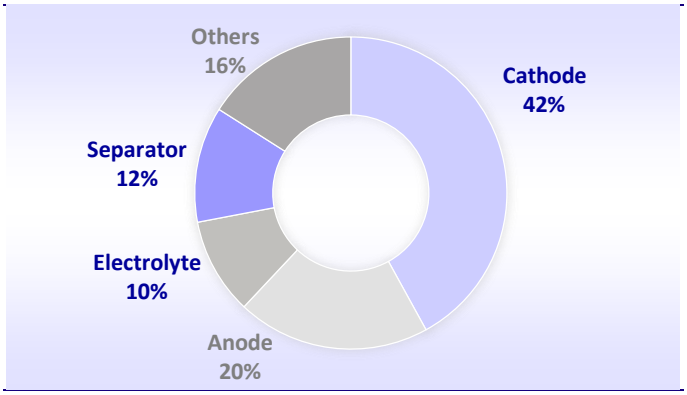
- China dominates the global battery value chain, accounting for >80% of global battery cell production. Its presence is even stronger in key upstream materials, with >90% share in anode active materials, ~85% in cathode active materials, ~82% in electrolytes, and ~74% in separators. This highlights the country's significant control across both battery manufacturing and critical material processing. **This high concentration underscores the global battery industry's dependence on China and the increasing focus on supply chain diversification.**
- As battery manufacturers and OEMs increasingly adopt the **China+1 sourcing strategy**, commercial-scale LFP capacities are being developed across multiple geographies. Himadri, alongside other emerging global players, is positioning itself to participate in this evolving opportunity.
- **Overall, the company's entry into battery materials is supported by a combination of backward-integrated carbon facilities, in-house technological expertise, and favorable industry tailwinds.**

Exhibit 4: China's share in global battery supply chain in CY24

Battery supply chain segment	China's approximate share
Global battery-cell production	>80%
Cathode active materials	~85%
Anode active materials	>90%
Electrolytes	~82%
Separators	~74%
Cathodes	~70%

Source: IEA, MOFSL

Exhibit 5: Components as a % of LFP cell cost



Source: MOFSL, Company

As battery manufacturers and OEMs increasingly adopt the **China+1 sourcing strategy**, commercial-scale LFP capacities are being developed across multiple geographies. Himadri, alongside other emerging global players, is positioning itself to participate in this evolving opportunity.

Domestic cell manufacturing to create a structural opportunity for Indian battery chemical companies

- India's rapid build-out of advanced chemistry cell (ACC) manufacturing capacity is likely to create a significant downstream opportunity for domestic battery chemical and material manufacturers.
- Its ACC capacity is expected to increase from 3.16 GWh in 2026 to ~181 GWh by 2030. **This would translate into estimated demand of 0.4m/0.2m tons of LFP cathode and graphite anode materials.**
- This expansion is led by the government's push to localize the battery value chain. The INR181b PLI-ACC scheme (approved in May'21) targets 50 GWh of domestic cell manufacturing (40GWh of capacity already awarded), while at least 10 manufacturers have announced plans to establish around 178 GWh of cumulative battery manufacturing capacity over the next five years. The government has also highlighted that the expansion of ACC manufacturing is already driving demand for cathode active materials, anode active materials, and foils, prompting Indian companies to announce plans to establish component manufacturing and recycling capacities.
- **This creates a multiplier effect for battery chemicals: as cell manufacturing shifts from imports to domestic production, cell manufacturers will increasingly require locally sourced cathode materials, anode materials, conductive additives, electrolyte materials, and other battery chemicals. The PLI scheme itself requires beneficiaries to increase domestic value addition from 25% initially (within two years of the appointed date) to 60% within five years, providing an additional incentive to develop domestic suppliers.**
- **Overall, the transition from imported cells/materials to domestic ACC manufacturing could enable the Indian battery chemical companies to shift from import-substitution players to integral suppliers within a rapidly scaling domestic cell-manufacturing ecosystem.**

Exhibit 6: Bill of materials (BOM) for LIB cell-to-pack assembly (kg per kWh)

Item (kg)	LMO	NMC111	LFP	NMC532	NMC622	NMC811	NCA
Cell components							
Active cathode material	2.4	1.8	2.1	1.7	1.5	1.3	1.4
Carbon black	0.1	0.0	0.0	0.0	0.0	0.1	0.0
Graphite	0.8	0.9	1.1	0.9	0.9	0.9	0.9
Binder (PVDF)	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Copper	0.4	0.3	0.5	0.3	0.3	0.3	0.3
Aluminum	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Electrolyte: LiPF6	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Electrolyte: Ethylene Carbonate	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Electrolyte: Dimethyl Carbonate	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Plastic: Polypropylene	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Plastic: Polyethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Plastic: Polyethylene Terephthalate	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal cell	**4.5**	**3.8**	**4.7**	**3.6**	**3.4**	**3.2**	**3.2**
Module components excl. cell							
Copper	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aluminum	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Plastic: Polyethylene	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insulation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Electronic part	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Subtotal: Module components excl. cell	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**
Pack components excl. module							
Copper	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Aluminum	0.5	0.4	0.5	0.4	0.4	0.4	0.4
Steel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Insulation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Coolant	0.1	0.1	0.2	0.1	0.1	0.1	0.1
Electronic part	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Subtotal: Pack components excl. module	**0.7**	**0.7**	**0.8**	**0.7**	**0.6**	**0.6**	**0.6**
Total pack	**5.4**	**4.7**	**5.7**	**4.5**	**4.2**	**4.1**	**4.0**

Source: Niti Aayog, MOFSL

Exhibit 7: Full form of cathode abbreviations

Abbreviation	Full form
LMO	Lithium Manganese Oxide
NMC111	Nickel Manganese Cobalt Oxide (1:1:1)
LFP	Lithium Iron Phosphate
NMC532	Nickel Manganese Cobalt Oxide (5:3:2)
NMC622	Nickel Manganese Cobalt Oxide (6:2:2)
NMC811	Nickel Manganese Cobalt Oxide (8:1:1)
NCA	Nickel Cobalt Aluminum Oxide

Source: Niti Aayog, MOFSL

Exhibit 8: Capacity for ACC in India (GWh)

Company	Current cell capacity
Ola Cell Technologies	2.5
Nash Energy	0.6
Amara Raja Advanced Cell Technologies	0.06
Total	**3.16**
Upcoming capacity	178
Expected capacity by the end of CY30	**181.16**

Source: Companies, PIB, MOFSL

Exhibit 9: TAM in India by CY30

TAM in India by CY30	Particulars
Expected cell capacity by the end of CY30 (GWh)	**181.16**
Avg price of LFP cells (USD per Kwh)	65.00
Expected TAM for LFP Cell (USDb)	**11.78**
Anode and Cathode at 65% of cell cost (USDb)	**7.65**

Source: Companies, PIB, JMK, MOFSL

Exhibit 10: Awardees under the PLI scheme (GWh)

Beneficiary firms under PLI ACC Scheme	Capacity Awarded
ACC Energy Storage Pvt. Ltd.	5
Ola Cell Technologies Pvt. Ltd.	20
Reliance New Energy Battery Storage Ltd.	5
Reliance New Energy Battery Ltd.	10
PLI for Grid storage (not yet awarded)	10
TOTAL	**50**

Source: PIB, MOFSL

Exhibit 11: LFP cathode and anode expected to be required for 181GWh of cell

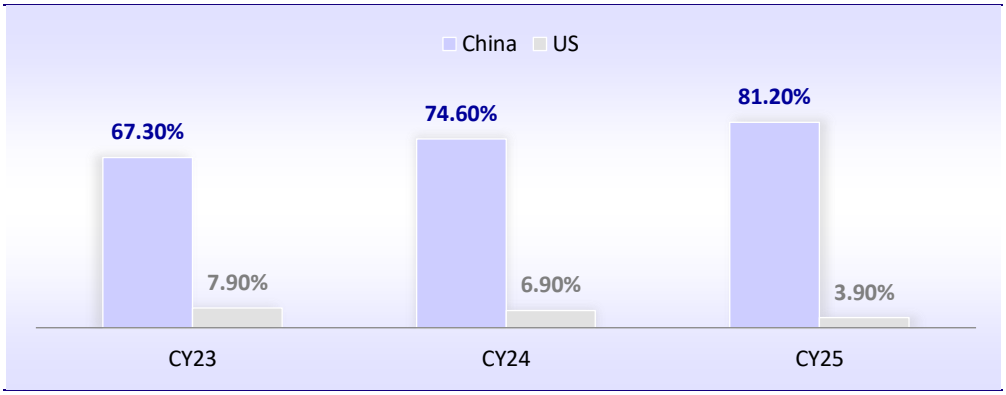
LFP material	Requirement (Kg per KWh)	Tons
Active cathode material	2.06	3,73,190
Graphite anode	1.05	1,90,218

Source: Niti Aayog, MOFSL

US LFP opportunity expands with the BESS adoption

- LFP penetration in the US has historically been lower than in China, as the US EV market has favored higher-energy-density nickel manganese cobalt (NMC) chemistries, while LFP's lower volumetric energy density makes it less suitable for long-range and larger vehicles. In addition, China's dominance in LFP production, coupled with US tariffs and stricter domestic-sourcing requirements, has constrained adoption. LFP accounted for ~4% of US EV battery demand in 2024, with its share declining further in 2025.
- **However, the US LFP opportunity is shifting toward BESS, where energy density is less critical and LFP's lower cost, enhanced safety, and longer cycle life offer distinct advantages.**

Exhibit 12: LFP share in EV sales across China and US



Source: IEA, MOFSL

Supply chain diversification through the OBBB Act and rising US BESS demand to expand opportunities for Indian battery materials

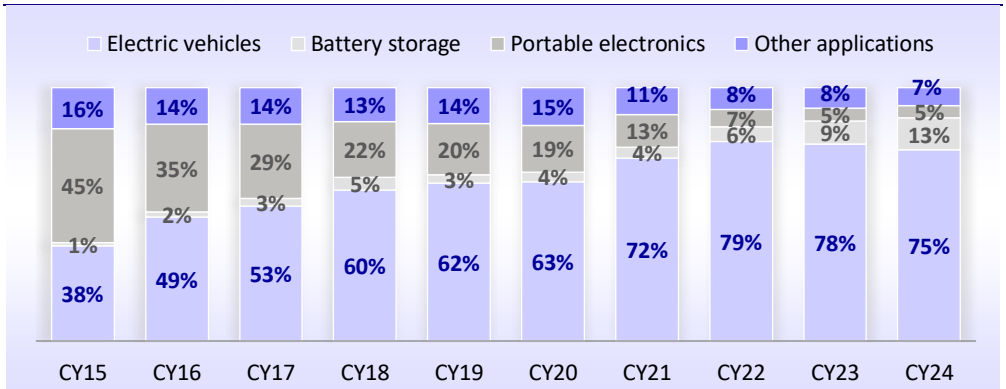
According to PIB estimates, this is further complemented by India's expected ~181 GWh demand by CY30, implying an opportunity of ~USD7b (Himadri's implied market share at 2% in FY30).

- The US currently has low LFP penetration in EVs, accounting for ~4% of EV battery deployment vs >55% globally. However, rapid BESS expansion is expected to drive LFP demand, given its ~90% share of global storage deployments and advantages in cost, cycle life, and safety.
- **The increasing deployment of utility-scale BESS in the US is expected to drive a disproportionate increase in LFP demand, even if its penetration in EVs remains relatively low.**
- **Further, the OBBBA, signed in Jul'25,** encourages US battery and clean energy companies to reduce their dependence on prohibited foreign entities (PFEs). Under the law, PFEs broadly include entities linked to China, Russia, Iran, and North Korea, including certain foreign-controlled or foreign-influenced companies.
- The US battery industry remains highly dependent on imports for key battery materials and components, particularly cathode active materials (CAM), anode active materials (AAM), electrolytes, and separators from China. **The US LFP cathode and anode TAM is estimated at ~USD2b, representing ~4% of the global TAM of USD57b in CY25.**
- According to PIB estimates, this is further complemented by India's expected ~181 GWh demand by CY30, implying an opportunity of ~USD7b (Himadri's implied market share at 2% in FY30). Further, Himadri's guidance of ~USD3b

revenue from battery chemicals over the next six years implies a potential ~2% market share across LFP cathode and anode active materials across the globe.

- For Indian battery material manufacturers, the opportunity is driven primarily by the gradual diversification of global supply chains. As battery manufacturers increasingly seek non-PFE sources, qualified producers with the required technological capabilities, quality standards, and manufacturing scale could become important participants in the evolving battery ecosystem.

Exhibit 13: Global application-wise mix of lithium-ion batteries



Source: Grandview research, MOFSL

Exhibit 14: Expected market share for LFP cathode and anode battery materials globally

Year	2025	2035
Global Battery Demand (GWh)	2,000	6,800
Share of Mobility	84%	84%
Electric Mobility Requirement (GWh)	1,680	5,712
Share of LFP Battery	55%	55%
LFP Battery in EV Sales (GWh)	924	3,142
Average Pack Price in BEV (USD per KWh)	99	99
LFP Battery EV Sales (USDb)	**91**	**311**
Share of BESS as of 2025	14%	14%
BESS (GWh)	280	952
Share of LFP Battery	90%	90%
LFP Battery in ESS Sales (GWh)	252	857
Stationery Storage Pack Price (USD per KWh)	70	70
LFP Battery in BESS (USDb)	**18**	**60**
TAM of Battery (GWh) as of 2025	2,000	6,800
SAM for Battery (EV + BESS) (GWh)	1,960	6,664
SOM: LFP Battery Requirement (GWh)	1,176	3,998
Total Market for LFP Battery (USDb)	109	371
LFP Battery Market Share (SOM/TAM)	**59%**	**59%**
Share of Cell Cost as a % of Battery Cost	80%	80%
TAM of Lithium Ion Cells (USDb)	**87**	**297**
TAM of LFP Cathode and Anode @65% of Cell Cost (USDb)	**57**	**193**
HSCL Projected Revenue (USDb)		**3**
HSCL Projected Market Share		**1.6%**

Source: IEA, McKinsey, Company, MOFSL

Exhibit 15: Expected market share for LFP cathode and anode battery materials in the US

Year	2025	2035
Global battery demand (GWh)	2,000	6,800
Share of US (%)		14%
Share of US (GWh)		952
Share of Mobility		84%
Electric Mobility Requirement (GWh)	120	800
Share of LFP Battery	4%	4%
LFP battery in EV Sales (GWh)	5	31
Average pack price in BEV (USD per KWh)	99	99
LFP battery EV Sales (USDb)	**0**	**3**
Share of Battery Energy Storage System as on 2025		14%
BESS (GWh)	60	133
Share of LFP Battery	90%	90%
LFP battery in ESS Sales (GWh)	54	120
Stationery storage pack price (USD per KWh)	70	70
LFP battery in BESS (USDb)	**4**	**8**
TAM of battery (GWh) as on 2025	2,000	6,800
SAM for battery (EV + BESS) (GWh)	180	933
SOM: LFP battery requirement (GWh)	59	151
Total Market for LFP battery (USDb)	4	11
LFP battery market share (SOM/TAM)	**3%**	**2%**
Share of cell cost as a % of Battery cost	80%	80%
TAM of Lithium ion cells (USDb)	3	9
TAM of LFP Cathode and Anode @65% of Cell Cost (USDb)	**2**	**6**

Source: IEA, McKinsey, Company, MOFSL

Exhibit 16: Expected market share for LFP cathode and anode battery materials in the China

Year	2025	2035
Global battery demand (GWh)	2,000	6,800
Share of China (%)		49%
Share of China (GWh)		3,332
Share of Mobility		84%
Electric Mobility Requirement (GWh)	720	2,799
Share of LFP Battery	81%	81%
LFP battery in EV Sales (GWh)	585	2,273
Average pack price in BEV (USD per KWh)	99	99
LFP battery EV Sales (USDb)	**58**	**225**
Share of Battery Energy Storage System as on 2025		14%
BESS (GWh)	189	466
Share of LFP Battery	90%	90%
LFP battery in ESS Sales (GWh)	171	420
Stationery storage pack price (USD per KWh)	70	70
LFP battery in BESS (USDb)	**12**	**29**
TAM of battery (GWh) as on 2025	2,000	6,800
SAM for battery (EV + BESS) (GWh)	909	3,265
SOM: LFP battery requirement (GWh)	755	2,693
Total Market for LFP battery (USDb)	70	254
LFP battery market share (SOM/TAM)	**38%**	**40%**
Share of cell cost as a % of Battery cost	80%	80%
TAM of Lithium ion cells (USDb)	**56**	**204**
TAM of LFP Cathode and Anode @65% of Cell Cost (USDb)	**36**	**132**

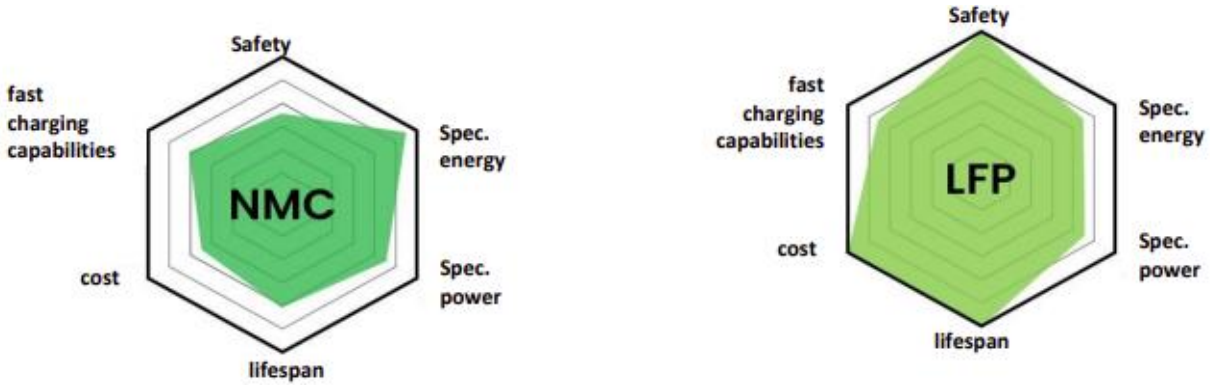
Source: IEA, McKinsey, Company, MOFSL

LFP cathodes emerge as a preferred chemistry for electric mobility and energy storage

The cathode is one of the most critical determinants of battery performance, with LFP and NMC representing the most widely adopted cathode chemistry. Both can store and release lithium ions efficiently, making them suitable for electric mobility and energy-storage applications.

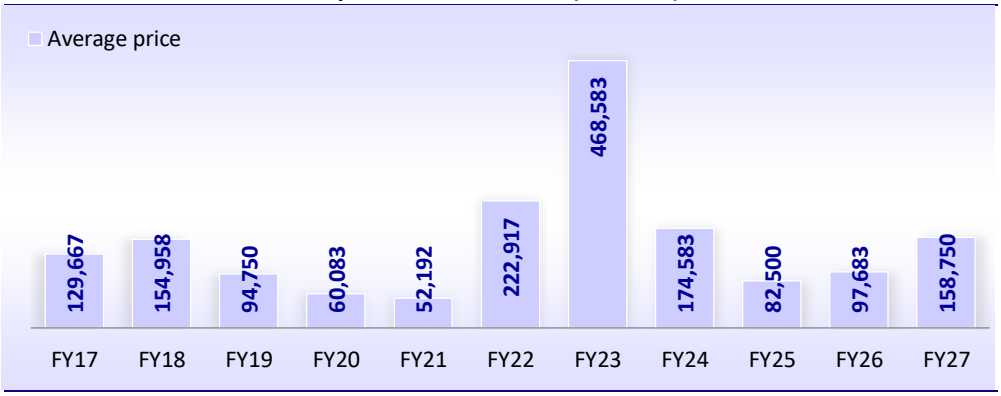
- The cathode is one of the most critical determinants of battery performance, with LFP and NMC representing the most widely adopted cathode chemistry. Both can store and release lithium ions efficiently, making them suitable for electric mobility and energy-storage applications.
- Among the two, LFP has gained increasing preference, particularly for electric vehicles and stationary energy storage, owing to its superior safety profile, thermal stability, longer cycle life, and cost competitiveness. These attributes make it especially well-suited for large-scale deployment and operation in diverse climatic conditions.
- One of LFP's key advantages lies in its crystal structure, which supports efficient lithium-ion movement while providing enhanced structural stability during repeated charge-discharge cycles. In contrast, NMC cathodes are based on layered structures that, while offering higher energy density, typically involve greater complexity in material sourcing and thermal management.
- In addition, the phosphate-based chemistry of LFP offers inherent safety advantages and eliminates dependence on cobalt, supporting greater sustainability and supply chain security.
- As a result, LFP has emerged as a preferred cathode chemistry for electric vehicles and BESS, combining safety, durability, long cycle life, cost efficiency, and performance in high-temperature operating environments.

Exhibit 17: Comparison of NMC and LFP



Source: Company Data, MOFSL

Exhibit 18: Lithium carbonate price trend till Jul'26 (CNY/MT)



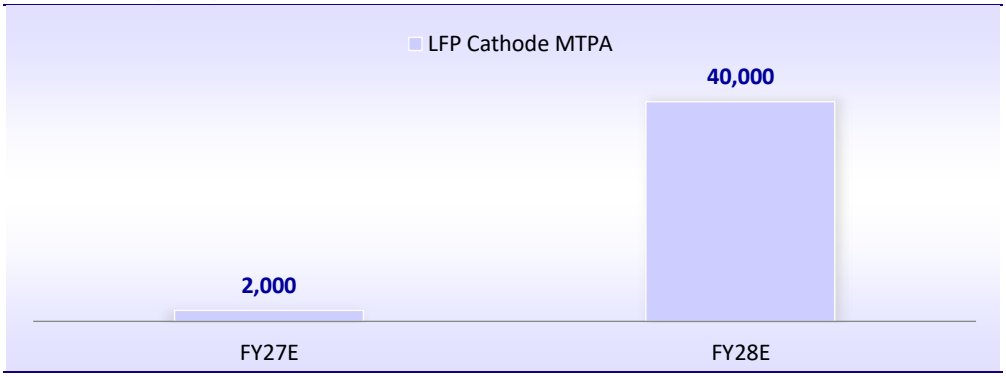
Source: Company Data, MOFSL

Building a globally relevant LFP platform amid battery supply chain diversification

At full utilization, the proposed 40,000 MTPA facility is expected to generate revenue of ~INR30b.

- Himadri intends to price its products competitively against Chinese manufacturers through process innovation, disciplined execution, and an integrated manufacturing ecosystem. The company's long-term objective is to establish a globally relevant battery materials platform while supporting the diversification of the battery supply chain.
- Looking ahead, increasing adoption of electric mobility and energy storage is expected to support sustained growth in demand for LFP cathode materials. In line with this opportunity, Himadri's 2,000 MTPA facility is targeted for commissioning during 3QFY27, forming the first phase of a broader scale-up plan toward 40,000 MTPA. Over time, the company has indicated an ambition to build 200,000 MTPA of LFP cathode active material capacity in the next 5-6 years, capable of supporting approximately 100 GWh of lithium-ion battery production.
- At full utilization, the proposed 200,000 MTPA facility is expected to generate revenue of approximately INR30b. Over the next five to six years, the company plans to scale capacity to 200K MTPA through phased expansion, with a cumulative investment of ~INR48b. This expansion is expected to strengthen the company's long-term presence in one of the fastest-growing segments of the battery materials value chain.
- The planned facility is expected to be the first commercial-scale LFP cathode active material plant outside China. **As battery supply chains diversify, Himadri is positioning itself to capitalize on the growing global demand for battery materials sourced outside China.**
- Overall, the medium-to-long term outlook for LFP cathode manufacturers remains positive, supported by structural drivers, including the growth of EV, BESS adoption, and the chemistry's inherent advantages in cost, safety, and durability.

Exhibit 19: Capacity trend in LFP cathode



Source: Company Data, MOFSL

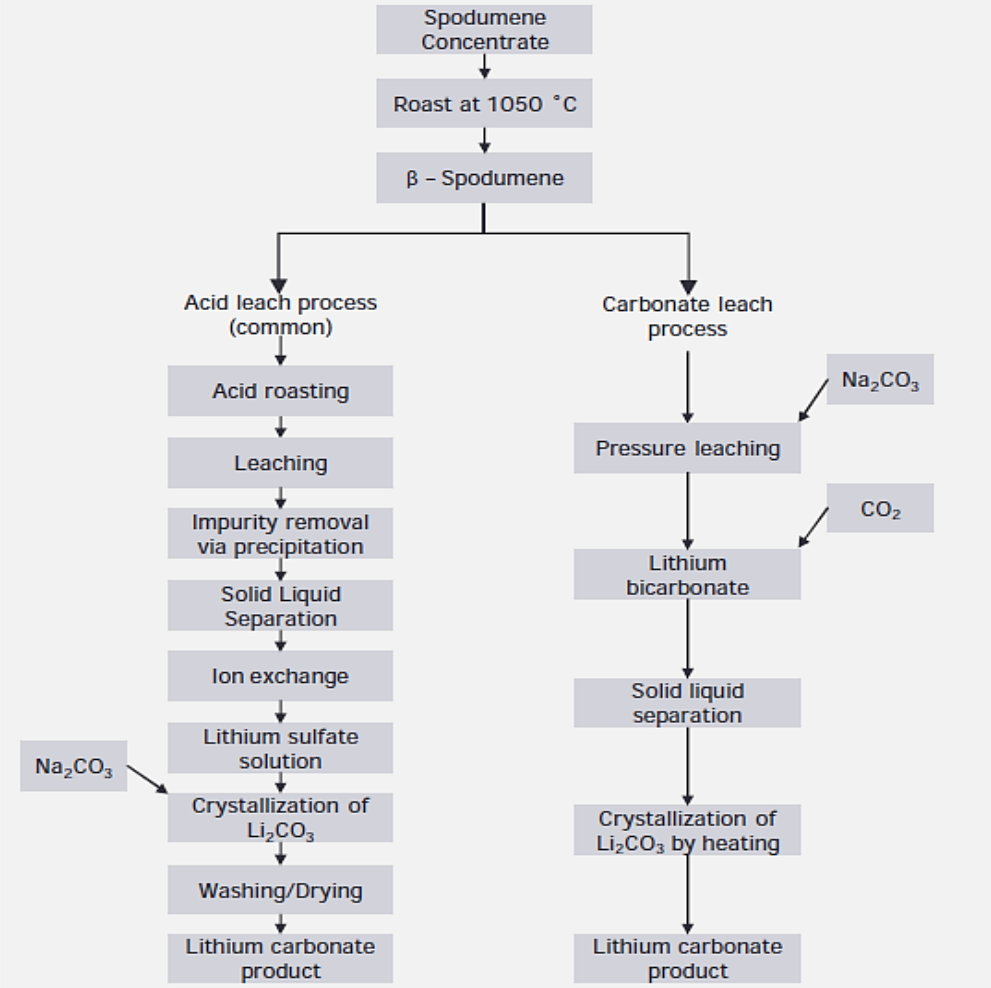
Himadri targets an integrated lithium carbonate value chain through mine acquisition and differentiated processing route

- Himadri is evaluating the acquisition of lithium carbonate mines to secure access to raw materials and strengthen its integrated lithium carbonate supply chain.

Himadri is expected to adopt the carbonate-leaching route, which, despite being relatively costlier than the acid-leaching route, offers favorable economics and a more environment-friendly and differentiated approach to producing battery-grade lithium carbonate.

- Lithium carbonate is produced from spodumene ore through a series of steps. First, the ore is crushed and concentrated to increase its lithium content to ~6%. It is then heated to ~1,050°C to make the lithium easier to extract. In the conventional process, sulfuric acid is used to extract lithium into a solution, after which impurities are removed and soda ash is added to recover lithium as battery-grade lithium carbonate.
- An alternative carbonate-leaching process uses soda ash and carbon dioxide under pressure to extract lithium into a solution. While the process is relatively costlier than the conventional route, it avoids the use of sulfuric acid and can reduce chemical waste and environmental impact, making it a more environment-friendly approach to producing lithium carbonate.
- **Himadri is expected to adopt the carbonate-leaching route, which, despite being relatively costlier than the acid-leaching route, offers favorable economics and a more environment-friendly and differentiated approach to producing battery-grade lithium carbonate.**

Exhibit 20: Lithium carbonate extraction process



Source: Niti Aayog

Building an integrated anode materials platform

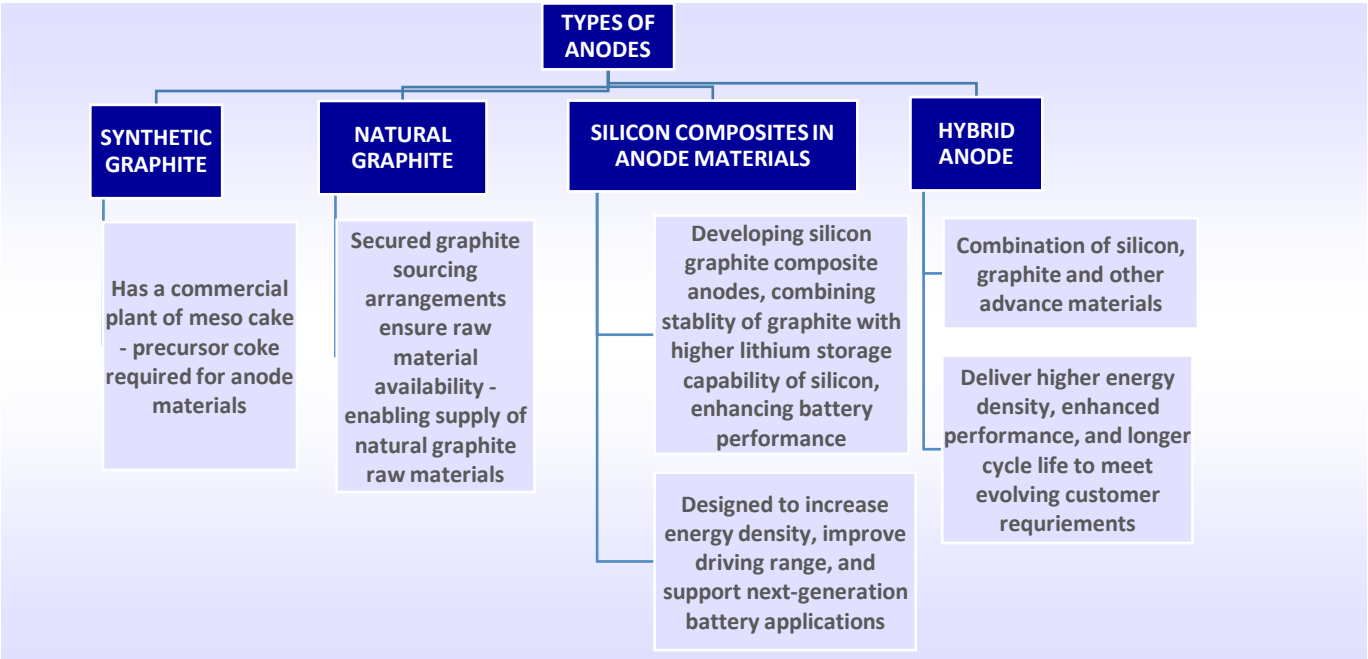
- The anode is a critical component of a lithium-ion battery, serving as the electrode where lithium ions are stored during charging and released during discharge. The movement of lithium ions between the cathode and anode ultimately enables the storage and delivery of energy.

- The choice of anode material plays a significant role in determining battery performance, including energy density, discharge capacity, cycle life, and charging rate. Graphite materials remain the dominant anode material in lithium-ion batteries due to their structural stability, low electrochemical reactivity, and proven alignment for storing lithium ions efficiently.
- In CY25, graphite anode manufacturers also experienced lower realizations and margin pressure following broader battery industry price corrections. Unlike lithium and nickel, which have had a greater impact on overall battery cost trends, graphite continues to be an essential component of lithium-ion battery chemistry and is expected to retain its central role in the years ahead. **The long-term outlook remains constructive, with graphite expected to remain the dominant anode material.**
- Synthetic graphite currently accounts for 60% to 70% of the global anode materials market, while demand for natural graphite and silicon-carbon anodes is also increasing to cater to diverse battery performance and cost requirements. **Himadri aims to build a comprehensive anode materials portfolio by offering synthetic graphite, natural graphite, and silicon-carbon anodes, enabling it to address varying customer specifications and evolving end-use applications.**

The company has established a 200 MTPA anode facility (Apr'26) to support product qualification, customer approvals, and process optimization. It has already supplied sample material to multiple domestic and international customers as a part of the qualification process.

- The company has established a 200 MTPA anode facility (Apr'26) to support product qualification, customer approvals, and process optimization. It has already supplied sample material to multiple domestic and international customers as a part of the qualification process.
- Following successful evaluation, the qualification program will progress through subsequent validation stages, paving the way for commercial-scale deployment. With an investment of ~INR1.2b in the pilot facility, the plant serves as a platform for customer qualification, technology validation, and market development prior to large-scale commercialization.

Exhibit 21: Types of anodes offered by Himadri



Source: Company Data, MOFSL

Overall, the combination of proprietary process technology and integrated raw material sourcing enables Himadri to establish a self-reliant manufacturing ecosystem across the anode value chain.

- Himadri's 200MTPA facility has been designed with feedstock flexibility, enabling the use of alternative raw material streams and enhancing scalability required to adapt to evolving battery chemistries and market requirements.
- The project is underpinned by over a decade of in-house R&D covering the entire anode manufacturing value chain, from raw material processing to finished anode material production. **A key differentiator is Himadri's backward integration into the production of high-purity, specially engineered CTP, developed and manufactured entirely in-house. This capability provides greater control over product quality, consistency, and performance while strengthening supply security across the value chain.**
- Overall, the combination of proprietary process technology and integrated raw material sourcing enables Himadri to establish a self-reliant manufacturing ecosystem across the anode value chain. These capabilities position the company favorably to capitalize on growing demand for advanced battery materials, driven by the rapid adoption of electric vehicles and energy storage systems globally.

Strategic investments strengthen technology capabilities

Sicona

Himadri has an exclusive technology licensing partnership with Sicona that grants the company the rights to access, localize, and commercialize Sicona's proprietary Silicon-Carbon (SiCx®) anode technology in India.

- In CY23, Himadri made an initial investment of AUD10.3m (12.8% stake) in Sicona Battery Technologies. Since then, the company has invested a total of ~INR1.4b, which, subject to the conversion terms of the compulsorily convertible notes (CCNs), could translate into an equity interest of approximately 19%–22% on a fully converted basis. Himadri also has two nominee directors on Sicona's Board, reflecting the strategic nature of the partnership.
- The CCNs will convert upon the occurrence of a Qualifying Financing, which refers to a bona fide equity fundraising event (or a series of related events) undertaken primarily to raise capital through the issuance of shares. Alternatively, conversion may also be triggered if the investor provides written confirmation deeming the fundraising event to constitute a Qualifying Financing.
- **Himadri has an exclusive technology licensing partnership with Sicona that grants the company the rights to access, localize, and commercialize Sicona's proprietary Silicon-Carbon (SiCx®) anode technology in India.**
- Sicona is developing SiCx®, a proprietary silicon-carbon anode material for next-generation lithium-ion batteries. The technology combines silicon's superior lithium-storage capability with the proven manufacturability and safety characteristics of graphite. It is designed to integrate into existing battery manufacturing processes without requiring significant modifications, while offering the potential for higher energy density (20%+) and faster charging performance (40%+) relative to conventional graphite-based anodes.
- Long-term industry trends continue to support the adoption of advanced anode materials. Growing EV penetration, increasing deployment of energy storage systems, expansion of LFP battery chemistries, and the diversification of battery supply chains are driving demand for higher-performance anode solutions. Through its strategic partnership with Sicona, Himadri is positioning itself to participate in the development and localization of next-generation battery technologies while strengthening its presence across the evolving lithium-ion battery value chain.

Exhibit 22: Innovative technologies in Sicona

Feature	Base SiCx®	Gen3 SiCx®	Gen4 SiCx®
Silicon-carbon anode platform	✓	✓	✓
Higher energy density vs graphite	✓	✓	✓
Faster charging	✓	✓	✓
Better than commercial SiOx materials	–	✓	✓
Higher tap density	–	✓	✓
Lower resistance	–	✓	✓

Source: Industry data, MOFSL

Exhibit 23: Why SiCx is better

Parameter	Graphite Anode	SiOx (Silicon Oxide) Anode	SiCx (Silicon-Carbon Composite) Anode	Why SiCx Matters
Energy Density Impact at Cell Level	Baseline	+10–20% vs graphite cells	+20% or more vs graphite cells	Enables longer EV range or smaller battery packs
Fast-Charging Capability	Good	Better than graphite but limited by conductivity challenges	Better than SiOx due to conductive carbon network lowering resistance	Supports faster charge acceptance and lower heat generation
Volume Expansion During Cycling	Very low	~120–160% expansion	Lower effective stress than SiOx because carbon buffers silicon expansion	Better structural stability and cycle life

Source: Industry Data, MOFSL

Trials are underway for developing cells utilizing Himadri's LFP cathode materials and Sicona's SiCx® silicon carbon anode technology, targeting next-generation applications.

International Battery Company (IBC)

- In May'25 Himadri made a strategic investment (16.24% stake at INR375m/USD4.4m) in IBC. Through subsequent share purchases and subscriptions, the company's stake has increased to 19.44%, reinforcing its commitment to strengthening participation across the global battery value chain.
- As part of this partnership, Himadri holds a Nominee Director's position on IBC's Board, enabling active governance participation and alignment of long-term strategy across material and cell technology development.
- IBC is headquartered in Silicon Valley, US, and is a lithium-ion cell manufacturing company specializing in the design, development, and manufacturing of prismatic form factor cells for niche players in the mobility and energy storage sectors.
- IBC currently focuses on diverse customer base spanning B2B fleet operators, 2W/3W OEMs, global battery exports for golf carts, and energy storage systems. The future roadmap targets high-performance and high-value applications across defense, drones, AI data center infrastructure, and advanced energy storage systems.
- IBC has approved Himadri's samples for graphite anodes. The company plans to incorporate these in prismatic cells for use in the EV market of India. **Trials are underway for developing cells utilizing Himadri's LFP cathode materials and Sicona's SiCx® silicon carbon anode technology, targeting next-generation applications across EV, grid storage and high-performance drones, electric aviation, defense, and AI data center markets.**
- **IBC operates a 50MWh lithium-ion battery cell manufacturing facility in South Korea, which commenced production in CY23. Further, it is developing a Gigafactory in India and is on track for commercial operations in 4QFY27.**

Exhibit 24: Product roadmap going forward

Product	Chemistry	Target Market	Key Advantage
Prabal 2000	LFP Cathode + Graphite Anode	Mobility and Energy Storage Systems (ESS)	Safety, long life, lower cost
Prabal 3000	High-Nickel NMC Cathode + Silicon Anode	Premium EVs and high-performance applications	Higher energy density and faster charging
Advanced 2170	High-Nickel NMC Cathode + Silicon-Enhanced Anode	Advanced EV and high-performance battery applications	Maximum energy density and performance

Source: Industry Data, MOFSL

Invati Creations

- In FY24, Himadri acquired a 40% stake for INR450m in Invati Creations, strengthening its innovation-led expansion across lithium-ion battery materials and advanced chemistries. The company has two nominee directors on the Board of Invati.
- Invati is a deep-tech battery materials company focused on developing next-generation cathode and anode materials designed to improve battery energy density, charging performance, safety, and cycle life.
- The partnership is anchored in a shared vision to develop high-performance lithium-ion electrode materials and explore next-generation technologies in the battery materials ecosystem.
- **Invati has developed proprietary chemical formulations and processes that are protected by patents, and it continues to invest in the development of next-generation battery-material molecules, strengthening its long-term innovation pipeline.**

Strategic downstream expansion into tyres

- Himadri entered the tyre industry through the acquisition of Birla Tyres under the NCLT resolution process, along with co-resolution applicant Dalmia Bharat Refractories, for a consideration of INR3.1b.
- The acquisition provides Himadri with a strategic opportunity to extend its presence across the mobility value chain. It builds on the company's longstanding expertise in carbon materials, particularly carbon black, a critical raw material used in tyre manufacturing, while creating opportunities for downstream integration, value addition, and market diversification.
- Birla Tyres operated two manufacturing facilities—a plant at Haridwar, which was acquired by JK Tyres in FY16, and the Balasore facility in Odisha, which forms the foundation of Himadri's tyre business.

Exhibit 25: Birla Tyres acquisition timeline

Date	Event
Oct'23	❖ NCLT approved Himadri–Dalmia resolution plan for Birla Tyres. This marks Himadri's entry into the tyre industry.
Oct – Mar'25	❖ Birla Tyres became jointly owned and revived under the Himadri–Dalmia consortium. Production resumed and portfolio redevelopment began.
May'25	❖ Commercial production resumed, with Birla Tyres re-entering the market.

Source: MOFSL

A key differentiator is Himadri's backward integration into specialty carbon black, a critical performance ingredient in tyre manufacturing.

- Further, Himadri has approved to demerge Dalmia Bharat Refractories' (DBRL) tyre business into Himadri (effective from 1st Oct'26). The transaction is expected to be as follows: Consideration will be through the issuance of 1 Himadri share for every 260 DBRL shares, subject to approval.
- Himadri's tyre strategy is anchored in three key strengths: a focus on niche and value-added segments, the strong legacy and recognition of the Birla Tyres brand, and the integration benefits arising from its carbon materials business. The acquisition of an operational manufacturing facility is expected to shorten the time-to-market and an established platform for future growth.
- **A key differentiator is Himadri's backward integration into specialty carbon black, a critical performance ingredient in tyre manufacturing. Unlike most tyre manufacturers that source this input from other manufacturers, Birla Tyres benefits from in-house control over tyre chemistry.**
- This integration provides greater flexibility in tyre formulation and product engineering, enabling solutions tailored to specific operating environments, load conditions, and performance requirements. The advantage is particularly relevant across agriculture, construction, industrial, mining, and emerging EV-oriented applications, where durability, consistency, and specialized performance are critical.
- The company is focused on developing a comprehensive portfolio across OHT, commercial vehicles, agricultural, industrial, and electric vehicle (EV) segments. In parallel, it is progressing plans to enter the PCR segment to focus on serving the growing demand from electric vehicles and SUVs.

Exhibit 26: Different types of tyres

Tyre Category	Primary Use	Key Vehicle Types	Target Industry/End Market
Off-Highway Tyres (OHT)	❖ Heavy-duty operations in rugged terrains	❖ Mining trucks, loaders, excavators, dumpers	❖ Mining, construction, infrastructure
Passenger Car Radial (PCR) Tyres	❖ Everyday passenger mobility	❖ Hatchbacks, Sedans, SUVs, Crossovers	❖ Passenger vehicle market
Truck & Bus Radial (TBR) Tyres	❖ High mileage and fuel efficiency for commercial fleets	❖ Heavy trucks, intercity buses	❖ Logistics, fleet operators, public transport

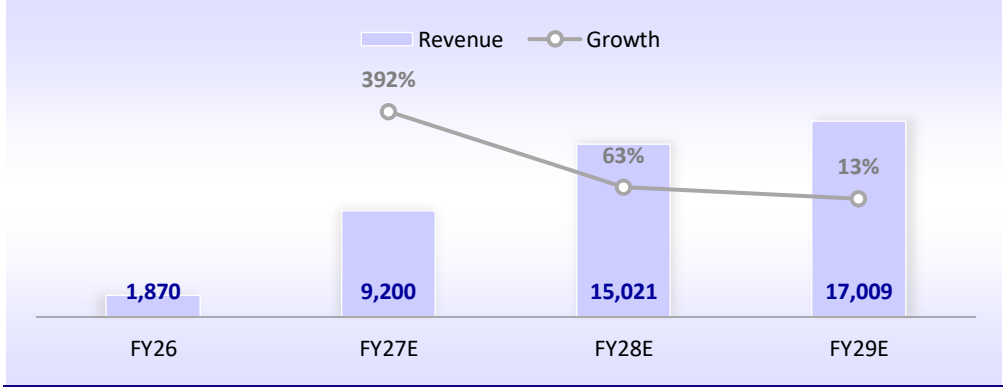
Exhibit 27: Category-wise TAM of tyres

Tyre category	TAM (CY25)	Expected TAM	CAGR over the period
OHT	USD1.22b	USD1.69b by CY31	6%
TBR	USD1.86b	USD3.86b by CY33	10%
PCR	USD4.7b	USD10.05b by CY35	8%

The company successfully stabilized its manufacturing processes and established a distribution network comprising 49 distributors (40 domestic and 9 global) and over 1,000 dealers, while initiating exports to seven countries.

- The tyre market catered by HIMADRI presents a sizeable opportunity across the OHT, TBR, and PCR categories, with the combined TAM estimated at ~USD7.8b in CY25.
- During FY26, Birla Tyres achieved several important milestones within six months of commencing operations. The company successfully stabilized its manufacturing processes and established a distribution network comprising 49 distributors (40 domestic and 9 global) and over 1,000 dealers, while initiating exports to seven countries. It also expanded its product portfolio by launching 13 new tyre grades across the agriculture and CIM segments, enhancing both product depth and relevance to customer requirements.
- In FY27, the company aims to accelerate growth by expanding its market share across geographies through a stronger distribution network and a broader product portfolio. It also plans to commence operations at its PCR tyre manufacturing facility to capitalize on growing demand from the EV and SUV segments.
- The company is expected to achieve medium-term capacity utilization of around 75%, reflecting improved operating leverage and enhanced profitability. The product portfolio is set to deepen significantly, with the number of SKUs increasing from 75 in FY26 to approximately 400 in FY27, strengthening coverage across Agriculture, CIM, Truck & Bus, and emerging PCR segments.
- In parallel, the company intends to expand its export footprint and diversify its geographic presence. Accordingly, we expect Birla Tyres to deliver a strong revenue CAGR of 109% over FY26-FY29, supported by increased scale, boarder product portfolio, and wider market reach.
- **We believe Birla Tyres provides Himadri with a unique forward-integration opportunity, leveraging its specialty carbon black capabilities and advanced materials to build a differentiated presence in high-value OHT, agriculture, CIM, and EV-focused tyre segments.**
- **With manufacturing operations stabilized, distribution capabilities ramping up, and a significant product portfolio expansion underway, Birla Tyres is well positioned to drive strong growth and emerge as a meaningful contributor to Himadri's earnings over the medium term.**

Exhibit 28: Revenue expected to grow rapidly (INRm)

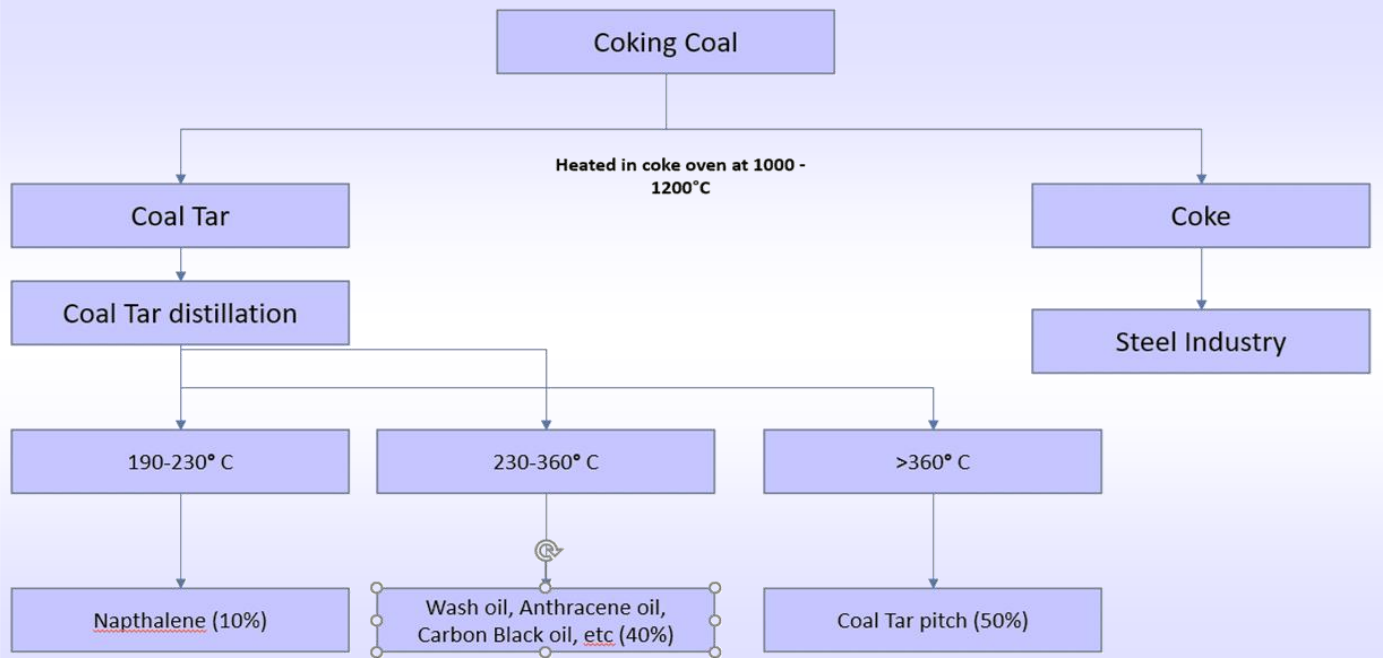


Source: Industry Data, MOFSL

Capturing growth across the carbon materials ecosystem

Himadri is the leading producer of CTP in India, commanding an estimated 65–70% share of the domestic market. Its serves as a critical binder in the manufacture of carbon anodes used in aluminum production.

Exhibit 29: Himadri's production flow

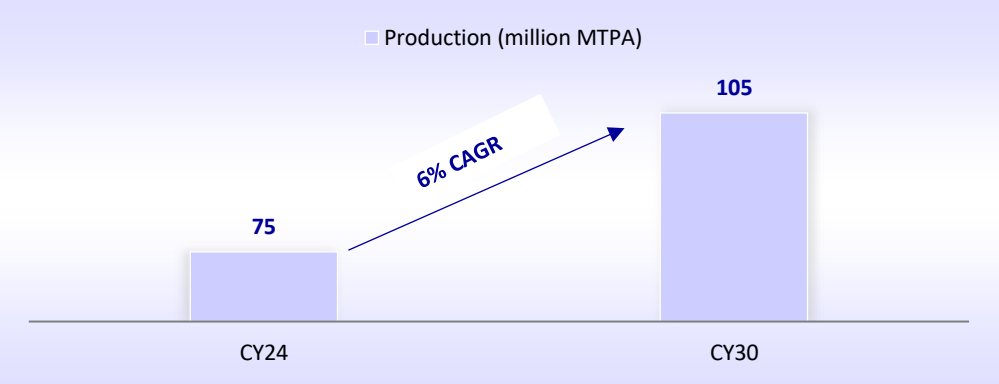


Source: Company

Globally, manufacturing supply chains are undergoing a structural realignment, driven by geopolitical considerations, trade barriers, carbon regulations, and the growing emphasis of resilient supply chain.

- Globally, manufacturing supply chains are undergoing a structural realignment, driven by geopolitical considerations, trade barriers, carbon regulations, and growing emphasis of resilient supply chain. Recent developments, including revised US tariffs on strategic industrial sectors such as steel, aluminum, semiconductors, and critical minerals, alongside the European Union's Carbon Border Adjustment Mechanism (CBAM) imposing carbon-related costs on imports of carbon-intensive products, are encouraging manufacturers to diversify sourcing and production networks.
- **Together, these developments are accelerating the 'China+1' sourcing strategies, creating opportunities for alternative manufacturing hubs and integrated supply chains.**
- India has emerged as one of the key beneficiaries of this shift, supported by strong economic growth, infrastructure development, increasing industrial investments, and an expanding manufacturing base. A notable indicator is the expansion of the domestic steel industry, with capacity expected to rise from approximately 200-205 MTPA in FY25 to nearly 300 MTPA by FY31. **Importantly, a significant portion of this expansion is expected to come from Basic Oxygen Furnace (BOF)-based routes, which utilize coke ovens and generate coal tar as a by-product.** This provides a strong foundation for long-term feedstock availability while supporting the growth of downstream coal-chemical and carbon-material value chains.

Exhibit 30: Steel production through the BOF route is expected to expand at a 6% CAGR



Source: Company data, MOFSL

Himadri is well positioned to benefit from these structural trends as India's largest CTP producer.

- Himadri is well positioned to benefit from these structural trends as India's largest CTP producer. The continued expansion of BOF-led steelmaking capacity is expected to ensure stable domestic coal tar availability, while evolving global coal tar supply could support favorable pricing and enhance the competitiveness of Indian producers.
- **Further, demand from the aluminum sector remains a structural growth driver, given coal tar pitch's critical role in the manufacture of carbon anodes in aluminum smelting. Himadri's strong sustainability credentials, expanding export infrastructure, and planned forward integration into specialty chemicals such as anthraquinone and carbazole are expected to strengthen its global competitiveness, diversify revenues, and support margin expansion.**

Exhibit 31: Various grades of CTP produced by Himadri

Product	Description & Key Applications
Aluminum Grade Binder Pitch	❖ It serves as a high-performance binder with excellent compatibility with carbonaceous aggregates, enabling the production of high-quality carbon anodes and electrodes. It also finds applications in refractories, foundry chemicals, and select pigment manufacturing processes.
Graphite Grade Binder Pitch	❖ It is designed to enhance bonding between calcined petroleum coke (CPC) and pitch, facilitating the manufacture of durable graphite electrodes. These electrodes are used in high-capacity electric arc furnaces (EAFs) and contribute to improved energy efficiency and operational performance.
Impregnation Pitch (Zero-QI Pitch)	❖ It is used for the impregnation of carbon and graphite electrodes to improve density, strength, and conductivity. Its superior penetration into micro-pores reduces porosity and enhances both mechanical strength and electrical performance.
Mesophase Pitch & Advanced Carbon Materials	❖ These are specialized carbon materials used in high-technology applications such as carbon fiber production, lithium-ion battery anodes, and energy-storage systems. The portfolio also includes high-softening-point pitch and graphite powder.
Refractory Grade Pitch	❖ It is utilized as both a reducing agent and a heat source in specialized industrial processes, including the manufacture of ultramarine blue and certain refractory products.
Pitch for Industrial Crucibles & Blocks	❖ It functions as a binder in the production of industrial silicon carbide blocks, heating elements (rods), crucibles, and various cast carbon-based materials requiring high-temperature resistance.
Speciality Pitch	❖ These are customized pitch grades developed for niche and high-value applications. They are tailored to specific customer requirements, including use in strategic sectors such as defence and advanced aerospace systems.

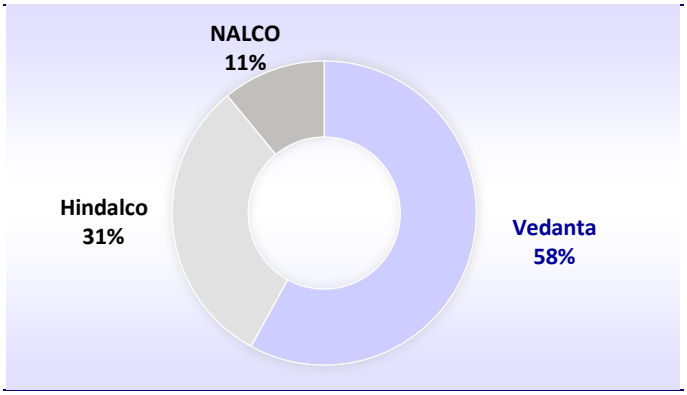
Source: MOFSL, Company

Exhibit 32: Demand from key industries

Particulars	CTP requirement
1 ton of aluminum	90 kg CTP
1 ton of graphite	440 kg CTP

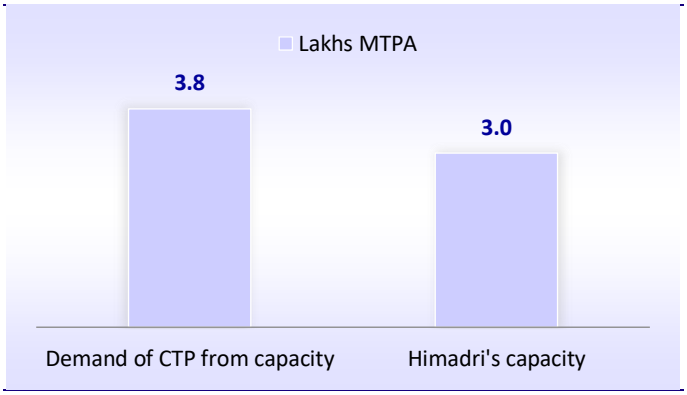
Source: MOFSL, Company

Exhibit 33: Capacity share in India's 4.2m MT aluminum smelting capacity



Source: MOFSL, Company

Exhibit 34: Himadri's capacity stands at 80% of the total requirement



Source: MOFSL, Company

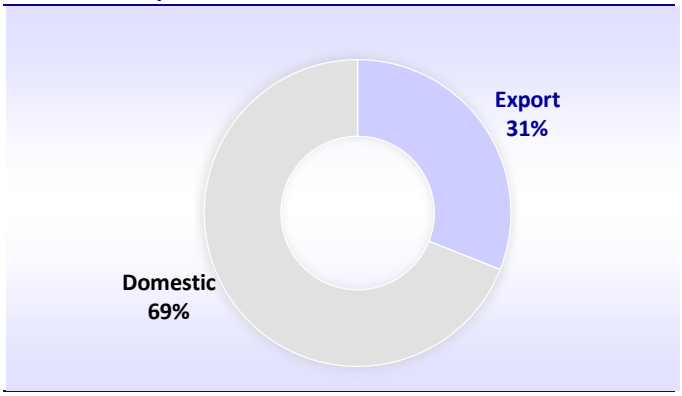
- **Considering a total aluminum smelting requirement of 3,80,000 MTPA (90kg requirement for 1 ton of aluminum), Himadri has the capacity to fulfill 80% of the total demand in India.**

Considering a total aluminum smelting requirement of 0.4m MTPA (90kg requirement for 1 ton of aluminum), Himadri has the capacity to fulfill 80% of the total demand in India.

Middle East opportunity to drive LCTP export

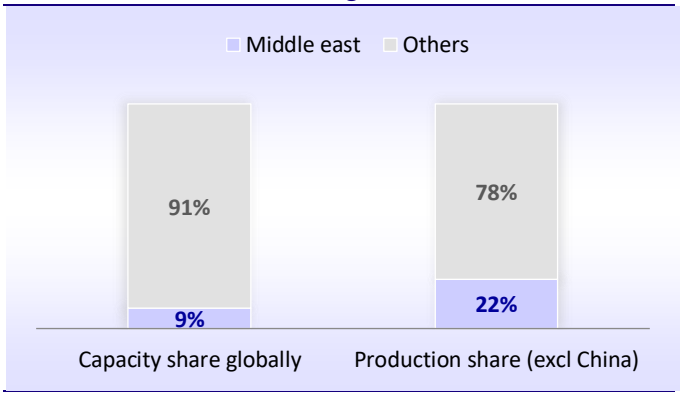
- Traditionally, CTP has been supplied in solid form, requiring customers to remelt the solid pitch prior to use. This process entails additional energy consumption, handling costs, infrastructure requirements, operational complexity, and material losses during transportation and remelting.
- LCTP addresses these operational inefficiencies by enabling direct delivery of the product in a molten state. The product can be transferred directly into the customer's storage and production systems, improving operational efficiency, reducing handling requirements, lowering energy consumption, and enhancing reliability for customers.
- **Transporting LCTP requires significant logistical expertise, as the product must be maintained at temperatures of around 250°C throughout transit. To ensure reliable and temperature-controlled delivery, Himadri operates a dedicated fleet of more than 280 electrically heated tankers, creating a differentiated logistics platform that supports seamless product movement from manufacturing sites to customer facilities.**
- Currently, Himadri has two LCTP terminals at Haldia (West Bengal) and Mangalore (Karnataka). While the Haldia terminal strengthens access to Eastern markets and export opportunities, the Mangalore facility provides an important gateway to customers across the Middle East and other international markets.
- The Middle East, comprising Bahrain, Iran, Oman, Qatar, Saudi Arabia, and the UAE, is one of the world's largest aluminum-producing regions outside China (22% of production outside China and 9% of total global capacity), with aluminum smelters that rely on imported liquid coal tar pitch for carbon anode production. During FY26, Himadri successfully expanded its international presence by exporting its first shipment of 3,600 tons of LCTP to the Middle East through the Mangalore terminal in Nov'25.

Exhibit 35: Export mix in FY26



Source: Company, MOFSL

Exhibit 36: Middle East a strong market for LCTP



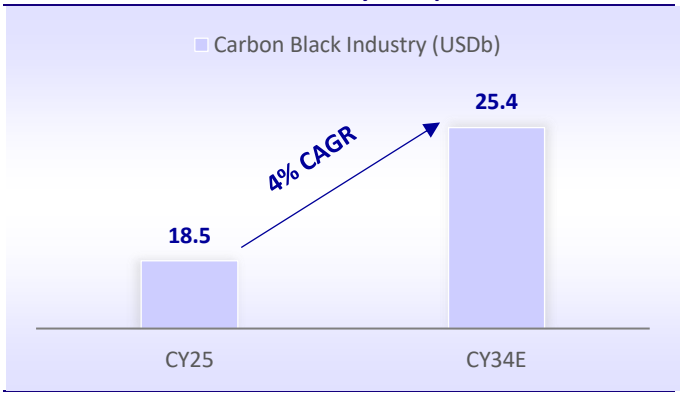
Source: Company, MOFSL

Expanding beyond the standard carbon black

Himadri prioritizes the use of carbon black oil (sourced in-house) for manufacturing specialty carbon black, while externally sourcing CBFS for standard-grade carbon black production. This is expected to support healthier margins in the specialty carbon black segment.

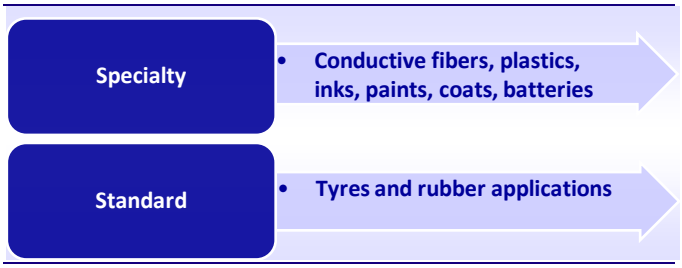
- The global carbon black industry was valued at USD18.50b in CY25 and is expected to reach USD25.4b (CAGR of 4% during the period) by 2034. Market growth is expected to be driven by strong demand from the tyres, plastics, coatings, paints, EVs, industrial applications, and sustainable manufacturing technologies.
- Himadri has established a strong position in the specialty carbon black segment, supported by its integrated manufacturing platform and in-house availability of critical feedstocks, including carbon black oil and other specialty oils. During FY26, the company more than doubled its specialty carbon black capacity to 130,000 TPA, establishing the world's largest single-location specialty carbon black manufacturing facility and strengthening its position among leading global manufacturers in the segment. Himadri's plant has the capability to process both carbon black feedstock (CBFS) or carbon black oil to produce carbon black, providing flexibility to optimize feedstock selection based on production requirements and market dynamics.
- **Himadri prioritizes the use of carbon black oil (sourced in-house) for manufacturing specialty carbon black, while externally sourcing CBFS for standard-grade carbon black production. This is expected to support healthier margins in the specialty carbon black segment.**
- Over the years, the carbon black business has gradually transitioned from commodity-grade, volume-driven products to higher-value, technology-intensive specialty carbon blacks. Specialty carbon black offers greater opportunities for product differentiation, deeper customer engagement, and participation in higher-value applications across plastics, coatings, conductive cables and wires, batteries, and other advanced industrial applications.

Exhibit 37: Carbon black industry to expand at a 4% CAGR



Source: IMARC, MOFSL

Exhibit 38: End-use cases of carbon black



Source: Company, MOFSL

Exhibit 39: Various brands under the carbon black business

Brand	Description/Key Features	Key Application Sectors
ENERGEX	ENERGEX plays a crucial role by creating a conductive path for electrons, significantly enhancing the battery's efficiency and lifespan	Batteries, conductive polymers, conductive coatings, rubber, cement composites
KLAREX	High-purity carbon black range offering superior clarity, dispersion, and uniform performance in polymer systems	Plastics, polymer compounds, masterbatches, packaging, consumer goods, automotive interiors
BARONX	Speciality carbon black with enhanced surface activity, reinforcement, and processing characteristics for engineered rubber and elastomer applications	Rubber, seals, gaskets, automotive components, vibration-control products, and engineered elastomers
ELECTRA	Advanced portfolio of electrically conductive and semi-conductive carbon black for precision-driven energy storage and electronics applications	Lithium-ion batteries, EV components, electronics, EMI shielding, energy storage systems
COLORX	Pigment-grade carbon black delivering deep blackness, high tinting strength, and consistent visual performance	Coatings, printing inks, paints, packaging, automotive coatings, decorative, and industrial finishes
ONYX	Premium high-performance carbon black engineered for superior reinforcement, durability, and abrasion resistance	Ideal for applications where strength and consistency are critical
JETEX	Specialized conductive carbon black portfolio providing reliable electrical conductivity and electrostatic performance demanding industrial applications.	Power & data cables, EV wiring harnesses, anti-static rubber, industrial plastics, packaging
VERTEX	High-performance specialty tyres application, which provides large range of surface area, structure and ASD optimizing grip, rolling resistance, and mechanical performance.	OTR tyres, where it adds value by improving cut resistance and reducing rolling resistance of the tyres
TERVION	Specialty additive engineered to transform traditional concrete into a high-performance composite by reinforcing the cementitious matrix at the molecular level	Concrete - reduces permeability, protecting structures from water, salt intrusion, and chemical corrosion

Source: Company data, MOFSL

CNTs are around 100 times stronger than steel and offer electrical conductivity comparable to copper

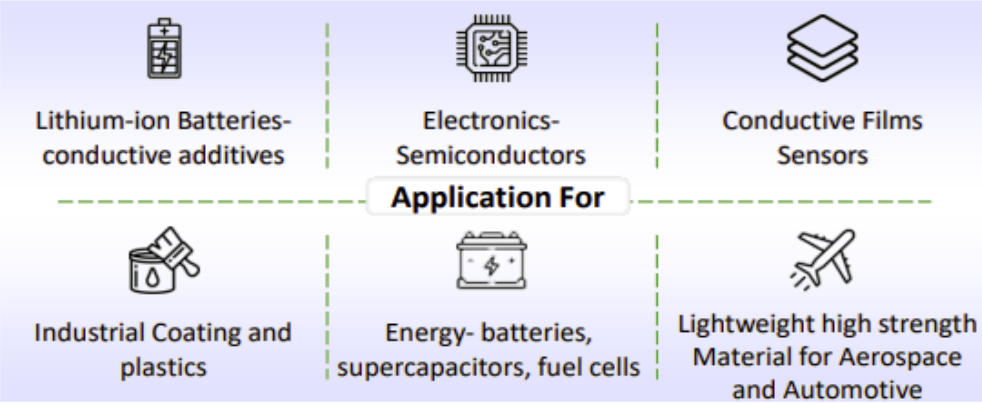
Expanding into high-value advanced carbon materials

- In FY26, Himadri achieved a significant technological breakthrough with the successful development of **Carbon Nanotubes (CNTs)**. Building on this achievement, the company is establishing a 200 MTPA commercial-scale CNT facility with an investment of INR700m, positioning itself to tap into a TAM of 30k MTPA.
- Himadri has achieved India's first commercial production of CNTs, a next-generation advanced material formed by rolling graphene into seamless cylindrical nanostructures. **CNTs are around 100 times stronger than steel and offer electrical conductivity comparable to copper**. This breakthrough reflects the company's sustained in-house innovation and R&D efforts, positioning it to

address a broad range of high-value applications across industries, such as energy storage, electronics, automotive, aerospace, and advanced composites.

- Key applications of CNTs:
  - They are used in conductive additives in **lithium-ion batteries** to enhance electrical conductivity, improve charging performance, and extend battery life.
  - In **electronics**, they enable advanced semiconductors, transparent conductive films, and highly sensitive sensors owing to their superior electrical and thermal properties.
  - They are also incorporated into **industrial coatings and engineering plastics** to improve conductivity, mechanical strength, durability, and antistatic performance.
  - In the **energy** sector, CNTs enhance the performance of batteries, supercapacitors, and fuel cells by facilitating faster electron transport and improving energy density.
  - Additionally, their exceptional strength-to-weight ratio makes them an ideal reinforcement material for lightweight, high-strength composites used in **aerospace and other advanced engineering applications.**
- Moreover, Himadri plans to enter the high-value **super specialty carbon black (SSCB) segment**, leveraging its superior morphology and high-purity products to cater to niche, high-performance applications.
- The company plans to establish an initial SSCB capacity of 6,000 MTPA through an INR1.7b capex, leveraging its existing 250k MTPA carbon black manufacturing facility.
- **Overall, Himadri's entry into CNTs and SSCB strengthens its presence in high-margin specialty materials, diversifies revenue streams beyond traditional products, and enhances its long-term growth potential by addressing rapidly expanding end-markets such as EVs, electronics, energy storage, and advanced industrial applications.**

Exhibit 40: Applications of Carbon Nano Tubes



Source: Company data, MOFSL

Exhibit 41: Applications of SSCB

Application areas	How SSCB is used
Engineering plastics & conductive applications	❖ Used to make plastic parts stronger, last longer, and capable of conducting electricity. It is found in products such as electronic device casings, automotive connectors, battery housings, cables, and antistatic packaging.
EV & energy storage	❖ Used in electric vehicle battery parts, charging equipment, cables, and battery packs to improve electrical flow, durability, and heat management, helping EVs and energy storage systems perform more efficiently.
Fiber industry	❖ Added to textiles and synthetic fibers to produce deep black color, improve resistance to sunlight, and make fabrics used in sportswear, industrial clothing, carpets, and antistatic garments more durable.
Coatings, inks, and specialty applications	❖ Used as a premium black pigment in paints, coatings, printing inks, and toners, providing richer black color, better gloss, and improved resistance to fading and weather.
Infrastructure and industrial applications	❖ Used in water and gas pipes, cable coverings, roofing materials, construction plastics, and industrial products to make them more resistant to sunlight, harsh weather, and wear, thus extending their lifespan.

Source: Company data, MOFSL

Unlocking value across the naphthalene chain

- Naphthalene accounts for ~10% of Himadri's coal tar distillation output and is primarily supplied to manufacturers of dyes, pigments, and related intermediates.
- The company has also expanded into value-added naphthalene derivatives such as SNF and PCE, high-performance concrete admixtures that enhance the strength, durability, and workability of concrete across infrastructure and construction applications.

Exhibit 42: Uses of SNF and PCE

Product	Primary use	Benefits
SNF	❖ Water-reducing admixture (plasticizer)	❖ Improves concrete flowability while reducing water requirement by 10-20%; enhances strength and durability
PCE	❖ High-range water reducer (superplasticizer)	❖ Delivers superior workability and flow at much lower water-cement ratios; enables high-strength and self-compacting concrete

Source: MOFSL

CNTs are around 100 times stronger than steel and offer electrical conductivity comparable to copper.

- To capitalize on the growing consumer naphthalene segment, Himadri launched Durofresh™, a premium naphthalene ball brand designed to deliver superior quality and performance. Leveraging its long-standing expertise in naphthalene production, the company is well positioned to address consumer demand with a differentiated product offering backed by stringent quality standards.
- Durofresh™ offers 99.5% purity, delivering a stain-free experience along with enhanced vapor strength, resulting in faster action and longer-lasting protection compared with conventional alternatives.
- **The launch enables Himadri to move closer to end consumers while complementing its established industrial portfolio, thereby enhancing value realization, improving margins, and strengthening brand visibility in consumer segments.**
- Further, as part of its specialty chemicals growth strategy, Himadri is setting up an INR2.48b facility to manufacture Anthraquinone and Carbazole, leveraging its existing coal tar distillation infrastructure and expertise in carbon chemistry.
- The first phase is expected to be commissioned by 2QFY27, representing a forward integration initiative aimed at extracting higher-value specialty products from existing feedstocks, thereby enhancing margins and strengthening the company's integrated value chain. The full capacity is expected to be commissioned by 2QFY28.

- Anthraquinone and Carbazole serve diverse end-use industries, including dyes, pigments, pharmaceuticals, electronics, and advanced materials. The project is expected to create significant synergies within Himadri's integrated manufacturing ecosystem while leveraging existing customer relationships across domestic and international markets.

Exhibit 43: Uses of Anthraquinone and Carbazole

Product	What it is	Key applications	End markets
Anthraquinone	❖ An aromatic organic compound derived from coal tar and used as an important chemical intermediate	❖ Dyes and pigments, paper pulping catalysts, hydrogen peroxide production, wood processing chemicals, agricultural chemicals	❖ Textile chemicals, specialty chemicals, paper & pulp, industrial chemicals, agriculture
Carbazole	❖ A nitrogen-containing heterocyclic aromatic compound used in advanced materials and specialty chemicals	❖ Pharmaceuticals, dyes, and pigments, electronic polymers, OLED materials, conductive polymers, agrochemicals	❖ Pharmaceuticals, electronics, display technologies, advanced materials, specialty chemicals

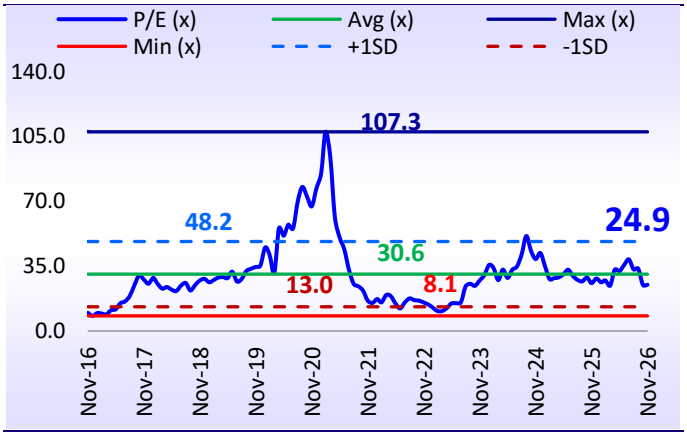
Source: MOFSL

Valuation and view

We value the company at 30x FY29E EPS (in line with 10-year average one year forward P/E of 30.6). It is expected to deliver a 24%/23%/21% CAGR in revenue/EBITDA/PAT over FY26–29.

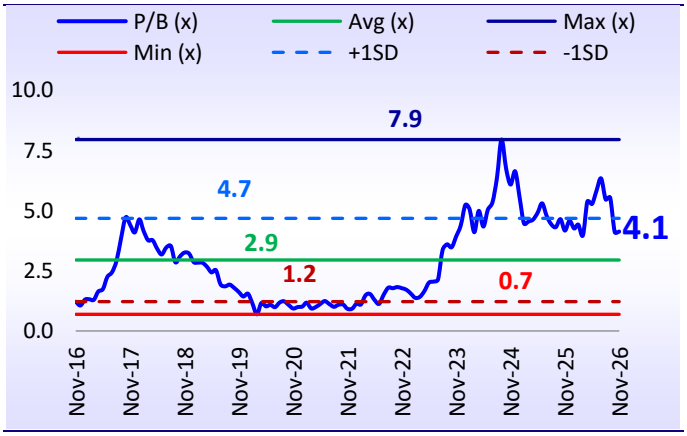
- Himadri is diversifying into battery materials with LFP cathode and anode capacities, targeting 40,000 MTPA LFP by FY28. With the global LFP cathode and anode market expected to reach ~USD193b by CY35, its ~USD3b battery chemicals revenue ambition translates into a potential market share of ~2%. Partnerships with Sicona, IBC, and Invati further strengthen its technology capabilities.
- Himadri is moving up the carbon materials value chain through specialty carbon black, CNTs, SSCB, LCTP, and downstream chemicals, while Birla Tyres provides forward integration into tyre manufacturing. The company also maintains a dominant position in CTP, with capacity to cater to 80% of domestic demand.
- The company is expected to deliver a 24%/23%/21% CAGR in revenue/EBITDA/PAT over FY26–29, and currently trades at 29x/24x/20x FY27E/FY28E/FY29E EPS, with FY29E RoE/RoCE of 18%/15%. **We value the company at 30x FY29E EPS (in line with 10-year average one-year forward P/E of 30.6x), resulting in TP of INR780 and a BUY rating.**

Exhibit 44: One-year forward P/E



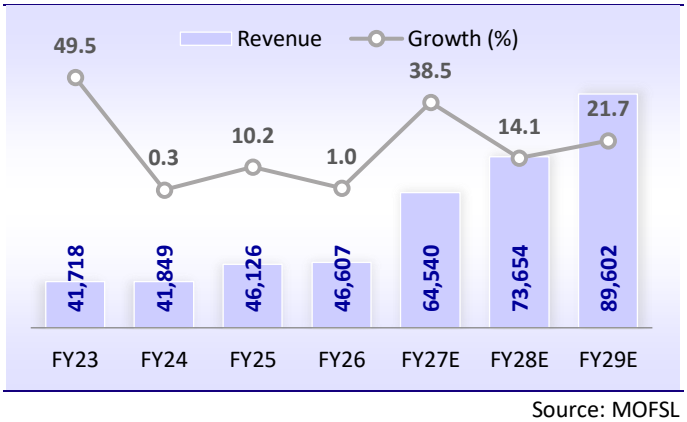
Source: MOFSL

Exhibit 45: One-year forward P/B



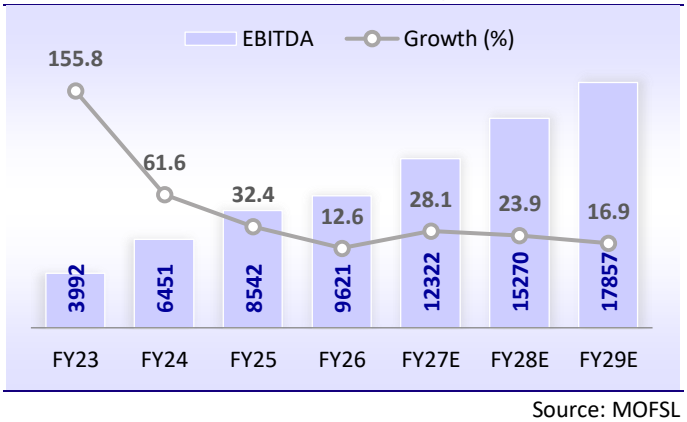
Source: MOFSL

Exhibit 46: Revenue growth trend



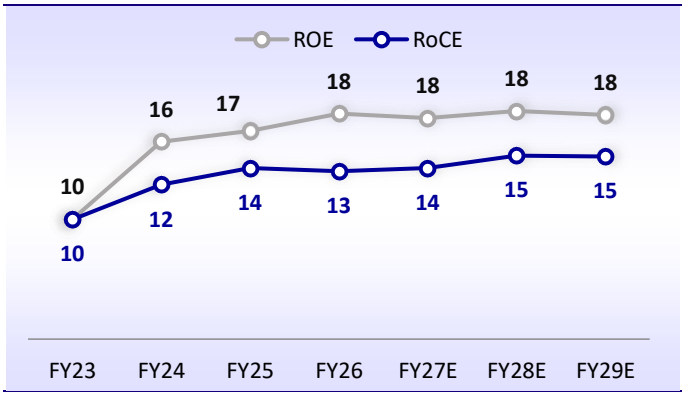
Source: MOFSL

Exhibit 47: To maintain steady EBITDA growth



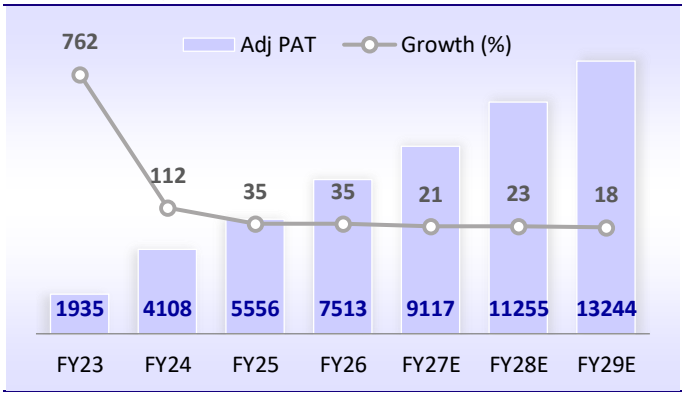
Source: MOFSL

Exhibit 48: To maintain healthy RoE and RoCE



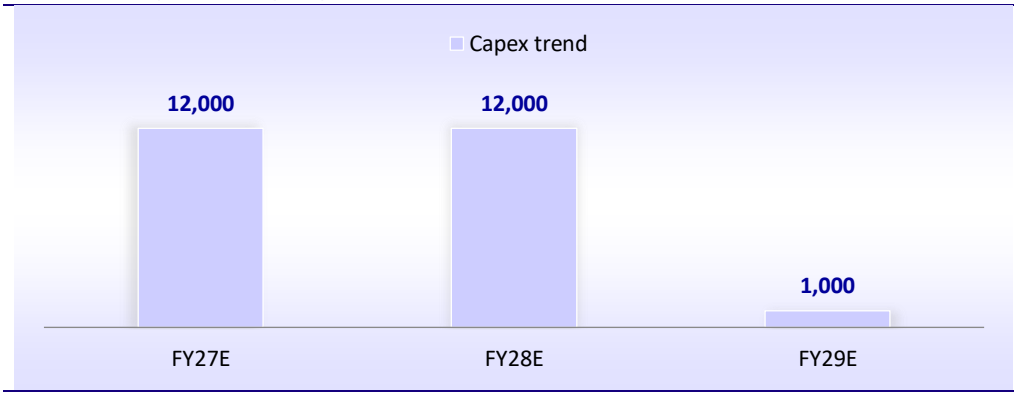
Source: MOFSL

Exhibit 49: Adj PAT growth trend



Source: MOFSL

Exhibit 50: Capex trend going forward



Source: MOFSL

Exhibit 51: Peer comparison

Company Name	Revenue (INR b)			EBITDA (INR b)			EBITDA Margin (%)			PAT (INR b)		
	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
SRF	158	193	217	36	47	51	23	25	24	20	27	30
Tata Chemicals	146	166	179	18	20	30	12	12	17	-4	3	11
Fine Organic Industries	24	26	29	5	6	6	21	22	21	4	5	5
Vinati Organics	22	27	31	7	7	9	29	26	28	4	5	6
Deepak Nitrite	79	90	101	10	14	15	12	15	15	6	8	9
Atul	63	72	80	11	14	15	17	19	19	7	9	10
Galaxy Surfactants	52	63	69	5	7	7	9	11	11	3	4	4
Aarti Industries	83	111	119	11	15	18	14	14	15	4	6	7
GHCL	31	NA	NA	7	NA	NA	22	NA	NA	5	NA	NA
Gujarat Fluorochemicals	50	66	83	13	18	24	26	28	28	6	10	13
Navin Flourine	33	44	53	11	14	17	33	33	32	7	9	11
Alkyl Amines	15	18	18	3	4	4	19	21	21	2	2	2
Clean science	10	11	13	4	4	5	37	36	37	2	3	3
NOCIL	13	16	17	1	2	2	8	9	11	1	2	2
Ellenbarrie	3	5	6	1	2	2	35	39	39	1	1	2
Privi Speciality	26	31	40	6	8	11	25	25	26	3	4	6
Himadri	**47**	**65**	**74**	**10**	**12**	**15**	**21**	**19**	**21**	**8**	**9**	**11**

Exhibit 52: Peer comparison

Company Name	MCap (INRb)	Revenue CAGR	EBITDA CAGR	PAT CAGR	PE (x)			EV/EBIDTA (x)			ROE (%)		
		FY26-28E	FY26-28E	FY26-28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E	FY26	FY27E	FY28E
SRF	720	17%	19%	21%	35.3	26.4	23.9	25.8	20.0	17.6	14.9	17.7	17.7
Tata Chemicals	155	11%	28%	NA	-36.2	49.4	13.7	10.4	8.1	6.3	3.3	5.1	6.6
Fine Organic Industries	156	10%	12%	9%	37.4	34.1	31.6	28.7	24.5	23.5	16.8	15.9	14.9
Vinati Organics	99	18%	15%	13%	22.3	21.7	17.4	20.7	19.0	15.5	16.2	17.5	17.7
Deepak Nitrite	207	13%	22%	24%	37.0	26.4	24.0	25.6	20.0	20.8	10.0	12.7	12.7
Atul	149	13%	19%	16%	25.8	21.5	19.1	17.7	13.9	12.1	12.4	13.3	13.4
Galaxy Surfactants	80	14%	23%	27%	28.8	20.1	17.8	18.5	13.0	11.6	10.8	13.7	14.0
Aarti Industries	159	20%	25%	32%	38.0	28.8	21.7	16.6	13.5	11.4	7.2	8.8	11.0
Navin Flourine	438	26%	25%	26%	65.5	48.1	41.2	37.1	27.8	23.7	20.3	21.0	20.7
Alkyl Amines	85	10%	15%	18%	47.3	35.1	34.1	34.1	26.2	24.9	12.3	15.0	13.9
Clean science	70	18%	18%	21%	30.5	26.9	20.7	21.9	19.1	15.1	15.3	15.4	17.4
NOCIL	23	16%	37%	37%	22.6	15.0	12.0	22.1	12.8	10.2	3.8	4.6	5.4
Ellenbarrie	46	33%	41%	28%	42.4	32.0	25.8	41.1	28.3	21.5	14.7	13.6	14.7
Privi Speciality	128	25%	28%	35%	38.9	30.6	21.3	18.4	17.9	13.7	26.0	24.7	25.4
Himadri Speciality chemical	**269**	**26%**	**26%**	**22%**	**35.8**	**29.5**	**23.9**	**28.0**	**22.3**	**17.9**	**18.0**	**17.7**	**18.2**

Key risks

Himadri's core business remains dependent on coal tar, a by-product of steel manufacturing. Any reduction in steel production, supply disruptions, or sharp increases in coal tar prices can affect margins and plant utilization.

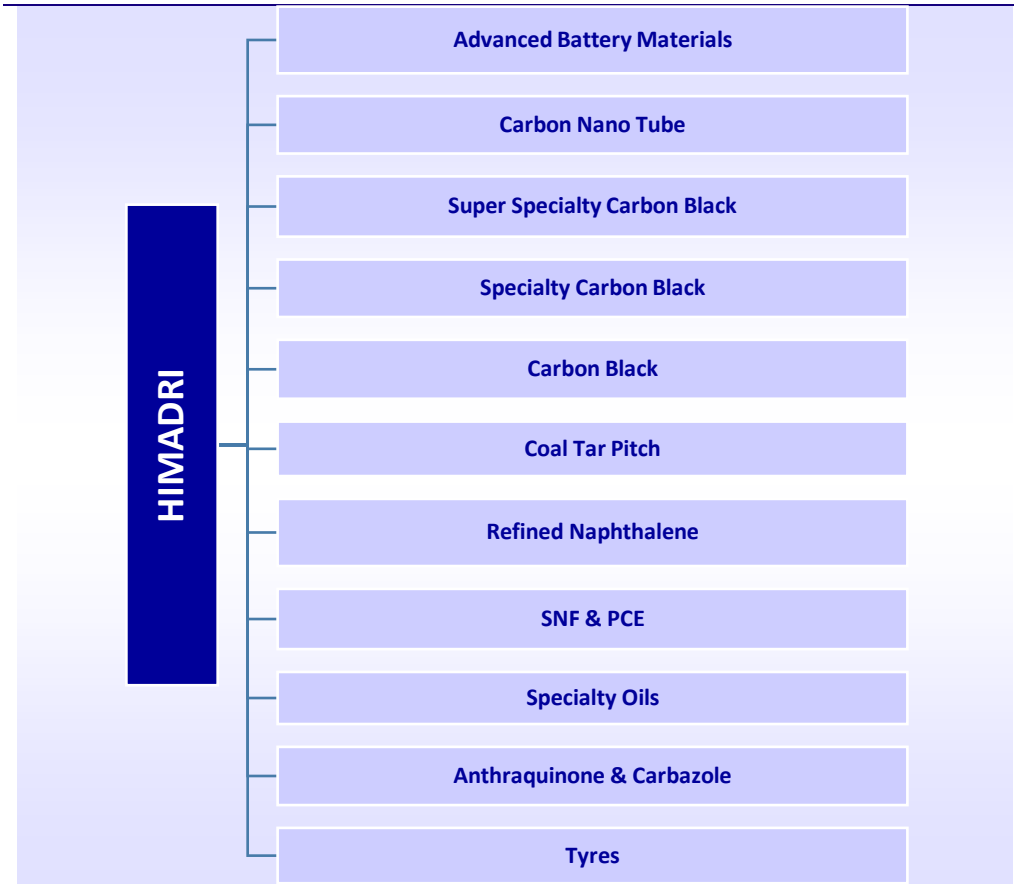
- The company's manufacturing operations are exposed to operational risks. Any unexpected shutdowns of existing or upcoming facilities, equipment failures, utility disruptions, natural events, and other unforeseen events could adversely impact production schedules, sales volume, and business performance.
- The company relies on third-party suppliers for certain raw materials, consumables, and components. Any disruption in supply, constraints in sourcing materials that meet required quality standards, or volatility in input prices could impact operations and cost structures.
- Himadri's core business remains dependent on coal tar, a by-product of steel manufacturing. Any reduction in steel production, supply disruptions, or sharp increases in coal tar prices can affect margins and plant utilization. The company mitigates this exposure through long-standing supplier relationships, diversified sourcing arrangements, and prudent inventory management practices.

Company overview

- Himadri commenced operations in 1990 with the establishment of its first coal tar distillation plant in Howrah, West Bengal, and subsequently listed on the stock exchanges in 1992. During the 1990s and early 2000s, the company steadily expanded its coal tar distillation footprint across Howrah, Visakhapatnam, and Hooghly, while strengthening its integrated manufacturing capabilities through additional distillation and by-product processing facilities.
- From 2008 onwards, Himadri diversified beyond its core coal tar business by commissioning its advanced carbon materials (ACM) facility at Falta SEZ, which today serves as key R&D hub for battery chemicals and advanced materials. The company further expanded into construction chemicals through the acquisition and commissioning of SNF plants, established integrated carbon black manufacturing with captive power, attracted Bain Capital as a financial investor in 2010, set up a CTP plant in China in 2012, and entered the specialty carbon black segment in 2019. Between 2017 and 2019, the company increased its coal tar distillation capacity to 500 ktpa while expanding its ACM manufacturing capabilities. The company scaled its distillation capacity from 500 ktpa in FY24-25 to 600 ktpa in FY25-26, strengthening its production capabilities to meet rising demand and support future growth.
- Over the last few years, Himadri has evolved into a science-led specialty solutions company focused on advanced materials and energy transition. In 2023–24, the company announced plans to enter LFP cathode active materials (CAMs), acquired Birla Tyres to diversify into the tyre industry, and invested in Invati Creations to strengthen its next-generation lithium-ion electrode material capabilities.
- In 2025–26, the company accelerated this transformation through investments in specialty chemicals, strategic stake in International Battery Chemicals (IBC), and partnership with Sicona for silicon-carbon anode technology. It also commenced exports of LCTP to the Middle East, commissioned its expanded 130,000 TPA specialty carbon black facility at Mahistikry, and commenced operations at its first 200 TPA anode material plant in Apr'26, reinforcing its position across advanced materials and the lithium-ion battery value chain.

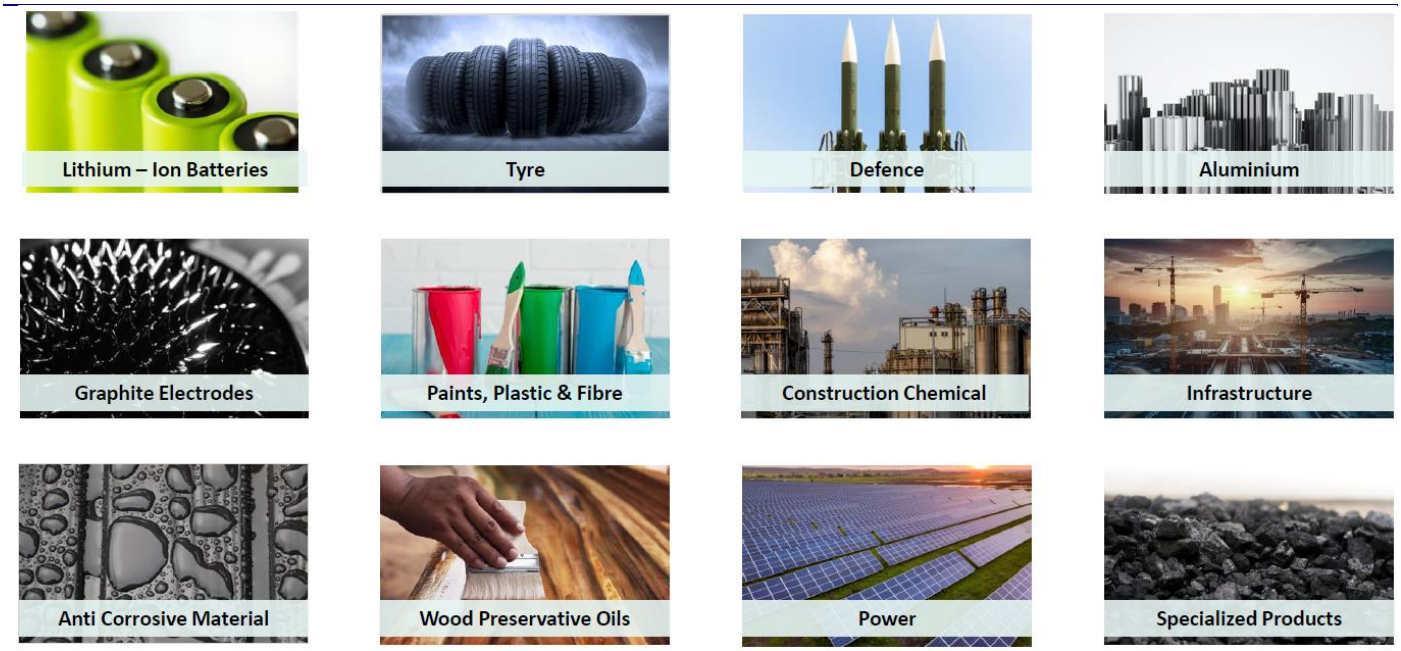
In 2025–26, the company accelerated this transformation through investments in specialty chemicals, strategic stake in International Battery Chemicals (IBC), and partnership with Sicona for silicon-carbon anode technology

Exhibit 53: Business Verticals



Source: Company

Exhibit 54: Industries



Source: Company

Exhibit 55: Eight zero-liquid discharge plants across India and China

Mahistikry	Liluah I	Liluah II	Korba	Vizag	Sambalpur Plant	Falta SEZ Unit	China
Hooghly (W.B.)	Liluah, Howrah (W.B.)	Liluah, Howrah (W.B.)	Korba (C.G.)	Ancillary Industrial Estate, Visakhapatnam (A.P.)	Sambalpur (O.D.)	Falta Special Economic Zone (W.B.)	Longkou, Shandong, China

Source: Company

ESG initiatives



Environmental initiatives

- Himadri follows a structured, enterprise-wide energy management framework aligned with ISO 50001:2018, integrating governance, digital monitoring, engineered interventions, and workforce engagement to drive measurable outcomes.
- Operational excellence initiatives included cold-air line insulation to reduce thermal losses, SIMOCODE-based motor control upgrades, deployment of IE3 high-efficiency motors, power factor correction systems, and variable frequency drives for pump optimization
- Going forward, Himadri targets further reduction in electricity intensity, supported by expanded digitalization, advanced process optimization, workforce-led conservation, and increased integration of low-carbon energy sources, reinforcing progress toward its Net Zero 2050 commitment.

CSR initiatives

- Himadri's rural housing project, Awas Yojna, aims to improve the quality of life in rural communities by expanding access to essential services and promoting inclusive development.
- It supports critical infrastructure upgrades, including converting kutcha houses into pucca homes, and providing kitchens, safe drinking water, and sanitation facilities.

Governance

- A Board with diverse experiences, thoughts, perspectives, skill sets, gender representation, and expertise ensures constructive deliberations and effective decision-making.
- As of Mar'26, the Board comprised seven Directors, of whom three (43%) were Executive Directors and four (57%) were Independent Directors, including one Independent Woman Director.

Bull and Bear cases



Bull case

- ☑ We assume a 34% CAGR in total sales over FY26-29E, considering a faster-than-expected capacity ramp-up and contribution from the anode business.
- ☑ Further, higher utilization, operating leverage, and faster scaling of new businesses drive stronger growth.



Bear case

- ☑ We assume a 14% CAGR in total sales over FY26-29E, considering a delayed ramp-up of new capacities and slower-than-expected contribution from new businesses.
- ☑ Accordingly, we estimate a 6% earnings CAGR over FY26-29. We assign a 25x FY29E P/E multiple to arrive at our TP of INR441, implying a potential downside of 17% from the current levels.

Exhibit 56: Sensitivity analysis

Base case		Basis of assumptions
EPS (INR)	26	
Target PE multiple (x)	30	❖ 24% revenue CAGR over FY26-29E
FY29E target price (INR)	780	❖ 21% CAGR in adj. PAT over FY26-29E
CMP (INR)	531	
Potential upside/ (downside) (%)	**47**	

Bull case		Basis of assumptions
EPS (INR)	37	
Target PE multiple (x)	35	❖ 34% revenue CAGR over FY26-29E
FY29E target price (INR)	1305	❖ 36% CAGR in adj PAT over FY26-29E
CMP (INR)	531	
Potential upside/ (downside) (%)	**146**	

Bear case		Basis of assumptions
EPS (INR)	18	
Target PE multiple (x)	25	❖ 14% revenue CAGR over FY26-29E
FY29E target price (INR)	438	❖ 6% CAGR in adj. PAT over FY26-29E
CMP (INR)	531	
Potential upside/ (downside) (%)	**-17**	

Source: MOFSL

SWOT analysis

S – STRENGTH

- ☑ Himadri enjoys a strong leadership position in coal tar-based specialty chemicals and is among the largest integrated coal tar processors in India.
- ☑ The company has also developed expertise in carbon chemistry through sustained investments in R&D, which has facilitated its entry into advanced materials.



W – WEAKNESS

- ☑ Himadri remains significantly dependent on coal tar as its primary feedstock, exposing the business to fluctuations in raw material availability and pricing. Since coal tar is a by-product of steel production, the company's supply chain is indirectly linked to the health of the steel industry.



O – OPPORTUNITY

- ☑ Himadri is well positioned to benefit from the rapid development of India's electric vehicle and battery manufacturing ecosystem.
- ☑ Government initiatives aimed at promoting domestic battery production and reducing import dependence could create substantial opportunities for the company to supply locally manufactured battery materials.



T – THREATS

- ☑ One of the most significant threats for the company is the challenge of commercializing its battery materials business at scale. Customer qualification processes in the battery industry are typically lengthy and rigorous, which could delay revenue realization and capacity utilization.



Management team



Mr. Anurag Choudhary, CMD and CEO

- Anurag Choudhary commenced his journey with Himadri at the age of eighteen and has played a pivotal role in shaping the company's evolution over the past three decades. Under his leadership, the company has transformed from a coal tar derivatives manufacturer into a global specialty solutions powerhouse.
- His commitment and passion toward innovation, R&D, and sustainability has positioned Himadri at the forefront of India's energy-transition ecosystem, with pioneering initiatives across anode materials, LFP cathode materials, and next-generation battery technologies.



Mr. Amit Choudhary, Executive Director

Amit Choudhary is a Commerce graduate from St. Xavier's College, Kolkata, and has further strengthened his leadership capabilities through executive education at IESE Business School, Spain. Since 1994, he has contributed significantly to building Himadri's operational excellence, manufacturing capabilities, safety culture, people practices, and sustainability framework. His leadership has been instrumental in strengthening the company's operational resilience and supporting its long-term growth journey.



Mr. Shyam Sundar Choudhary, Executive Director

- Shyam Sundar Choudhary oversees the company's commercial operations and project development initiatives. He has played a key role in expanding Himadri's manufacturing footprint and executing large-scale capacity additions across multiple business segments.
- Over the years, he has successfully led the commissioning of several projects, delivering world-class manufacturing facilities with a strong focus on operational excellence, execution discipline, and technology adoption.



Mr. Kamlesh Agarwal, CFO

- Kamlesh Kumar Agarwal, a Chartered Accountant and Himadri's CFO since 1994, has been instrumental in shaping the company's financial strategy and capital allocation framework. With nearly three decades of experience across treasury, taxation, corporate finance, and compliance, he has played a key role in shaping the company's financial strategy and capital allocation framework. His stewardship has supported Himadri's transition into a diversified specialty solutions company while maintaining a strong balance sheet, financial discipline, and a long-term value creation.



Mr. Amitabh Srivastava, Non–Executive Independent Director

- Amitabh Srivastava is a management graduate and postgraduate in Economics with over 37 years of experience in procurement, supply chain, and materials management.
- During his distinguished career at Steel Authority of India Limited (SAIL), he held several leadership positions, culminating in his appointment as Executive Director (Materials Management). He played an important role in modernizing procurement, and supply chain practices, driving digitalization, enhancing transparency, and improving operational efficiency across large industrial operations.

Financials and valuations

Consolidated - Income statement

(INRm)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Total Income from Operations	**41,718**	**41,849**	**46,126**	**46,607**	**64,540**	**73,654**	**89,602**
Change (%)	49.5	0.3	10.2	1.0	38.5	14.1	21.7
Raw Materials	32,544	30,303	31,470	28,999	42,987	45,665	55,106
Excise Duty	0	0	0	0	0	0	0
Employees Cost	915	1,105	1,394	1,939	2,478	2,946	3,405
Other Expenses	4,267	3,991	4,720	6,048	6,753	9,772	13,235
Total Expenditure	**37,727**	**35,398**	**37,584**	**36,986**	**52,218**	**58,384**	**71,745**
Gross profit	**9,174**	**11,546**	**14,656**	**17,608**	**21,553**	**27,989**	**34,497**
Gross Margin (%)	22.0	27.6	31.8	37.8	33.4	38.0	38.5
EBITDA	**3,992**	**6,451**	**8,542**	**9,621**	**12,322**	**15,270**	**17,857**
Margin (%)	9.6	15.4	18.5	20.6	19.1	20.7	19.9
Depreciation	509	499	550	682	886	996	1,242
EBIT	**3,483**	**5,952**	**7,993**	**8,940**	**11,436**	**14,274**	**16,615**
Int. and Finance Charges	661	639	448	644	901	690	690
Other Income	280	425	517	1,713	1,681	1,496	1,820
PBT bef. EO Exp.	**3,102**	**5,739**	**8,062**	**10,009**	**12,216**	**15,080**	**17,745**
EO Items	-300	0	0	0	0	0	0
PBT after EO Exp.	**2,802**	**5,739**	**8,062**	**10,009**	**12,216**	**15,080**	**17,745**
Total Tax	644	1,632	2,511	2,458	3,075	3,796	4,467
Tax Rate (%)	23.0	28.4	31.1	24.6	25.2	25.2	25.2
Minority Interest	1	1	5	-37	-24	-30	-35
Reported PAT	**2,160**	**4,108**	**5,556**	**7,513**	**9,117**	**11,255**	**13,244**
Adjusted PAT	**1,935**	**4,108**	**5,556**	**7,513**	**9,117**	**11,255**	**13,244**
Change (%)	761.7	112.3	35.3	35.2	21.3	23.4	17.7
Margin (%)	4.6	9.8	12.0	16.1	14.1	15.3	14.8

Consolidated - Balance Sheet

(INRm)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity Share Capital	433	493	494	505	505	505	505
Total Reserves	21,336	29,963	35,882	46,562	55,679	66,934	80,178
Net Worth	**21,768**	**30,456**	**36,376**	**47,067**	**56,184**	**67,439**	**80,682**
Minority Interest	-28	-28	492	554	578	608	644
Total Loans	8,362	6,004	3,087	7,666	7,666	7,666	7,666
Deferred Tax Liabilities	940	1,691	2,632	2,879	2,879	2,879	2,879
Capital Employed	**31,042**	**38,123**	**42,587**	**58,165**	**67,307**	**78,591**	**91,870**
Gross Block	22,123	22,810	24,071	27,872	29,733	36,664	46,129
Less: Accum. Deprn.	6,971	7,470	8,020	8,701	9,587	10,583	11,825
Net Fixed Assets	**15,151**	**15,340**	**16,051**	**19,171**	**20,146**	**26,080**	**34,304**
Goodwill on Consolidation	0	0	181	244	244	244	244
Capital WIP	935	665	1,853	3,722	13,861	18,930	10,465
Total Investments	**1,319**	**4,775**	**5,822**	**10,599**	**10,599**	**10,599**	**10,599**
Curr. Assets, Loans&Adv.	**19,375**	**23,707**	**22,654**	**29,328**	**32,175**	**33,828**	**49,750**
Inventory	5,442	7,025	5,852	7,630	10,565	12,057	14,668
Account Receivables	5,049	6,557	6,328	7,066	9,785	11,167	13,584
Cash and Bank Balance	6,248	7,314	6,718	7,355	1,747	3,239	12,538
Loans and Advances	2,636	2,812	3,756	7,278	10,078	7,365	8,960
Curr. Liability & Prov.	**5,740**	**6,365**	**3,973**	**4,899**	**9,719**	**11,091**	**13,492**
Account Payables	3,456	5,704	2,393	3,754	8,134	9,282	11,292
Other Current Liabilities	2,223	560	1,459	974	1,349	1,540	1,873
Provisions	60	101	121	170	235	269	327
Net Current Assets	**13,636**	**17,343**	**18,681**	**24,429**	**22,456**	**22,737**	**36,258**
Misc Expenditure	0	0	0	0	0	0	0
Appl. of Funds	**31,042**	**38,123**	**42,587**	**58,165**	**67,307**	**78,591**	**91,870**

Financials and valuations

Ratios

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Basic (INR)							
EPS	**3.8**	**8.1**	**11.0**	**14.9**	**18.1**	**22.3**	**26.2**
EPS Growth (%)	**761.7**	**112.3**	**35.3**	**35.2**	**21.3**	**23.4**	**17.7**
Cash EPS	5.6	9.4	12.4	16.2	19.8	24.3	28.7
BV/Share	50.3	61.8	73.7	93.3	111.3	133.6	159.8
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payout (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valuation (x)							
P/E	139	65	48	36	29	24	20
Cash P/E	94	57	43	33	27	22	19
P/BV	11	9	7	6	5	4	3
EV/Sales	6	6	6	6	4	4	3
EV/EBITDA	58	40	30	28	22	18	15
Dividend Yield (%)	0	0	0	0	0	0	0
FCF per share	-1	7	6	-1	-9	4	20
Return Ratios (%)							
RoE	10	16	17	18	18	18	18
RoCE	10	12	14	13	14	15	15
RoIC	12	18	21	21	22	25	24
Working Capital Ratios							
Fixed Asset Turnover (x)	2.7	2.7	2.9	2.6	3.3	3.2	3.0
Asset Turnover (x)	1.3	1.1	1.1	0.8	1.0	0.9	1.0
Inventory (Days)	48	61	46	60	60	60	60
Debtor (Days)	44	57	50	55	55	55	55
Creditor (Days)	30	50	19	29	46	46	46
Leverage Ratio (x)							
Current Ratio	3.4	3.7	5.7	6.0	3.3	3.1	3.7
Interest Cover Ratio	5.3	9.3	17.9	13.9	12.7	20.7	24.1
Net Debt/Equity	0.1	0.0	-0.1	0.0	0.1	0.1	-0.1

Consolidated - Cash Flow Statement

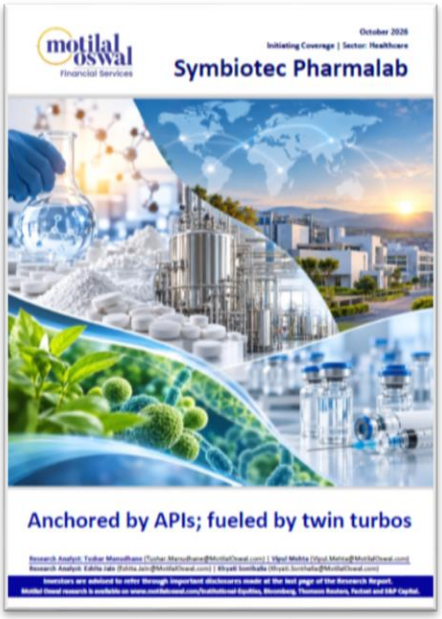
(INR m)

Y/E March	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
OP/(Loss) before Tax	2,803	5,739	8,062	10,009	12,216	15,080	17,745
Depreciation	509	499	550	682	886	996	1,242
Interest Expenses	501	277	9	644	901	690	690
Others	-20	-22	6	-1,505	0	0	0
Direct Taxes Paid	-474	-929	-1,443	-2,309	-3,075	-3,796	-4,467
(Inc)/Dec in WC	-2,778	-1,516	-2,715	-3,701	-3,635	1,211	-4,222
CF from Operations	**540**	**4,048**	**4,469**	**3,820**	**7,294**	**14,181**	**10,989**
CF from Operating incl EO							
(Inc)/Dec in FA	-832	-528	-1,709	-4,447	-12,000	-12,000	-1,000
Free Cash Flow	**-292**	**3,520**	**2,760**	**-627**	**-4,706**	**2,181**	**9,989**
Change in Investments	19	-2,842	-976	-5,089	0	0	0
Others	-3,154	-680	333	-102	0	0	0
CF from Investments	**-3,967**	**-4,049**	**-2,352**	**-9,638**	**-12,000**	**-12,000**	**-1,000**
Issue of Shares	8	77	32	14	0	0	0
Inc/(Dec) in Debt	2,393	-2,401	-2,953	4,349	0	0	0
Interest Paid	-489	-632	-422	-671	-901	-690	-690
Dividend Paid	-84	-108	-247	-296	0	0	0
Others	1,943	3,136	875	2,507	0	0	0
CF from Fin. Activity	**3,771**	**72**	**-2,715**	**5,903**	**-901**	**-690**	**-690**
Inc/Dec of Cash	**344**	**71**	**-598**	**85**	**-5,607**	**1,492**	**9,299**
Opening Balance	1,734	2,078	2,149	1,551	7,355	1,747	3,239
Bank balance and other items	4,170	5,165	5,167	5,719	0	0	0
Closing Balance	**6,248**	**7,314**	**6,718**	**7,355**	**1,747**	**3,239**	**12,538**

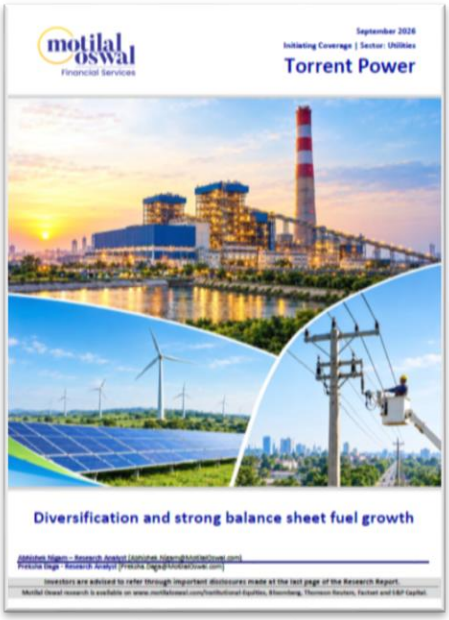
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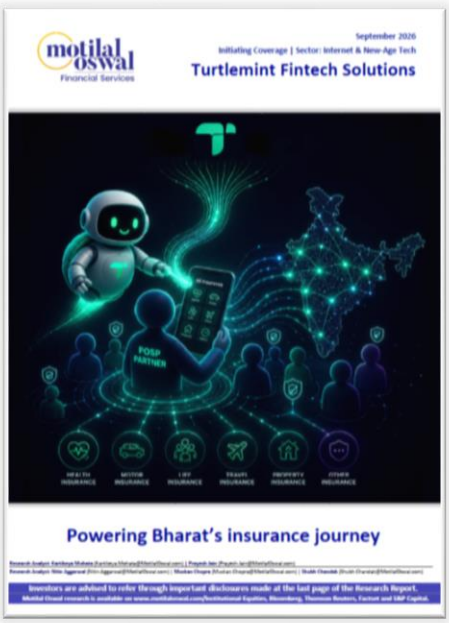














NOTES

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

*In case the recommendation given by the Research Analyst is inconsistent with the investment rating legend for a continuous period of 30 days, the Research Analyst shall be within following 30 days take appropriate measures to make the recommendation consistent with the investment rating legend.

Disclosures

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Nainesh Rajani
Email: nainesh.rajani@motilaloswal.com
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Grievance Redressal Cell:

Contact Person	Contact No.	Email ID
Ms. Hemangi Date	022 40548000 / 022 67490600	query@motilaloswal.com
Ms. Kumud Upadhyay	022 40548082	servicehead@motilaloswal.com
Mr. Ajay Menon	022 40548083	am@motilaloswal.com
Mr. Neeraj Agarwal	022 40548085	na@motilaloswal.com
Mr. Siddhartha Khemka	022 50362452	po.research@motilaloswal.com

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