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Sub: Transcript of Earnings Conference Call for Financial Performance for the 3rd Quarter and Nine Months ended 31 December 2025 held on Wednesday, 21 January 2026

Dear Sir/ Madam,

Further to our letters dated 17 January 2026 and 21 January 2026 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with Schedule III of the SEBI Listing Regulations and other applicable provisions of the SEBI Listing Regulations, we are enclosing herewith the transcript of earnings conference call for Financial Performance for the 3rd Quarter and Nine Months ended 31 December 2025 held on Wednesday, 21 January 2026 at 04:30 p.m. (IST),

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

You are requested to take the same on record.

Thanking you,

Yours faithfully,
For Himadri Speciality Chemical Ltd

(Company Secretary &
Compliance Officer)
ACS: 29322

Himadri Speciality Chemical Ltd

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“Himadri Speciality Chemical Ltd
Q3 & 9M FY '26 Earnings Conference Call”
January 21, 2026



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

MODERATOR: **MR. CHIRAG BHATIYA – MUFG INTIME**

Moderator:

Ladies and gentlemen, good day, and welcome to Himadri Speciality Chemical Ltd Q3 and 9M FY '26 conference call hosted by MUFG. As a reminder, all participant line 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 touchtone phone.

I now hand the conference over to Mr. Chirag Bhatiya from MUFG. Thank you, and over to you, sir.

Chirag Bhatiya:

Good evening, everyone, and welcome to Q3 and 9M FY '26 Earnings Conference Call of Himadri Speciality Chemical Ltd. Today on the call, we have with us Mr. Anurag Choudhary, CMD and CEO; Mr. Somesh Satnalika, EVP, Tyre & Strategy; and Mr. Kamlesh Agarwal, CFO.

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

With this, I now hand over the call to Mr. Anurag Choudhary. Over to you, sir.

Anurag Choudhary:

Thank you, Chirag. Good evening, ladies and gentlemen. Thank you for joining us today to discuss the performance of Himadri Speciality Chemical Ltd for the third quarter and 9 months ended 31st December 2025. We sincerely appreciate the continued interest, trust and engagement with the company.

I am pleased to share that we have started trial production of speciality carbon black expansion project, a landmark achievement for Himadri. With this, Himadri has the world's largest single-site speciality carbon black plant with a total capacity of 130,000 metric tons per annum. This milestone underscores our continued focus on high value-added solutions and marks the beginning of next phase of growth in our speciality carbon black journey.

In coal tar pitch, we achieved a key milestone with the commissioning of a Mangalore port terminal, successfully delivering 3,600 metric tons of liquid coal tar pitch to the Middle East. This establishes our second export corridor along with Haldia, significantly enhancing our logistics flexibility and opening up access to new global markets. We are well positioned to cater to rising international demand while offering best-in-class quality and global most competitive prices. Supported by operational excellence, continued improvements in yield and waste heat recovery systems, we continue to drive sustainable profitability.

Our commitment to sustainability was once again reaffirmed as EcoVadis awarded Himadri the platinum medal for a second consecutive year, placing us amongst the top 1% of over 150,000 companies globally assessed on ESG parameters. This recognition reflects our deeply embedded approach to sustainability, anchored in a strong governance, climate conscious, operations, ethical business practices and responsible supply chain management.

At the heart of Himadri's performance are our people. We are honored to be certified as a Great Place to Work, a testament to the strong and inclusive culture we have consciously nurtured over the years.

The year-to-date has been marked by steady execution and meaningful progress. We have remained firmly anchored on operational discipline, deepening customer relationships and strengthening institutional capabilities to support long-term growth. This consistency of approach continues to deliver results reflected in our robust financial performance, with PAT growing 41% year-on-year, with 9 months FY '26 PAT exceeding PAT of FY '25.

As we look ahead, we do so with the confidence. What we set out to achieve in FY26 has been realised, and preparations for future projects are already progressing well, laying a strong foundation for sustained and profitable growth.

We have also been actively investing in our rubber plastic and coating laboratories to enhance product performance across critical parameters, such as ease of dispersion, reduced filter press values and improved conductivity lower loading. With the commencement of tyre production and especially the carbon black expansion project, we have significantly strengthened our ability to serve the growing demand of customized and application, especially carbon black grade. This places us in a strong position to address the global requirement for performing enhancing speciality carbon black used in premium and high-value applications across plastics, inks, high-performance coatings, batteries, paints, wires and cables, fibers, rubber, EV tyres and several other niche applications.

In parallel, our recently launched branded naphthalene ball brand, Durofresh, has received an encouraging response in the retail market, adding further depth to our diversified portfolio.

The first of its kind commercial anthraquinone and carbazole facility in India remains firmly on schedule for Q2 FY '27. This project reinforces our commitment to innovation and import substitution. While aligning closely with government of India's vision of Atmanirbhar Bharat aimed to strengthening domestic manufacturing capabilities.

Over the past 2 years, volume and topline were largely constrained by operating at peak capacity utilization and dynamic raw material prices. With the start of trial production at the speciality carbon black expansion project, along with debottlenecking of our old coal-tar pitch distillation capacity, we are -- now have the necessary headroom to reignite growth in coming quarters and further consolidate our leadership position.

Birla Tyres continues to strengthen its footprint across India and key international markets, including Asia, the Middle East and Africa, supported by a robust and expanding distribution network of 36 distributors and over 640 dealers. Its diversified portfolio now comprises more than 80 products across flagship names such as KalaPatthar, Loader Max, Ultra Grip, Farm Haul, Platina, Shaan+, XPL LG, Roadmiler, Zeta+, BT339, Ultra Trac and many others. Engineered to deliver superior great mileage, durability across varied customer applications.

The team at Birla Tyres continues to scale in both capability and size, with modernization initiative progressing well to enhance offering across of the highway tyres, commercial vehicles,

agriculture, industrial segments for passenger car radial unit designed specifically for EV and SUV installation of plant and machinery is being planned. This will position Birla Tyres to participate meaningfully in fast mobility segment while complementing Himadri's broader strategic ambitions.

The most transformational chapter in Himadri's journey is our entry into battery materials. Lithium-ion batteries represent a structural shift in global energy consumption. And anode and cathode materials together constitute for 65% of the total battery cell cost, making materials innovation center to long-term value creation.

On the cathode side, we are focused on lithium-ion phosphate, a chemistry gaining rapid global acceptance, global safety, longevity and cost efficiency. Our long-term vision is to build 200,000 metric ton of LFP Cathode Active Material capacity in phases, catering to approximately 100 gigawatt hour of battery energy demand. The first commercial phase of 40,000 metric tons per annum remains on track for Q3 FY '27, positioning Himadri at the heart of e-mobility ecosystem as the first commercial LFP Active Material plant globally outside China, serving both domestic and international markets across mobility and energy storage applications.

On the anode side, our strong legacy and deep expertise in carbon chemistry provide a clear strategic advantage. We are one of the only company to have backward integration in terms of raw material availability. Intensive research and testing are underway as we progress steadily towards development of comprehensive spectrum of anode solution, including synthetic natural hybrid and silicon carbon-based technologies, thereby strengthening our capabilities in this high growth and strategically critical domain.

As Himadri writes the new chapter in the Himadri reloaded phase, we continue to expand across multiple high-value categories. While speciality carbon black, coal tar pitch, speciality oil and naphthalene remain at our core, we are actively expanding our product portfolio and making sustained investment in research and development to support future growth. At Himadri, R&D is not a department. It's embedded in our DNA. It shapes how we think, operate and deliver value. Over the years, we have built a global R&D ecosystem, bringing together exceptional talent, including PhDs and subject matter experts from U.S.A., Japan, South Korea, China, South America, Australia and Europe. This rich techno-cultural diversity fuels innovation, agility and a forward-looking mindset, enabling us to lead in new technologies and product developments for emerging and sunrise industries.

Our commitment to innovation is further strengthened through strategic investments in Sicona, IBC and Invati, which have enhanced our technological depth, accelerated our innovation pipeline. With the strong synergies between our innovation and research team, we are not only collaborating on new developments and emerging technologies, but have also been leveraging shared expertise to adopt best practices and strengthen our processes across our core verticals.

Together, we are developing a sustainable growth engine that is paving the way for our portfolio of innovative products built on cutting-edge technologies. These collaborations have enabled us to establish a strong joint product development map that leverages our collective expertise across cell chemistry, battery science, material technology and operational excellence. Our shared focus

is on developing solutions grounded in principles of sustainability and circularity for sunrise sector, such as high performance and high value-added defense applications, drones, AI data center, mobility and many more.

Today, R&D at Himadri goes far beyond product development. It is about advancing technologies, transforming processes and unlocking new possibilities to keep us ahead in a rapidly evolving global landscape. In parallel, we continue to actively leverage artificial intelligence and digital tools across workstreams, procurement, logistics, inventory, material management, quality management, sales and marketing and manufacturing to sharpen execution, improve predictability and build a more agile, data-driven operating model for the future.

This year marks a defining chapter in Himadri's journey, characterized by progress, resilience and purposeful execution. The path we envisioned is unfolding with clarity, and we continue to build on that momentum with confidence. As we look ahead, the horizon is bright, filled with opportunities that will take us to greater heights and unlock new possibilities. Together, we are saving a future of sustained growth and innovation.

Before concluding, I would like to express my sincere gratitude to our colleagues, partners and investors for their continued trust and support. With this, I hand over to our CFO, Mr. Kamlesh Agarwal, who will take you through the financial performance in detail. Thank you. Kamlesh, please?

Kamlesh Agarwal: Thank you, Anuragji, and good evening, everyone....

Moderator: I'm sorry to interrupt you, sir, but your voice is breaking.

Kamlesh Agarwal: Now it's okay?

Moderator: Yes. Please go ahead, sir.

Kamlesh Agarwal: Thank you, Anuragji, and good evening, everyone. I trust you have had the opportunity to review our financial results, the latest investor presentation and press release, all of which have been made available on the stock exchanges and on our company's website.

Let me now take you through the financials for the third quarter and nine months ended 31st December 2025.

On a stand-alone basis, we are pleased to share that we have already surpassed our full year FY '25 PAT within the first nine months of FY '26. This outcome clearly reflects the...

Moderator: I'm sorry to interrupt you, sir, but again, your voice is breaking.

Kamlesh Agarwal: Hello? Now it's clear?

Moderator: Yes, sir.

Kamlesh Agarwal: This outcome clearly reflects the effectiveness of our strategic focus on value-added products, which continues to be the key driver of profitability and margin expansion.

From a quarterly perspective, in Q3 FY '26, stand-alone revenue stood at INR1,133 crores. EBITDA was INR249 crores, registering a 12% year-on-year growth, while profit after tax came in at INR195 crores, reflecting a strong growth of 37% year-on-year increase. These results underscore the consistency of our execution despite a dynamic operating environment.

Looking at the cumulative performance for nine months FY '26 on a stand-alone basis, revenue stood at approximately INR3,304 crores. EBITDA increased to INR726 crores, representing a ~19% year-on-year growth compared to INR611 crores in nine-month FY '25. Profit after tax stood at INR564 crores, marking a 41% year-on-year growth over approximately ~INR400 crores in the corresponding period last year.

Now turning to our consolidated performance in Q3 FY '26. Revenue stood at INR1,184 crores, with EBITDA at ~INR253 crores compared to ~INR225 crores in Q3 FY '25, reflecting a 12% growth...

Moderator: Sorry, but -- I'm sorry to interrupt you, sir. Again, voice is breaking.

Kamlesh Agarwal: Yes...

Moderator: Sir, again, it's breaking.

Kamlesh Agarwal: Hello. Am I audible now? Now my voice is clear?

Moderator: Yes, yes. It's clear now.

Kamlesh Agarwal: Profit after tax came in INR192 crores, registering a growth of 36% against INR141 crores in Q3 FY '25.

For nine months FY '26 on a consolidated basis, revenue stood at approximately ~INR3,373 crores. EBITDA was ~INR726 crores, reflecting a growth of around 18%, while profit after tax stood at ~INR548 crores, a 37% increase over nine months FY '25. This performance highlights the strength and resilience across all our business segments.

From an operational perspective, our sales volume for nine months FY '26 stood at 428,572 metric tons as compared to...

Moderator: I'm sorry to interrupt you, sir, but again, your voice is breaking. No, no. We can't hear you properly, sir.

Anurag Choudhary: So, let me take it over. Anurag here. Kamlesh, let me take it over. Am I audible?

Moderator: Yes. It's loud and clear from your end.

Anurag Choudhary: From an operational perspective, our sales volume for the nine-month FY '26 stood at 4,28,572 metric tons as compared to 4,15,679 metric tons in the previous year, reflecting a growth of 3%. EBITDA per metric ton stood at INR 16,934 in 9 months FY '26 compared to INR 14,707 in nine months FY '25, representing a 15% improvement, driven by product mix that remains increasingly focused on high value-added offerings.

I'm also pleased to share that during the quarter, the promoters have further strengthened their stake in Himadri to conversion of one crore warrants into equity. The warrant are acquired at a total price of INR316 per warrant. Promoter shareholding now stands at 52.5%. This development underscores the promoter's continued confidence and long-term commitment to Himadri's growth journey.

Strengthening promoters' stake not only enhances the company's capital structure, but also demonstrate the immense faith in our business as we embark on the next phase of expansion and value creation for all our stakeholders. Overall, these results reinforces our confidence that Himadri is well positioned to continue its upward journey and trajectory, supported by a strong financial foundation, disciplined execution and a clear strategic direction.

So now Chirag, we can open the session for question-and-answer session.

Moderator: Thank you so much, sir. Ladies and gentlemen, we will now begin with the question-and-answer session. Our first question comes from the line of Divyansh Thakur from Finterest Capital. Please go ahead.

Divyansh Thakur: Sir, congratulations on the great set of numbers. So we have mentioned the roadmap to grow and accelerate towards 2028. So how do we vision that? How do we scale it up? We start our operations for the Phase 1 cathode in quarter 3. We have also Birla Tyres gradually ramping up. So how do we see the coming years? And how do we -- can shape the development for the company going ahead?

Anurag Choudhary: Thank you, Divyansh. So, if you look at the profitability achievements for FY '24, we achieved a PAT of INR 411 crores. And in FY '25, we gave a guidance that in next 3 years, that is by FY '27, we'll double the PAT, effectively INR 800 crores plus. But if you look in FY '26, we are already nearing to the target.

So now, FY '25, we had a PAT of around INR 558 crores. With all these projects coming in, with new capacities coming in, value-added products coming in, we are confident that the profit will again double from FY '25 to FY '28, so in 2 years from now.

Divyansh Thakur: So sir, what you are saying is that the PAT level of FY '25, when we'll see the PAT level of FY '27, it will double. Am I right?

Anurag Choudhary: FY '28.

Divyansh Thakur: Okay. Okay. Okay. FY '28. But also the...

Anurag Choudhary: So we are giving the guidance what we gave 1 year back. We are giving the same guidance which we gave 1 year back. When we articulated that PAT will double in 3 years, same thing we are saying again now 1 year fast forward, the PAT will double again in 3 years from FY '25 to FY '28. Only one disclaimer is that last time when we told it will be done, it was done in 2 years instead of 3 years.

Divyansh Thakur: That's great, sir. Sir, also, I wanted to get a look out on how the cathode active material or the operations that are coming, I think this is the first one in India to come up. And also there, I saw some headlines that you are in talks with some large players . So if you can give some more information on that?

Anurag Choudhary: Sure, definitely. So in terms of cathode, our demo plant is under construction and expected to commence in the fourth quarter. And post that, we will be sending sample 'B' to our customers. There are a series of samples will need to be approved by the customers. So next stage of sampling will start.

Divyansh Thakur: Sir, can you name some customers?

Anurag Choudhary: Hello?

Divyansh Thakur: Hello. Am I audible?

Anurag Choudhary: Yes, yes. You are audible. Please.

Divyansh Thakur: Sir, can you name some customers?

Anurag Choudhary: No, we cannot name some customers. They are global customers, plus India customers, we have NDAs. So we cannot disclose the names here on public forum. And regarding the capacities for lithium-ion phosphate, so we expect FY '29 to be the full year of operation for lithium-ion phosphate.

Divyansh Thakur: Okay, that's great, sir. That's all from mine and all the best for the coming quarter.

Anurag Choudhary: Thank you.

Moderator: Thank you. Our next question comes from the line of Dhruvin Kadakia from SKP Securities. Please go ahead.

Dhruvin Kadakia: Hello, sir. Congratulations on a great set of numbers. Sir, I just wanted to begin with 3 small questions on our quarterly results, and then I'll join the queue. My first question is, sir, with regards to our EBITDA per ton, sir. So in this particular quarter, when I did my calculations for EBITDA per ton, I have noticed that we've seen a decline on a sequential basis despite our revenues, etc., which has seen a growth, so I wanted to understand the reason behind it.

Second, I wanted to understand the sporadic increase in the total income -- in the other income, sorry. Other income has almost grown by 290% on a year-on-year basis. And last question would be with respect to what are the tyre sales that we've made for this particular quarter? That's all.

Anurag Choudhary: So regarding EBITDA per ton, if you look at it, it is more or less in line because depending on quarter-to-quarter, the number changes, but it's very minimum. So that is the level where it is more or less stabilized now. For other income, so we have made investment in IBC, in which we have made -- got this investment at a comparatively much lower cost.

So some of the valuation has been done as per the accounting standard. Because of which, there has been some increase in the other income other than the investments that we have made. So if you look at -- we have borrowed a significant amount of money. At the same time, we have invested in banks. So that interest is also there.

Dhruvin Kadakia: Okay, sir. And last was regarding tyre sales for this particular quarter, like where do we stand currently? And how much do we expect to end the year in terms of our Birla Tyres revenue-wise?

Anurag Choudhary: So revenue-wise, we have -- the current quarter, we have already achieved INR60-plus crores of revenue. And looking forward, we expect the momentum to strengthen further. And this -- from the next year, you will see capacity ramp-up taking place in Birla Tyres.

Dhruvin Kadakia: All right, sir. Thank you so much. I'll join the queue. Thank you.

Moderator: Thank you. Our next question comes from the line of Smaran from Money Stories Asset management. Please go ahead.

Smaran: Hello. Good evening, team. So my question was regarding the cathode capacity that we are targeting. So since we are targeting about -- to cater about 100 gigawatts worth of cathode, so is it that we expect a huge market share in India and globally? Or is it that we are trying to capture a huge size of market share?

Anurag Choudhary: Your question is not clear. Can you repeat it, please?

Smaran: Okay. So I was asking about the cathode capacity which we are targeting, which is about 100 gigawatts worth of -- gigawatt per hour, which we are targeting, right? So is it that we are expecting a huge market? Or is it that we are trying to capture a huge market share? So I wanted to understand which one is it.

Anurag Choudhary: So it's not that we are going to capture a huge market share. FY '30, the global lithium-ion cell capacity will be 8,000 plus. And by that time, we are only targeting 100, which is absolutely nothing in terms of global demand. So actually, first time Himadri is going to be in a product where demand will not be a constraint. So growth will depend upon our ability to expand. So this will be a unique positioning for the company.

Smaran: Okay. Got it. And how do you place yourselves in terms of cost competitiveness within India or else comparatively to China as well?

Anurag Choudhary: We'll be very much cost competitive to any geography in the world.

Smaran: Okay. Just one last question was that were you -- how are you planning on your sourcing of raw materials for the new lithium-ion phosphate?

Anurag Choudhary: How much?

Smaran: How are you planning on sourcing our raw materials for the cathode part of it?

Anurag Choudhary: So, we'll be sourcing from the global market, including Latin America, Australia, China. So where we will get the best, we'll take the raw materials.

Moderator: Our next question comes from the line of Pratik Shah from Investing Alpha.

Pratik Shah: Sir, my first question is on the post recent warrant conversion, how does management view equity dilution going forward? Like will future growth be primarily debt funded or accrual driven?

Anurag Choudhary: So, the entire growth which is going to come for the next 3, 4 years are from internal accruals. So, there is going to be no dilution as far as Himadri is concerned. So if you look at shareholding also in the last 3 years, we have increased our stake by 10%. So, we won't see any dilution coming forward. And there will be no debt, which will be taken. It will be internal accruals.

Pratik Shah: Great. Great. Okay. And sir, my second question is, what are the key execution risk during the ramp-up phase at Mahistikry? And how is management ensuring that quality consistent is maintained by scaling volumes?

Anurag Choudhary: We have a very strong SOP for the projects and for operations. So, which ensures that under no circumstances, there is any impact or contamination from the ongoing projects. It ensures there is no problem as far as the quality or consistency is concerned.

Pratik Shah: Okay. Got it. And sir, one last question. Historically, how long has it taken for Himadri to ramp up speciality capacity to optimal utilization? And should we expect a similar or shorter curve for the new facility as well?

Anurag Choudhary: Yes, definitely. To ramp up to the capacity, it will take around 3 to 6 months.

Moderator: Our next question comes from the line of Ishani Jain from MAS Capital.

Ishani Jain: My question to you is like with energy being a significant input, so what proportion of power is sourced internally or like through long-term agreement? And how does this influence margin?

Anurag Choudhary: So, we source 100% of power through our waste heat gas capturing plant, where we convert gas into power. So Himadri is using clean power for all its operations.

Ishani Jain: Okay. Sir, got it. Also, like at what stage does management gain confidence to commit capex and energy materials? But it means post customer qualifications or post binding offtake agreements?

Anurag Choudhary: We don't wait for binding offtake agreement. We have full confidence in our quality and our customer relationship. So, with the quality reason, we start setting up that capacity. So, qualification process, in the same time, we are setting up the capacity. Because unless you have the full non-commercial plants, you will never get approvals.

Ishani Jain: Okay, sir. Also, my last question will be like in speciality carbon black, how much of the recent sizing has been formula-linked versus like negotiated contracts?

Anurag Choudhary: So, it depends on customers to customer. I cannot disclose the pricing policy. But yes -- but I can tell you, speciality carbon black has a much better margin than commodity black, and Himadri specializes in this segment.

Moderator: Our next question comes from the line of Viraj Sanghvi from Asit Koticha Family Office.

Viraj Sanghvi: So, we have seen some fall in EBITDA per ton on quarter-on-quarter basis. So is this to do with some change in product mix because we have also expanded the coal tar distribution capacity by 1 lakh metric tons. So is that the reason there is some fall in EBITDA per kg?

Anurag Choudhary: Viraj, if you see there is hardly -- it was ~17,900, it has come to 16,000 something. So there has not been much difference. So you will find this kind of variation on a positive or negative side on a quarter-on-quarter basis, but. This doesn't have any significant importance or significance.

Viraj Sanghvi: Okay. Got it. And this coal tar facility that we have expanded by 1 lakh metric ton, what is the utilization for that in this quarter?

Anurag Choudhary: No. This we have just started. So over the next 2 to 3 quarters, you will see the ramp up happening. So it will take like Q1 FY '27, you will see the ramp up happening.

Viraj Sanghvi: Okay. And what about the speciality black capacity that we were to expand from 60,000 to...

Anurag Choudhary: Yes, you will see the ramp up happening from the next financial year. Q4, there will be some ramp-up happening, but you will see the results -- full results coming from in the next financial year.

Viraj Sanghvi: Got it. And from the Birla Tyres business, what sort of EBITDA margin are you making on the INR60 crores revenues for the quarter?

Anurag Choudhary: So currently, in our -- since we are selling -- so we have a partnership with Dalmia Refractory Bharat Limited in Birla Tyres. So in Himadri, in Himadri Clean Energy, we are buying from Dalmia Refractory and selling the Birla Tyres. So we don't have any positive or negative impact as such as of now. But looking forward, the things will change.

Moderator: Our next question comes from the line of Animesh Jain from Dalal & Broacha.

Animesh Jain: I just wanted to understand that with the fluctuations that are expected in lithium prices going forward, how do we see that affect our margins? Will we be absorbing those? Or will we see that it has a pass-through for us?

Anurag Choudhary: See, the kind of fluctuation, which is there in lithium, it can never be absorbed. So all the customers will be having a pass-through model in which the pricing, up and down, will be transferred to the customer. Same business model we follow with our existing products also like for coal tar pitch or carbon black. So same will follow for lithium also.

Animesh Jain: Okay. Sir, that would be a full pass-through, right?

Anurag Choudhary: Yes, it's a full pass through.

Animesh Jain: Okay. And sir, my next question would be on our cathode facility, how would we see a ramp -- how would we see utilization going forward for the next 1 or 2 years?

Anurag Choudhary: So next 1 or 2 years, there will not be significant ramp -- utilization. I see utilization coming in -- some utilization will be there in FY '28. But yes, big utilization will come in FY '29.

Animesh Jain: Okay. And sir, in '29, what kind of...

Anurag Choudhary: If you ask me FY '29, I see full capacity utilization.

Animesh Jain: Okay. Got it. So sir, what kind of asset turn would we be looking at a full capacity utilization?

Anurag Choudhary: 2 plus.

Moderator: Our next question comes from the line of Dhruvin Kadakia from SKP Securities.

Dhruvin Kadakia: Sir, my question was regarding our traditional -- the coal tar pitch business. So just wanted to understand from an industry perspective or from a business perspective, how do you expect them going forward? Like is it becoming structurally declining? Or do you still see it like a very significant growth driver for your cash flow generation?

Anurag Choudhary: That model has really matured over the last 5 years. And we expect the business to have sustainable profitability because we have done a lot of work in terms of operational efficiencies. Waste heat recovery system, improvement of yield and these are giving us long-term sustainable profitability.

Dhruvin Kadakia: Okay, sir. So my last question would be regarding to our recent speciality carbon black expansion that we have done. Just wanted to understand like on a year-on-year basis, how -- what is the trend of this capacity utilization like on a year-on-year basis, how do we expect this capacity utilization to increase, if you could give like a 1 year to 3-year breakup, if possible?

Anurag Choudhary: So for the next year, you can look at around 85% capacity utilization for speciality carbon.

Dhruvin Kadakia: Okay. And post that we are on like almost 95% 100 % types?

Anurag Choudhary: Yes.

Dhruvin Kadakia: All right, sir. That will be all. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Priti Agarwal from SKS Associates.

Priti Agarwal: Yes. Thank you so much for the opportunity and also congratulations on the new Mangalore port. I wanted to know that is this new port going to focus on Middle East itself or can we expect more geography diversions such as Africa?

Anurag Choudhary: So this will be mainly focused on Middle East only because of the proximity to Middle East. And for other geographies, we already have Haldia port to cater to that.

Priti Agarwal: Understood. And the research and development investments remain elevated. So how should investors assess returns on the spend, like other defined KPIs or commercialization time lines that are being targeted?

Anurag Choudhary: R&D has been the core of the company for years now. So, we are one of the companies in India who spend a lot of money on research and development and innovation. This is -- and this has only brought us to a place where we are in terms of not only product, process and technology, but it goes much beyond that.

So for Himadri, currently also, we are working on many new products. And in the next 1 year to 2 years, we'll see a lot of new announcements for commercialization coming in for high value-added products. In our case, R&D is not only an academic thing with no KPI -- in our R&D, we have defined the performance metrics in a very articulate manner, which means within a given time frame, you have to achieve a particular result.

And it cannot be ever-ending project and that is the biggest strength of the company. All our technologies in Himadri have been developed in-house. That's the beauty of the company. We have not bought any technology from any technology supplier for any of our products. So looking forward also, you will come across a lot of new products coming in the next 2 to 3 years.

Priti Agarwal: And also, can you give an update on the new tyre launch on Birla Tyres segment like are we diversifying from the passenger car radical and also what is your long-term plan for this?

Anurag Choudhary: See Birla tyre currently is not into passenger car tyres. Birla Tyre is basically -- was into TBB segment, bias segment and a little bit in agriculture and has good -- some position in mining tyres. So what we are doing, we are strengthening and expanding our OTR and OHT segment. So the idea is that over the next 3 to 5 years, we will have significant presence from Birla Tyres in these two segments. And that is how we are revamping, modernizing, making automation, getting new machineries, getting the right people, all the resources in place in Birla Tyres. In addition to that, in future, we will be launching passenger car tyres, which will be focused on SUV and EV.

Priti Agarwal: Understood. Yes that's it from my side. Thank you so much.

Moderator: Thank you. Our next question comes from the line of Rohan Baranwal from Aribant Capital. Please go ahead.

Rohan Baranwal: Hello. Sir, as you've shared the details on the demand of cathode...

Anurag Choudhary: Actually my line got disconnected. My line got disconnected. I was not able to listen to your question. Can you please repeat it?

Rohan Baranwal: Sure, sir. My question was on the side of cathode, sir. So -- the demand of globally and domestically. So what is the demand scenario on the anode side, sir? Like on the global, [inaudible 0:46:21] like what is the expectation domestically [inaudible 0:46:25]?

Anurag Choudhary: Your question is on cathode or anode?

Rohan Baranwal: Sir, like what is the demand expectation for anode domestically, sir?

Anurag Choudhary: Anode, not cathode?

Rohan Baranwal: Yes, sir, anode.

Anurag Choudhary: So, see, Himadri is going -- is positioning itself in our new age industry. For the first time, we are going to be in a business where demand will not be a constraint. See, till now, we have been in the industry where demand has always been the deciding factor of our expansion, and that's a limiting factor.

When it comes to lithium-ion cell industry, so the growth is exponential. And in the next 3 years, there has been significant growth in terms of cell manufacturing capacity. And first time in our entire history that we are going to address a market where demand will not be a constraint for either anode or cathode.

Anode consumption will be higher than cathode only because of lithium, LFP, I'm talking particularly. In terms of absolute volume, LFP cathode is 2x of anode. But anode is used in all the chemistries unlike cathode. Cathode has different chemistries, right? A CLA for electronics, NMC is part of the chemistry, then LFP is there.

So each chemistry has their own market share. LFP market is increasing every day. But anode remains constant throughout this chemistry, whichever chemistry is being used. So, anode demand is very strong in India and globally.

Rohan Baranwal: Okay, sir. And sir, my second question was on coal tar pitch, sir. So, you've done your first shipment to Middle East. So, we can see the demand from Middle East side to be strong. What is the scenario in the other parts of the world, like Europe, sir? As we see, European region has faced energy cost crisis. And because the [inaudible 0:48:37] the peer companies like was [inaudible 0:48:40]. So, how do you -- how you are able to benefit from that [inaudible 0:48:49]?

Anurag Choudhary: See, we are not at all focused on European market. We have clear focus on Middle East market because after China, Middle East is the single largest manufacturing base for aluminium industry. And Himadri is well-positioned to cater to meet their requirement. So, our focus is clear. We don't want to go to Europe as far as coal-tar pitch is concerned.

Rohan Baranwal: Got it, sir. Thank you.

Moderator: Thank you. Our next question comes from the line of Disha from Sapphire Capital. Please go ahead.

Disha: Hello?

Moderator: Yes, yes, Disha, please.

Disha: Am I audible?

Moderator: Yes, you are.

Disha: Yes. So sir, for this battery expansion that we are planning, what sort of EBITDA margins do we see here? And how does that differ from our regular business?

Anurag Choudhary: See, for looking at Himadri, I'll give you a very basic thumb rule, what we look at in our company at Board level that we have -- what is the return on capital employed. If you look at my existing business, the return on capital employed is 34%.

So, capital allocation is very, very critical and important metrics for us in Himadri. So we do not allocate capital to any business where ROCE is less than 30%. That is the main object. And basis that principle, all our investment is guided.

Disha: Okay, all right. And for this Phase 1, I think, is coming by Q3 FY '27, right?

Anurag Choudhary: Yes, yes, yes. But don't expect any ramp-up or capacity utilization in the next 1.5 years.

Disha: Okay. So, then I think from beginning FY '29?

Anurag Choudhary: Yes, that's what I gave a clear guidance. FY '29 will be the year for LFP.

Disha: And how much are we owed in the capex that we are spending for Phase 1?

Anurag Choudhary: INR 1,125 crores.

Disha: INR 1,125 crores. And asset turn of around, I think you said 2 -- more than 2x, right?

Anurag Choudhary: 2, 2 plus, 2 plus.

Disha: Okay. Okay. That's it from my side. Thank you.

Anurag Choudhary: Thank you.

Moderator: Thank you. Our next question comes from the line of Yashwanth Gottipati from KR Choksey Securities. Please go ahead.

Yashwanth Gottipati: Hello. Am I audible?

Moderator: Yes, sir, you are.

Yashwanth Gottipati: Yes. So good evening, sir. My question is regarding anode materials. So, if you can give us the numbers for the capex that we are going to undergo for this anode material development, what is the capacity? And what is the premium which we'll be charging over products such as performance-driven anode materials? So, if you can show some light over that whole anode project.

Anurag Choudhary: I was not able to listen to your question, my line got disconnected. Can you please repeat it?

Yashwanth Gottipati: Okay. So, my question was regarding the anode materials project. So, if you can give us some numbers regarding the capex for that anode material development, the capacity, which would

come live, as well as the premium which we would be charging a rough estimate for anode material over the normal synthetic composite graphic.

Anurag Choudhary: See, first of all, we have not announced any capex as of today on anode material. So, we are in the process of finalization. Once we finalize, we'll come up with the capacity number and the capex numbers.

Yashwanth Gottipati: Okay. Okay. Understood. And roughly, sir, I mean the premiumization, how much percentage would be a ballpark number for carbon silicon composites, which we would be catering to performance-driven applications over the cost-driven applications?

Anurag Choudhary: So, there is no point discussing the premium. As I told you, because knowing the premium will not be able to calculate anything unless you know the capacity. So, you can Google it and you will get the selling price of silicon carbon compared to synthetic carbon, anode...

Yashwanth Gottipati: Okay, okay. Understood, sir. Yes, that would be all from my side. Thank you.

Anurag Choudhary: Thank you.

Moderator: Thank you. Our next question comes from the line of Devanshi Shah from HUF Capital. Please go ahead.

Devanshi Shah: Hi. Thank you for the opportunity. So, I wanted to understand how does Himadri's cost structure and technology road map compared with established Chinese players in LFP and anode? And where does the management see its competitive moat?

Anurag Choudhary: See, in China, if you look at LFP chemistry, it has really evolved over the last 5 years. The work has been going over the last 15, 18 years, but the ramp-up of volume has taken -- really placed in the last 4 years. And the advantage of Himadri is that we have been in this industry for the last 17 to 18 years. If you go back and look over at our annual reports, we have been talking about lithium-ion batteries from the day when no one where they've been knowing about lithium-ion batteries, not much people were knowing.

So that time, we had the vision that lithium-ion battery is something which is going to be a game changer for future. There were many chemistries. The best thing is there were -- still, there are many chemistries. But at that point of time, 18 years back to point out that, yes, this chemistry is going to the game changer is a big thing. Today, everyone can say, but 18 years back to tell this thing was a big thing, so that is what we did.

And I have been personally engaged, and very closely monitoring the development of raw material component of this industry over the last many, many years. So, I have very strong relationship and very strong team, which is working on it, and we are absolutely confident. We'll be very strong in terms of our quality of the product, specific cases to meet the requirement of the customers and very much competitive. Plus, we have the India advantage compared to our peers in the other geography.

Devanshi Shah:

Right. Sir, got it. That was helpful. Also, could you share insights on demand trends across key export geographies, such as Europe, US, Asia, particularly in the context of global industrial slowdown and inventory normalization?

Anurag Choudhary:

By the time our product launches, all the inventory normalization, in fact, in LFP has already happened. If you see the correction of lithium-ion prices, has corrected by 75% over the last 2.5 years -- 3 years by 75%. So, all inventory, write-off, collection, all those things has already happened. There's nothing left to be collected. So now there will be fair competition, which is going to be there.

And global demand is -- global capacity of lithium-ion battery cells is going to be on 7,500-to-8,000-gigawatt hour from current 2,500. This gives huge -- possibility for huge ramping up of capacities and huge demand for cathode and anode material. And company will be producing the best in quality, meeting all the global standards, will outline others. That is coming out very clear because the single factor for meeting the requirement of this huge growth which is coming will be the raw material component.

So everyone is selling capacity, but raw material is limited. So that will be a single critical factor which will be the game changer. And Himadri has through -- what makes Himadri different? And in terms of lithium ion capacities also capabilities also. If you look at our R&D setup, we have joined hands with Sicona, having facility in Australia.

Our team is working hand-in-hand with the Sicona team for new developments. We have taken a stake in International Battery Company headquartered in California, having a state-of-art AI-based research and development center in California and a manufacturing facility in South Korea for cell manufacturing, and they are working on Himadri components for making cells.

So, they have already launched Prabal 1,000 prismatic safe cell using NMC and anode material. Now they are going to launch Prabal 2,000, which is -- using Himadri anode material and Himadri's lithium-ion phosphate. So, this gives Himadri a unique positioning compared to any of the peers globally where we don't have only the laboratory capabilities. We have the full-fledged cell manufacturing facility available in South Korea, where you can practically see the cell being manufactured. So, it's no longer a laboratory-type thing we are talking.

In addition to that Prabal 3,000 will be launched, which will be using silicon carbon made by Himadri. So this gives Himadri a unique positioning. And the first mover's advantage in this industry, being in this industry for so many years, it's not that today, everyone is talking about lithium-ion battery, so we have started lithium-ion batteries.

Devanshi Shah:

Got it, sir. Understood. Thank you very much and all the best.

Moderator:

Thank you. Ladies and gentlemen, that was the last question for today. I would like to hand the conference over to Mr. Anurag Choudhary for closing comments. Thank you, and over to you, sir.

Anurag Choudhary:

Thank you, Chirag. Thank you, everyone, for joining the Q3 FY'26, 9-month conference call of Himadri Speciality Chemical Ltd. We appreciate your time, continued interest and engagement,



and hope we have addressed your queries satisfactory. At Himadri, our focus remains firmly on creating sustainable, long-term value for all our stakeholders.

We are deeply committed to our transformational journey, driven by high-quality products, disciplined execution and an unwavering emphasis on innovation, environmental responsibility and health and safety. We are confident that the strategic direction outlined today will continue to support resilient growth and deliver enduring value.

Before we conclude, I would like to once again thank our team members, partners, investors, for their trust and continued support. Could you require any further information, please feel free to reach out to our Investor Relations adviser, MUFG Intime IR. Thank you. Have a good day.

Moderator:

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