HEG Advanced Materials
An LNJ Bhilwara Group Company

PROUD TO BE INDIAN
PRIVILEGED TO BE GLOBAL

HEGAM/SECTT/2026 November 12, 2026

To	To
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **SCRIP CODE: 509631**	National Stock Exchange of India Limited Exchange Plaza, C-1, Block- G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051 **SYMBOL: HEGAM**

Sub: Transcript of Q2 & H1 FY27 Earnings Conference Call held on Thursday, November 05, 2026

Dear Sir/Madam,

Please refer to our Earnings Conference Call, scheduled for Thursday, November 05, 2026, at 14:00 Hrs (IST), as intimated in our letter dated October 29, 2026.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Q2 & H1 FY27 Earnings Conference Call transcript. The transcript is also available on the company's website.

You are requested to take the same on record.

Yours truly,
For HEG Advanced Materials Limited
(formerly HEG Limited)

RAVI GUPTA
Digitally signed by RAVI GUPTA
Date: 2026.11.12 19:17:58 +05'30'

Ravi Gupta
Company Secretary & Compliance Officer
FCS No.: 5731

"HEG Advanced Materials Limited

Q2 & H1 FY27 Earnings Conference Call"

November 05, 2026

MANAGEMENT: **MR. RIJU JHUNJHUNWALA – CHAIRMAN, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – HEG ADVANCED MATERIALS LIMITED**
MR. OM PRAKASH AJMERA – JOINT MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, HYDRO BUSINESS AND DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER – HEG ADVANCED MATERIALS LIMITED
MR. PUNEET ANAND – GROUP CHIEF STRATEGY OFFICER – HEG ADVANCED MATERIALS LIMITED
MS. NEHA RAJVANSHI – CHIEF FINANCIAL OFFICER – HEG ADVANCED MATERIALS LIMITED
MR. RAVI GUPTA – COMPANY SECRETARY & COMPLIANCE OFFICER – HEG ADVANCED MATERIALS LIMITED
MR. HIREN PRAVIN SHAH – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – REPLUS ENGITECH PRIVATE LIMITED
MR. ANKUR KHAITAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER – TACC LIMITED

MODERATOR: **MR. PRATIM ROY – 360 ONE CAPITAL MARKET PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to HEG Advanced Materials Limited Q2 and H1 FY27 Earnings Conference Call hosted by 360 ONE Capital Market Private Limited. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Pratim Roy from 360 ONE Capital Market Private Limited. Thank you, and over to you, sir. Please proceed.

Pratim Roy: Good afternoon, everyone. On behalf of 360 ONE Capital Market Limited I welcome you all to the Q2 and H1 FY27 Earnings Conference Call of HEG Advanced Materials Limited. We are pleased to have with us today Mr. Riju Jhunjhunwala, Chairman, Managing Director and CEO; Mr. Om Prakash Ajmera, Joint Managing Director, CEO, Hydro Business and Director and Group CFO; Mr. Puneet Anand, Group CSO; Ms. Neha Rajvanshi, CFO; Mr. Ravi Gupta, Company Secretary & Compliance Officer; Mr. Hiren Pravin Shah, Managing Director and CEO, RePlus Engitech Private Limited; and Mr. Ankur Khaitan, Managing Director and CEO, TACC Limited.

Before we begin, I'd like to remind everyone that today's discussion may contain forward-looking statements. These statements are based on the company's current expectations, assumptions and estimates regarding future events and are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied in these statements. We encourage participants to refer to the company's filings with the stock exchange for a detailed discussion of the risk factors. Now I would like to hand over the call to Mr. Riju Jhunjhunwala for his opening remarks. Over to you, sir.

Riju Jhunjhunwala: Thank you, and good afternoon, everyone. Thank you for taking the time to join us today for our Q2 '27 earnings call. Before we dive into the numbers, I want to take a moment to celebrate a major milestone in our corporate journey. The successful completion of our demerger with HEG Limited now operating as a pure-play graphite electrode platform and HEGAM stands proudly on its feet as a dedicated future-facing advanced materials and clean energy powerhouse.

This gives both entities the clarity to execute their distinct strategies unhindered, and I want to sincerely thank our shareholders, regulators and legal teams for making this smooth transition a reality. For those who are new to our story, HEGAM is built on the LNJ Bhilwara Group's solid 65-year-plus legacy of scaling large industrial projects into highly profitable ventures. Our core motto across we do here is simple, research to revenue.

Today, we operate through 3 fantastic pillars: TACC focusing on advanced carbon, battery anodes, and graphene; RePlus Engitech driving battery energy storage solutions and EV solutions; and of course, our green power business, which provides stable debt-free cash flows to back our high-growth ambitions. When we look at the macro environment, the tailwind could not be stronger.

The global shift towards green energy is moving faster than ever. Global lithium-ion battery production is projected to climb from roughly 3 terawatt hours in 2026, to 8 terawatt hours by 2035. Naturally, graphite anode demand is tracking right along with it, expected to jump from nearly 2.9 million metric tons today to 8 million metric tons over the same time frame.

Crucially, as global supply chains diversify, non-China anode demand alone is set to exceed 1 million tons by 2030. Thanks to forward-looking policies of the Government of India, PLI schemes, etcetera, our domestic cell capacity is projected to reach 250 gigawatts by 2035. On top of that, stationary BESS is turning into our fastest-growing segment driven by data centers and grid stability accounting for nearly 28% of the total lithium-ion market by 2030.

We are sitting right where the market needs us to be. Looking at how we plan to capture this growth over the next 2 or 3 years, our execution map is fully underway. On the anode front, our Phase 1 20,000 metric ton plant at Dewas is already 61% complete, tracking for commercial commissioning by June 2027. We are already in advanced discussions for over 100,000 metric tons of customer MOUs.

Looking further ahead, we have already laid out our Phase 2 expansion to scale total capacity to 44,000 metric tons by March 2029, on the same land and on the same power footprint. As part of this scale up, we are strategically driving backward integration into manufacturing our own graphitized crucibles in-house.

On graphene. Graphene is a revolutionary single-layered carbon wonder material whose multiuse properties transform performance across segments like concrete, paint, batteries, textiles, lubricants, and data center thermal management among many other things. Our 10 metric ton graphene pilot plant is up and running, and we are targeting 500 metric tons commercial plant to be operational by September 2028, with 90 tons of confirmed orders and LOIs already in hand.

On RePlus, we are aggressively scaling our operational 1 GWh footprint towards a 6 GWh total capacity to capture the booming demand across EV mobility and stationary grid storage. As we talk, we are in active execution of around 1.5 to 2 GWh of solutions. In closing, Q2 has laid down a very solid foundation for us.

Our green power cash flows give us financial resilience, our technology sets us apart, and our team's execution discipline keeps us firmly on-track. None of this would be possible without the relentless hard work of our leaders, engineers, plant workers and to everyone across the group who embody our core values every day. To our Board, our continuous supporters, thank you.

We are building HEGAM not just for the next quarter, but for sustainable long term value creation. Lastly, just to share with you all, our core values that we are operating on remain: think scale, perfect execution, hard core R&D and innovation, invest in our team, speed of delivery, maintaining a healthy risk-free balance sheet, and lastly what we follow in our group, absolute gold standard business ethics.

To walk you through the specifics of our financial performance for the quarter, I would now like to hand over the call to our CFO, Ms. Neha Rajvanshi. Neha, over to you.

Neha Rajvanshi: Thank you, Riju, sir and good afternoon, everyone. It's an absolute pleasure to connect with all of you today following a purely pivotal quarter for HEG Advanced Materials. As our Chairman sir outlined, our structural reorganization has given us the absolute clarity needed to build a world-class, globally competitive advanced material platform.

I will now take you through the financial performance of HEG Advanced Materials Limited for the second quarter and first half of FY27. Before discussing the numbers, I would like to highlight that following the recent demerger of graphite undertaking from HEG Limited, the comparative financial information for FY26 has been restated to exclude the demerged graphite business. This ensures a consistent like-for-like basis for comparison and provides investors with a clearer understanding of HEG Advanced Materials' financial performance.

Coming to Q2 FY27 performance, our consolidated revenue from continuing operations stood at INR430 crores compared with INR176 crores in the corresponding quarter last year. Our total income for the quarter is INR547 crores. EBITDA from continuing operations stood at INR313 crores compared with INR129 crores in Q2 FY26, translating into an EBITDA margin of 57%. Profit after tax from continuing operations increased to INR209 crores compared with INR69 crores in the corresponding quarter last year.

Moving to our H1 FY27 performance. Consolidated revenue from continuing operations stood at INR726 crores compared with INR329 crores in H1 FY26. Our total income for the first half stood at INR871 crores. EBITDA from continuing operations was INR438 crores compared with INR270 crores in the corresponding period last year with an EBITDA margin of 50%. Profit after tax from continuing operations is at INR269 crores compared with INR168 crores in H1 FY26.

I would also like to highlight that a significant portion of the group operations is in the Hydro and Wind Power businesses apart from our growing BESS business. The Green Power business is seasonal in nature and highly dependent on weather conditions, wind patterns and water availability, with a substantial portion of power generation typically concentrated between April to September.

Accordingly, the financial performance is subject to seasonal variations, and the results of different reporting periods may not be directly comparable. To give you the exact snapshot of our consolidated balance sheet as on 30th September '26, our total consolidated equity stands exceptionally strong at INR2,510 crores.

Our asset base, we hold a formidable consolidated total asset base of INR4,436 crores backed by INR1,300 crores of cash and bank balances against our long-term borrowing of INR1,036 crores. This renders us comfortably net cash positive on an overall cash to borrowing basis. On the financial and strategic front, our priority remains to maintain a prudent balance between growth investments and financial flexibility.

We will continue to focus on disciplined capital allocation, efficient utilization of resources and timely execution of our ongoing capacities, expansion projects across advanced materials and energy storage. As these businesses scale up, our investments will remain on operational readiness, manufacturing efficiency and building a sustainable financial foundation to support the company's long-term growth ambitions.

With this, I would like to thank our shareholders, our customers, business partners, lenders and employees for their continued trust and support. I would like to open the floor and hand it back to the moderator to take your questions, please.

Moderator: Yes, Pratim sir.

Pratim Roy: Thank you, Neha ma'am. So, now I would like to open the floor for Q&A.

Moderator: Thank you very much. The first question is from the line of Mr. Jatin Raghuwanshi from Aveksat Equity.

Jatin Raghuwanshi: Congratulations on good set of numbers. So, my first question is on crucible manufacturing backward integration. Like you told that the INR475 crores capex is going to be happen and it'll be replaced, 17 million of imports. So I just want to know like same flow in EBITDA margin or it is already in our guidance of 30% to 35%. And one more, like in technology, this is in-house or we are licensing this manufacturing capacity?

Riju Jhunjhunwala: I believe, I mean, you're wanting to understand about the crucible project that we are doing as backward integration. So crucibles are a very important portion for the graphitizing of the anode powder and you know the project that we have made, will make us completely self-sustaining and we will not have to import the crucibles from China.

In addition to that, we will be in fact selling crucibles outside after using half the crucibles ourselves. Tell you more about crucibles I have Ankur here with me who is the Managing Director of TACC, and he would tell you more about the economics of it.

Ankur Khaitan: So, as we mentioned that this is a very difficult part of the production at the graphitization process. This is a cylindrical shaped graphite which is today largely concentrated in China. But we know it really well how to make, that's why we have taken up this project. And the first intent is to be very self-sufficient because this is the only raw material which today is coming from China. Rest we have completely non-China -- the completely non-China dependent.

And the second part is that we will have sufficient capacity of crucibles, which we can actually sell outside as well in the longer run. So this whole project is planned in a way that we are able to have a very healthy EBITDA as well as a very healthy payback over a short period of time.

Jatin Raghuwanshi: And this technology is in-house or we are licensing it?

Ankur Khaitan: We know the technology very well. With HEG, we have been working on crucible since last many, many years. We know that crucible technology very well.

Jatin Raghuwanshi: Okay. And my second question is on like Indian Gigafactory has been delayed. Like -- so what volume should we assume in our earlier FY28...

Ankur: Your voice is very, very heavy. Unfortunately, we cannot understand what you are saying.

Jatin Raghuwanshi: Sir I am saying like Indian Gigafactory...

Moderator: Sir, are you on loudspeaker? Please, Mr. Jatin?

Jatin Raghuwanshi: No. No. Wait. Is it audible now?

Moderator: It is audible, but sir, it is a little bit...

Jatin Raghuwanshi: So I am asking like Indian -- hello?

Moderator: You can proceed. Yes.

Jatin Raghuwanshi: So Indian Gigafactory has been delayed. So in starting, like what was our volume assumption and how we are planning to fill this gap?

Ankur: Honestly, honestly sir, we are unable to get you. Are you talking about demand and supply of...

Jatin Raghuwanshi: The volume assumption we are...

Ankur: Pratim, if you could repeat his portion, please.

Moderator: I think, sir, he will rejoin the queue. We have the next question Nishita from Sapphire Capital.

Nishita: I am joining this company's call for the first time, so I sorry if my question would be repetitive. I just wanted to understand what is the total capex for all of these expansions that we are doing? So, like we are making anode material capacity and then graphene capacity, also crucible. So what is the total capex for this?

Neha Rajvanshi: The total capex number including the existing 20,000 tons capacity that we are building, plus the RePlus expansion and the expansion to 44,000 tons capacity, crucible and graphene is ~INR5,500 crores.

Nishita: Okay. Can you break this up?

Neha Rajvanshi: So, if I break it up, my current 20,000 tons capacity, the total capex is approximately INR2,350 crores. My new additional capacity will come at comparatively per metric ton very less capex cost, so around that INR1,600 crores for additional 24,000 tons capacity. We will be spending...

Nishita: I am sorry, INR1,600 crores for additional 24,000 tons, right?

Neha Rajvanshi: Yes, 24,000 tons capacity. We will be spending INR500 crores on graphene and INR475 crores on my crucible 80,000 units facility that we will be developing. We are already spending INR250

crores on my RePlus expansion from my 1 gigawatt to 6 gigawatt capacity and another INR230 crores on one of my BESS IPP projects that currently we are doing in Gujarat.

Nishita: Right, okay. So the crucible capacity is going to be 85,000 units, right?

Neha Rajvanshi: 80,000, yes.

Nishita: 80,000, okay. And what is the asset turn that we can expect from this?

Neha Rajvanshi: See, my different businesses has a different asset turn ratios. While graphene, the asset turnover ratio is approximately 1:1. The same is different from my anode business, where this is comparatively higher.

Nishita: What will it be in anode business?

Neha Rajvanshi: Yes, for anode it's 0.8x.

Nishita: For anode, asset turn is 0.8x. So that is lower than the graphene, right? You said it is high.

Neha Rajvanshi: Right.

Nishita: Okay. Understood. And I wanted to understand what sort of EBITDA margins can we expect from these businesses?

Neha Rajvanshi: See, our EBITDA margins for my anode because it's a, again, it is a price-sensitive information. But on a broader range, for anode, it will be somewhere in the range of 28% to 33%. My graphene will be higher.

Nishita: So higher than 33%?

Neha Rajvanshi: Yes, it's higher than 45%.

Nishita: And with the crucible backward integration, our margins in anode will reach 35%. Is that right?

Neha Rajvanshi: Right.

Nishita: Understood. And my next question is on -- so we have already listed the HEG Advanced Materials company. When are we going to list the HEG Limited original business?

Puneet Anand: Hi**,** Nishita, Puneet Anand this side. So we are expecting the listing of HEG Graphite very soon. So I think by third week of November, it will be listed. So we are waiting for our last approvals. And once we get the approvals, we will come up with the date.

But most probably, it is third week of November.

Nishita: Right, okay. And so I wanted to understand -- so for graphene capacity, we already have 9 metric tons of orders in hand. But our demo capacity is just 10 metric tons. So how are we going to, like, do this order?

Ankur: So ma'am, graphene is basically a nano material, and the process of -- and this is like a -- this will not be a commodity, it's like a service as well. So what happens is, there is a journey behind it that once we've -- since we've been working for more than 2 years on this. At the current facility, we have been catering in smaller batches which is already like a commercial scale plant today, while the capacity is small.

And based on this, the time line is very well agreed for supply of the 90 metric ton orders what we have. So -- and this is very well aligned with our plan coming up, which is the first phase would be live by next year. So the 90-metric ton will be the first -- will be serving the first on the main commercial plan, which is agreed with the customer.

Nishita: So, by when do we need to execute this? What is the time line?

Ankur: So, it will start by second half of next year.

Nishita: So the execution of this order will start by H2 FY28. Understood.

Ankur: That's correct.

Nishita: Right. And once the capacity -- like once we have the capacity, so 20,000 metric tons of anode material capacity also. And in the presentation you've mentioned that we already see visibility of 100,000 metric tons in that. So how fast can we ramp up these facilities that we are coming up with?

Ankur: So, it's only the first year. First year, as you can see, we have taken a very humble capacity utilization of 35% because it's a construction plant -- it's a large construction plant which is never a plug and play plant, and that is why the first year will have its own challenges, which we are mitigating as per the time.

But at the same time, we are confident that once the capacity goes beyond 50%, then ramping it from 50% to 90% and even beyond is not a problem because the equipment are very similar and the capacity is in a very -- and the capacity as well as the equipment are in a very linear way.

So, while we are -- once we start with the 35%, then 35% to 90% is not a problem, and at the same time, the additional 24,000 tons is also not a problem. So, this is what we are committing to ourselves as well as our shareholders as well as our customers.

Nishita: And are we also going to export?

Ankur: Yes, the first 20,000 tons will be majorly exports.

Moderator: The next question is from Nilesh Jain from Astute Investment Management.

Nilesh Jain: Thank you for the opportunity. My first question is to Neha. Obviously, you've given us the total capex in terms of INR5,500 crores. Can you broadly split it by each financial year, maybe for the next 3 financial year, how much we will be capitalizing it?

Neha Rajvanshi: So, my year-on-year capex out of this -- so the major part of the capex comes in FY27 and FY28. Approximately, INR2,300 crores in the current year followed by INR1,600 crores to INR1,700 crores of capex in next year. The balance will be incurred in financial year '29.

Nilesh Jain: And just wanted to get a clarification. So, we had -- we were planning to do 2 projects on solar, C&I and hydro. In hydro we decided we will not be going ahead. On the solar, what is the status? Are we looking to go ahead with that or we will not be going ahead with that project?

Riju Jhunjhunwala: I have with us Mr. Ajmera, who is heading the hydro and the IPP division. He will just tell you a little more about that.

Om Prakash Ajmera: Yes, as far as solar side is concerned, we are working on the 300-megawatt power project. So standalone solar project on a C&I basis. And most probably, this project will come in line 12 months from now.

Nilesh Jain: What would be the amount you would be spending for this?

Om Prakash Ajmera: We will be spending about INR1,200 crores.

Nilesh Jain: Sorry?

Om Prakash Ajmera: INR1,200 crores.

Neha Rajvanshi: The project which we speak is still under signing. So that's the reason. Currently in the capex number it is not included. We will share the details once as and when...

Riju Jhunjhunwala: And if it happens it will be a very good kind of IRR project. And actively, we are not really looking at many more C&I projects. But since this one is in our hand and it is kind of very good double-digit IRRs in this, then we will go ahead with this project once we sign it.

Nilesh Jain: Okay, sure. My other question to Ankur, maybe on graphene...

Nilesh Jain: My other question is for Ankur on graphene. So obviously, initially, we were planning to add 150 metric tons. So just wanted to understand this 500 metric ton, so 150 metric ton like an incremental capacity would be the following year? And so obviously, based on the conversation which you would have with your customers, would it be at the same location, the entire 500 metric ton, or it would be at a different location as well?

Ankur Khaitan: See, 150 tons -- actually it was about 150 tons to 200 tons, what we had been contemplating earlier. But again, the graphene has got a major impact not only at the final usage level but also at the environment level. And that is how we have also contemplated on the volumes. And the kind of traction we are getting with graphene in Indian as well as overseas geography, it made more sense to go up to 500 tons. And we are going into a new location for graphene.

And we have split that into two parts, one is 200 tons, the other is an additional 300 tons. And the reason for delaying of this additional 300 tons is because there are certain permissions etc

which will be required for the additional quantity in terms of the land, environment etcetera, due to which it can come a little later, but 200 tons is the work we had already started. It can start much earlier. But yes, the reason of going up to 500 tons is absolutely a customer pull and we are very confident that this 500 tons is just a beginning.

Nilesh Jain: Sure. Just one clarification for the H1, we have done capex of almost INR490 crores. The last part will be for the anode business?

Neha Rajvanshi: The large part of that is coming from the anode business, yes.

Moderator: The next question is from Mr. Kevin Gandhi from CapGrow Capital.

Kevin Gandhi: Sir my question was actually about the graphite electrode business. The sales have actually gone down by 20% to 23% on Q-o-Q basis. The utilization decreased or the realization part actually redeems? So what's the reason for the downfall?

Riju Jhunjhunwala: So actually, I mean, on the graphite electrode, we will be having a full conference call about the results, I think, around 1 week after Diwali, and all these specific questions related to graphite electrodes can be answered then. But yes, what you are saying is more or less true. Everything is pointing towards a higher trajectory, including the margins etc there. But more about it later, I think, in the specific graphite electrode conference call.

Moderator: The next question is from Anukool Arora from Sagun Capital.

Anukool Arora: Sir, I have few questions on the RePlus division. Firstly on the front, what kind of sustainable EBITDA margins are we seeing in the RePlus division?

Hiren Pravin Shah: Hi, this is Hiren Shah. So firstly, when we started this RePlus with 1 gigawatt hour capacity, since we had limited production capacity available, we targeted only electric vehicle high voltage range and some specific products in the UPS segment. and now we have the 5-gigawatt hour capacity, which is coming in and will be operational from next year, COD is March '27.

We will be manufacturing the ESS containers locally and we have done the entire localization cycle and we have also made products for the data center category. So with this focus, I want to highlight that we are the company who have in-house capability of BMS, EMS, thermal management, design and engineering.

So, with this kind of capability and this kind of production capacity, I think definitely we are shifting from what we were doing traditionally in the last 2-3 years as you know EPC to product manufacturing and supply. So definitely, with the localization and all these factors coming in, definitely there is much more scope to improve the EBITDA margins and make this business more and more sustainable.

Currently, I am not factoring the facts that a lot of thrust and you must have seen in the new tenders which are coming with VGF and also NTPC that there is a local content requirement. So

all those factors will only add on. I am just saying purely by the capability point of view, we are definitely working on the improvements of margins and sustainability.

Anukool Arora: Sir, any ballpark number that you could provide us? And if you could also provide us what was the rationale behind going into this business?

Hiren Pravin Shah: So basically, rational is very simple that more and more localization like we have seen the trend in solar, initially, most of the projects -- and because there is a huge demand. So let me start from the demand side that RE business, renewable energy business, definitely needs battery energy storage solutions.

And in the next 10 years, the demand is 480 GWh for -- just for the renewable energy storage. So, you have seen that the multiple CEA guidelines that have come starting from 1% going up to 10% will go up to 30% of storage, which will be mandatory with every renewable park. To top it up, there is a strong EV demand coming from OEMs and not every OEM has a capability of doing battery packs.

Third, huge demand coming from data center. Four, there is a huge demand for DG replacement and the traditional technology of lead-acid battery replacement by future technologies like lithium ion batteries. So all of this put together, almost it is close to more than 1,000 gigawatt hour of the lithium-ion battery demand in the next 10 to 12 years. So definitely, there is a huge potential in this industry and a huge business opportunity for all of us. To add to that, globally what is happening we know the geopolitical situation, and everybody is looking for China plus one option.

So, we have a office in -- we have representatives and we have office in Dubai, and we are getting solid traction from the EMEA market as well, which is just a build up at this moment. Not much of business has been converted, but there is a lot of traction which is happening. Globally, everybody looking at China plus one option. So this is all helping us and it is definitely a huge potential business. So -- I mean, I cannot name a perfect number for the EBITDA, but definitely double-digit.

And also, for different category of business, there will be different EBITDA margins. Like data center has the best EBITDA margin followed by EV, followed by BESS and the UPS inverters, so I can just say that.

Anukool Arora: Sir, are we doing EPC or BOOT? And if we're doing BOOT, how much capex are we thinking? And I think -- and on the working capital side -- I think on the RePlus, the working capital is very stretched, if you could just throw some light on that side?

Hiren Pravin Shah: So -- actually, when we started -- while we were building up the factory and while we were developing the products and getting the product certified. So, at this point of time let me pause and also share that all the products that we have designed and manufactured are all certified for all the global standards, even the BESS container. We have received all the international

standard certifications for our BESS container. Data center products are all UL certified. Our telecom products are TSEC approved.

All our home -- residential, UPS products are IEC approved. So EV is basically all ARAI and ICAT approved. So while we were doing all of this, we were building up all these things, basically we took a position of doing EPC business, so that we can keep a connect in the market and we can also have a relationship -- establish working relationships with the IPPs and the developers. Not to forget the utilities and also study the market. So, we build up the EPC business as a first step and then going forward we are going more towards the product sales.

We are more focusing on manufacturing and supply of our products. The ratio of EPC business over a period of time will come down. At this point of time, around 70% to 80% of the business is EPC and 20% to 30% of the business is manufacturing and supply. From next year it will be 50 : 50 and in 2 years' time, EPC will come down to 20% and then focusing more on the supply side. This is how we plan to roll this out.

Anukool Arora: Is there anything on the working capital side? I think working requirements are pretty high in this domain. So anything you can throw some light on this.

Hiren Pravin Shah: EPC projects. And we know how these projects are dependent on multiple factors like land connectivity and doing things. So, yes Working Capital for EPC and current ratio of business is high, but, we will focus more on the production and supply chain. It will improve currently because we are doing 80% business from EPC. Yes, the cycles are longer.

But yes, over a period of time, this will also change.

Anukool Arora: Sir, my last question would be on the side of graphene business. So what kind of realizations are we seeing in the graphene domain?

Ankur Khaitan: It is difficult to talk about realizations on graphene part because as we said it is a very customized product changes a lot from industry to industry and both from the technical perspective as well as the usage perspective. So while we cannot comment on the realization perspective, but we can definitely say with quite confidence that nothing is spoken less than 35%-40% of EBITDA margins right now, 35%-40%.

Riju Jhunjhunwala: And also like putting up a 500 ton plant, this thing -- or at around INR500 crores, with around 1:1 capital output ratio. So you can do the math yourself. I mean, the average would come out to be something around that. And with a healthy 40%-45% EBITDA margin.

Moderator: The next question is from Mr. Rajat Setiya from ithought PMS.

Rajat Setiya: Sir, just wanted to check about the capacities that we are putting up. Do we have confirmed orders from our clients in the future? Or how is it that we are getting confidence about putting up so much of volume?

Riju Jhunjhunwala: So I'll take that question as it is the most appropriate question in terms of -- we have set up a pilot plant around 2.5 years back through which we've had around more than 1,500 to 2,000 rounds of sampling of our product going to customers. Now the customers that you're talking about are all the non-Chinese cell makers, which could be in Korea, which could be in Japan, they could be in large automotive players based out of the U.S., based out of Germany, Middle East etcetera.

Even Indian companies who are coming up with the cell companies, so -- I mean, while almost all these contracts that we have signed and are in the process of signing, they are very, very clear with us that they are on absolute kind of no name basis. But I can tell you on cumulative volume front, I think our decision to go up from 20,000 to 44,000 was led more by customer demand and less by intent.

So while we are in the process of signing all these documents, I think if we stuck to our plan of 20,000, we would not be able to provide even more than 25% of what the customer needs are. So 44,000 tons, I mean, we can -- once the plant is absolutely stable, which I think in 6 months it would be after commissioning. It would absolutely not be an issue to sell 44,000 and we would be looking at our next portion of growth over there.

44,000 we have limited ourselves right now because the current site that we are working on at the 105 acres site at Dewas, after all kind of engineering in trying to fit in as many tons over there as possible, this is the number that maximum we could come up with, 44,000. We would have been happy if we could set up 60,000 in the same capacity. So getting customer traction is not a problem today in fact, and this I'm talking about only the global customers today.

But don't forget, I mean, once the Indian customers start coming, let's say, even 100 gigawatt starts by 2030, that translates into 100,000 tons of anode material, only which should be needed by the Indian players. And we believe that we are far ahead of the curve of any other company that plans to set up the anode material because everyone has to go through that cycle of 12 to 18 months of pilot plant, testing, accreditation etcetera by the global players.

So we are in a very comfortable situation over there, I mean, in terms of the overall plant, the kind of government support that we are getting, I mean, in a few days we will be to talk about it more in terms of the different programs that the government is running in terms of subsidy etcetera there. And so that's to answer your question, I mean, the customer demand is not at all an issue and we already have around 3 or 4 confirmed signed letter of intent.

And in the next few months, we will be signing at least 3 or 4 more which will probably take the capacity for to more than 44,000 if you actually add them all out. So that's what gave us the confidence to do the initial 20,000 and then to increase it to 44,000.

Rajat Setiya: Thanks for the detailed answer, sir. One more thing -- in India, I think we are the only suppliers going to be the only suppliers for the anode and graphene, right?

Riju Jhunjhunwala: I think I'll let Ankur answer that question.

Ankur Khaitan: Well, on anode, there are players who are working on it, but we have the first-mover advantage, that is for sure. That -- when we're talking about 2027, then we will be the first to move ahead. And again, there are players who are working, you know them very well. And in graphene, at the scale we are talking about, yes, still -- first to be supplying and working at that scale, and to such a large base customers. Because we are not limited to 1 or 2 customers and 1 or 2 industries alone. We have a very big basket of industries which we are catering to for our graphene.

Rajat Setiya: And sir these margins that we are making overseas is bound to attract a lot of competition in the market and maybe some outside as well. So how do you see overall market dynamics in the next 3, 4 years and the consequence effect on the margins? Sir, right now it looks very attractive.

Riju Jhunjhunwala: So see, I mean, in terms of -- initially also what we said, I mean, today the global demand is around 3 terawatts, which will go up to around 8 terawatts, which takes up the anode demand that -- the total anode demand that is there, which would be around 3 million tons today, to around 8 million tons. So demand-wise, the way the lithium-ion ecosystem is moving, anode will always be in a short supply.

Any graphite-related product in the next 5 years or 10 years, I should say, is going to be in extreme short supply. Having said that, of course we are competing -- we are one of the first plants that would be coming up outside of China. And when we are starting this particular plant, it's with a very clear intention that we are able to compete with the Chinese at every stage.

So the power rate that we've been able to get from the government, the raw material that we have been working on, from our parent company HEG Limited since a long time, our technology readiness in terms of this thing, and especially now adding these 24,000 tons -- the 20,000 tons, therefore kind of we were putting up these 20,000 tons at INR11 lakh rupees per ton. Now the balance 24,000 tons will be coming up at INR6 lakh rupees per ton.

So the average goes down to INR9 lakh rupees per ton, making us very, very competitive and making us a factory of scale. So in terms of margin, I mean, they are very confident that with the backward integration combined with the crucible project, we will be able to do north of 35% in terms of the EBITDA margins in the anode.

And in graphene, today we do not really see any major competition over there to per se, and tomorrow even if there is competition, the market is very large. And it's a custom-made product, so we will not be doing that at anything less than around 40%-45% EBITDA margins there.

Rajat Setiya: And sir, are we the only company going to be -- which is doing backward integration or competitors are also planning the same?

Riju Jhunjhunwala: I mean, I have absolutely no say to -- say that whether competitor would be planning or not. What set us apart from competition is one thing is that since we have been producing graphite electrodes for a long time, the technology to make something like crucibles etcetera also does not come cheap, and it's available to us. And how it is available to our competition is kind of up

to them. But we are very, very confident that we will be able to use all these crucibles and export half of them at a very, very healthy rate.

Rajat Setiya: All right. Sir, one last one. The other income, what are the major constituents of this high other income that we have?

Riju Jhunjhunwala: I'll let Neha -- I'm sorry, Mr. Ajmera talk about the other income. But I can tell you that if you see the breakup of the other income, half of it would be something that would be recurring every year, and half of it would have been one time. But Ajmera-ji can explain it better.

Om Prakash Ajmera: Yes, let me tell you that most of the other income right now is coming from the transmission line. We have one dedicated transmission line of 175 kilometers and that has been converted recently to the deemed ISTS transmission line. This transmission line was built up way back in 2011. And since then, this transmission line is being used by a couple of other developers also. So we had been talking to the government to get the revenue out of it because other people are using our transmission line.

And finally, we were able to get the order recently about a year back that yes, this transmission line is deemed to be a ISTS with retrospective effect from August 2011. And therefore, there is a one-time income which is an arrear for last 10 years, we received last year, and some of the portion is coming this year also. And that is why this portion is gained other income at a higher level.

Besides this, we have regular transmission income also from the same transmission line and recently some of the income is coming from the insurance claim which is not going to be there in the future. So these two components are there. Otherwise, there is income -- other income coming from the REC sale also because our hydro projects are eligible for issuance of Renewable Energy Certificate. So this is also -- is a regular income. Partly there's a regular income and partly is a one-time income.

Neha Rajvanshi: And overall, this is in other income, this -- as sir has said, this is the regular income. So half of the income is related to the interest what we have earned on the bank deposit and on our mutual funds.

Om Prakash Ajmera: Yes, the one thing I forgot to mention.

Om Prakash Ajmera: Forgot to mention that the company is sitting on a large amount of cash into the fixed deposits. So, this is the recurring income coming from the interest on FD.

Moderator: The next question is from Jainis Chheda from Kemfin Family Office.

Jainis Chheda: Sir, I have one single question, it is related to your segment financials. If I look at the segment financials, the Power -- the revenue from Power grew by 15% on a quarter-on-quarter basis, about INR212 crores, but the segment average went up by 64% to INR190 crores. So what was the reason for this higher increase in the EBIT margin?

Neha Rajvanshi: It is basically because of the higher receipt of the one-time income in the second quarter. As Ajmera sir was explaining, which is in the form of interest what we have received on our transmission line and the insurance gain amount, which leads to the higher EBIT in the second quarter.

Jainis Chheda: So, if you can help me break this INR190 crores of Power segments EBIT, how much would be your steady state basis and how much would be one-time?

Neha Rajvanshi: So, approximately, 40% of that is one-time and remaining 60% is a regular EBIT.

Jainis Chheda: So, that 40% will not be recurring in Q3 and Q4, right?

Neha Rajvanshi: Right.

Om Prakash Ajmera: Yes, you are right.

Moderator: The next question is from Shenny from Centra Insights

Shenny: So, as a new investor to your company, I wanted to obtain understanding on your anode business. So, could you help me understand the raw materials composition of your finished anode material both in terms of volume and value? And could you provide the details of the total mix, including which countries or suppliers these materials are supplied from, and what proportion is for domestically versus imported?

Ankur: Thank you, ma'am. I'll help you give a overall details, but there might be somethings I cannot say outrightly. So first of all, when you are talking about the raw materials, the basic, the most -- there are two most important raw materials. One is the coke, which is basically a green petroleum coke.

The other is power. And together they take more than 60% of the overall cost, the net... And when you talk about the suppliers, then there are, we are focusing on non-Chinese suppliers because that's the demand from our customers. And since you know HEG is operating at more than 100,000 tons today. So basically, the suppliers are the same and they have very independent pre-stock for the anode raw material.

So, we are in advanced discussions with them, where they have given us some confidence that the supplies will not be a problem over the kind of quantities we are targeting. And the main geographies from where they come is again U.S., U.K., and Japan. And about the pricing –I am sorry. I mean, pricing is not something which can be very well discussed because there are larger ranges and at the same time there are couple of grades between anode material itself, where the different grade of raw material goes. So -- I think so -- and anything else you want to know on the raw material side?

Shenny: No. Other than that, one of my question is, could you provide like comparative breakdown of the current landed cost of imported crucibles versus the expected in-house manufacturing cost.

And also, what percentage of our total crucible requirement can be met for in-house manufacturing at the initial stages?

Ankur: So, in a range you can say about 40% -- or it will be 40% cheaper compared with the imports. But here it is not only about the cost, but it is also about the dependency. And again, you can -- when we make a business plan, then for imported crucibles there are certain amount of working capital which goes up drastically high, which you will be able to reduce it in a big way. So it's not only the cost of the crucible, but overall, the economics of the project which makes us very very healthy.

Shenny: And how much of our in-house requirement will be met via this backward integration?

Riju Jhunjhunwala: 100% of our in-house requirement would be met by the plant. We would require at the peak around 40,000 ton to 45,000 ton crucibles in-house. And the balance crucibles, we will be selling outside, which are in extreme short demand today because the only producer of crucible again today is China, and we will be one of the only companies producing from outside of China. The crucible project actually is a very, very profitable project on its own.

Moderator: The next question is from Harshit Chheda from Centra Insights.

Harshit Chheda: I wanted to obtain a brief understanding about our end-to-end manufacturing process for graphene. What are the key processing stages involved and how does the manufacturing process work?

Ankur Khaitan: Graphene process is not a textbook graphene we make. It's a very customized process and it involves various chemical as well as the reactions in that. Unfortunately, we cannot disclose that process outrightly, because it's a patented process of our own, where we've been working for more than 7 years. So -- but basically, it's a kind of graphite material which has -- where we layer out the graphite completely using different methodologies.

And you can imagine the graphite material has got millions of layers and those layers have been trying to be removed by where the graphene is finally produced. And again, there are several grades in graphene where the methodology changes. So it's a highly technical process, very high barriers to entry in this kind of process. That's the reason we cannot explain the whole process in a very simple way.

Harshit Chheda: And a question on the anode side...

Ankur Khaitan: The process is completely patented. Our process is completely patented.

Harshit Chheda: Have you filed a process patent for it?

Ankur Khaitan: Yes.

Harshit Chheda: Okay. My other question is on the anode side. Other than raw coke, what is another raw material that we can use to make graphite anodes?

Ankur Khaitan: There can be experiments, but in reality, we are -- since we are talking about a large capacity and we are talking about all the Class A customers whom we are supplying to. So we are not doing any kind of experimentation in our plant. That is why the focus is very clear that where -- today, 98% of the material made in China is made with this kind of raw material, and we'll be doing the same. There will be no new experimentation from the main plant.

Harshit Chheda: All right. And to make anodes, what do we require other than raw coke? Is there any additional materials you need to add to it?

Ankur Khaitan: There are other materials which are smaller in quantities. For example, there are certain kind of pitch required. There are certain -- as you know, there are crucibles required and power. So overall, the number of raw materials required to manufacture anode is very limited.

Riju Jhunjhunwala: And also, if I can add to what Ankur is saying. Everything Ankur was talking about are the basic anodes. But as we go forward, when we are working with our customers and if we want to make the absolutely high-end anodes that go into drones, EV, other applications, then you have silicon-doped anode, graphene-doped anode. So we are actually working with our customers on things like this, which will completely change the entire scenario in terms of sales.

So, the idea is while we sell the regular grade of anode, which will always be sold in large volumes, but if we can increase the sales of our specialized anodes, that will add to the top line significantly. So there you'll be adding stuff like silicon, graphene, etcetera, which constant R&D is going on to ensure that our customer's needs met.

Moderator: The next question is from Mr. Kaushal Sharma from Equinox Capital.

Kaushal Sharma: So just want to understand your RePlus side, that you have said that you are under-construction of 5 gigawatt plant, new capacity. So what amount of capex that we have involved in this and when are we expecting to commercialize this facility and what kind of revenue could extend this facility -- from this, and the unit economics in terms of IRR and EBITDA, if you could guide on that?

Puneet Anand: Kaushal, we are not able to understand the question. Can you please speak up a bit clearly?

Kaushal Sharma: Yes. So my question is on your RePlus BESS capacity that you are building of 5 gigawatt additional facility. So could you explain the unit economics in terms of EBITDA or the IRR in this that we are going to get in this? And what amount of capex have we put up in this facility as of now?

Neha Rajvanshi: Yes, so the total capex which is put to expand the capacity from 1 gigawatt to 6 gigawatt is INR250 crores. The EBITDA numbers, as it is a very highly competitive market, so it remains in the range of, say, 10% plus minus 1% to 2%, kind of. The third question you talked about IRR. So the IRR business at RePlus because it's a low capex high turnover ratio. So in that case, RePlus is having a good IRR numbers on an overall basis.

Moderator: The next question is from Mr. Meet Bhuva from Entigrity Ventures.

Meet Bhuva: So I have the question on crucible side. I just wanted to understand what portion of the raw material requirement does the crucible need? and the crucible that we are planning to sell outside, what is the realization and margins on that?

Ankur Khaitan: See the crucible raw material is basically when we graphitize in our anode business, in the anode we have a graphitization furnaces. So the packing media which is used in graphitization, that ultimately becomes the raw material for crucible. So the raw material is available with us in a natural process of making anode.

Secondly, realization. I mean, you can connect with the numbers itself because realization is a -- outside realization is very healthy because we are talking about a 30%, 40% saving when we are using it internally. The realization outside again is about 30%, 40% at EBITDA margin. So the realization overall is very healthy in the crucible part.

Moderator: The next question is from Mr. Prakash, an Individual Investor.

Prakash: I have a question regarding, when we put all these things together, how are you looking at into the FY28 numbers, in terms of the top line and margin? If you could give us some kind of indication of anode graphene business line and the group together.

Neha Rajvanshi: So I think the steady-state numbers, which will be FY '29-'30 numbers that will give me a more steady-state both in terms of my anode graphene and my RePlus numbers, which will be somewhere in the range of maybe INR7500 crores to INR8,000 crores -- INR8,200 crores kind of revenue numbers. The EBITDA numbers we talked about the percentages earlier. So the annual EBITDA at the group level will remain to be in the range of 25% to 28%.

Moderator: Thank you. The next question is from Mr. Ahmed Madha from Unifi Capital.

Ahmed Madha: Firstly, just to understand the power business, how much units one can assume annually from our 2 hydro power plant, plus 1 wind plant? About 1,000 million units, is that fair to assume?

Om Prakash Ajmera: Yes. So on normative level, normally we produce about 1 billion units every year from both the plants, but again it depends upon the availability of water and other factors. So it depends on availability of water, whether we can produce more and low less also. But on normative level, you can very well assume about 100 crore unit every year. And out of 100 crore, 20% going to the Government of Himachal Pradesh free power. And the balance 80% is available for sale.

Ahmed Madha: Can you just, just quarterly -- since assuming the business is seasonal, considering the water availability and skew towards the first half and Q2, can you give some sense generally -- not just specific this year, but generally how is it distributed among full quarters?

Om Prakash Ajmera: So 75%-25%.

Riju Jhunjhunwala: Between the first half and second half.

Om Prakash Ajmera: First half we produce 75% and second half we produce 25%.

Ahmed Madha: Understood. And I think obviously, the spot pricing have been little favorable at least in this financial year for about 6 months. So is that right to assume, depending on how the spot prices trend, our profitability will be also up in accordance with that?

Om Prakash Ajmera: You see the spot prices are dependent on so many factors in the country. As you know that we are selling in the exchange, Indian exchange market and which deals with only 10% of the total power consumed in this country. So it really depends on the monsoon, it depends on the availability of the coal in the thermal power plants.

So these are the factors which are going to determine, plus the demand of the power in the country overall. And what we have seen recently, the demand is going up and the supply is going down because of the non-availability of thermal power in the market. And therefore, the prices have firmed up and our belief is that this trend is going to continue for next couple of years, that for sure.

And I cannot say about more than 5 years or so, but for 5 years -- next 5 years, we are projecting in the same range what we are selling today, the power is. And another thing is this we have a reservoir for peaking power, so on normative level, we produce about 70% non-peak power and 30% peak power. So we are taking the advantage of peaking rate which is right now going to the top at about INR10 or INR9 something like that.

Ahmed Madha: So sir, when we -- generally, we have been guiding the investors around INR350 crores EBITDA in the power business. That assumes far lower may be INR5, INR5.5 pricing compared to probably higher which you are getting today. Is that fair way to look at it?

Om Prakash Ajmera: Yes, you can see that because since we are operating in a merchant market, so we don't want to be a very, very aggressive for next 5 years. So then we are projecting our number, we go with the reasonable number of course on a conservative basis.

Ahmed Madha: Understood, sir. We had INR1,000 crores cash on books. So I believe because we are now different entities. Have we been able to figure out the way to upstream the cash from one subsidiary to other subsidiary because our power businesses will have the cash accumulated and will be continuing to generate incremental cash, but the other entities or other the subsidiaries will need that cash also. So have we been able to figure out a way to upstream the cash and then be distributed to our other businesses?

Om Prakash Ajmera: See, we are working on this aspect and as you know that recently we have acquired the 49% stake from Statkraft, and that has been funded by the -- 50% by the banking community and the 50% by our own company and family office. So there is a debt also in one of our subsidiary companies who has acquired the stake. Therefore, we are working on it, and I would request Puneet to explain more on this.

Puneet Anand: So -- see, we may evaluate all options, how we can consolidate our entire power business altogether and how we have to utilize the money in the best possible way for the growth of the business. But give us few quarters, we'll update you.

Om Prakash Ajmera: We are working on that.

Moderator: We have next question from Mr. Arya Ranjan.

Arya Ranjan: So, is there been a reinstatement in the power segment? And I just wanted to know the current PLF factor and revenue realization?

Riju Jhunjhunwala: So, the PLF factor that we have had around the...

Om Prakash Ajmera: PLF factor we are working on 43% to 44% for both the project together. And the pricing, as you know that we are operating in merchant market. Every day we are selling at a different price. But certainly, this year, our price is ranging between 6 to 6.5.

Moderator: Thank you. Ladies and gentlemen, we will take this as a last question. I now hand the conference over to management, for closing comments.

Riju Jhunjhunwala: So, thank you, everyone, for joining us today and for your continued interest in HEG Advanced Materials Limited. We are building a differentiated platform across advanced materials, energy storage solutions and green power assets, while maintaining a very, very strong focus on disciplined execution and long-term value creation.

We remain encouraged by the progress across our growth initiatives and look forward to updating you on our journey in the quarters ahead. Overall summary, I mean, we are looking at a very healthy steady state EBITDA, as Neha had mentioned. The theme remains research to revenue, so we are spending a lot of time, money, efforts on research and ultimately, it is all now coming back to us in the form of revenue in the next 2 or 3 years.

And there is a lot of this thing -- a good thing that we are seeing from the customer of state. Government incentive is something that we will be in a position to talk very soon and that will form a very substantial portion that will add to our ROCEs, which we are talking about in all the different businesses in any case more than 20%, 25% etcetera. And when the government subsidies come, I think those should go ahead.

Overall, thanks a lot for the first call. We'd be happy to have any one-on-one meetings for anyone for further queries. You can get in touch with Neha or the Company Secretary. And I would personally want to invite anyone on the call to visit our state-of-the-art R&D facility where all this magic is happening because I do believe seeing is believing. Thank you once again and have a good day.

Pratim Roy: Thank you sir, thank you participants. On behalf of 360 ONE Capital Markets, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines. Thank you.

(This document has been edited for readability purposes)