

Bharat Connect Conference

Rising Stars 2026

Arihant Investor Summit: Virtual 6th (Unlisted/SME) & 9-11th Mar-26 (Listed).
320+ Comp., 160+ institutions, 6000+ investors.

CMP: INR 582

Outlook: Positive

Stock Info

BSE	509631
Bloomberg	HEG:IN
Sector	Industrials
Face Value (INR)	2
Mkt Cap (INR Bn)	112.31
52w H/L (INR)	672/331
Avg Daily Volume (in 000')	1,925

Shareholding Pattern %

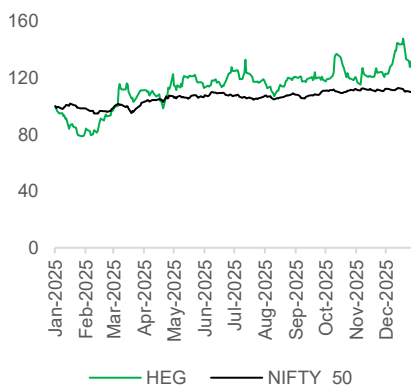
(As on Dec, 2025)

Promoters	56.13
Public & Others	43.87

Stock Performance (%)

	1m	6m	12m
HEG	+10.2	+8.49	35.3
NIFTY50	-2.24	+1.97	+9.6

HEG Vs Nifty



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The company is a leading producer of graphite electrodes globally, currently undertaking a strategic demerger of its legacy graphite electrode business from its new and emerging Greentech business. NCLT has approved and expected to be completed by Jun-26. The existing shareholders will receive shares in a 1:1 ratio. The company acquired remaining 49% stake in Bhilwara Energy Ltd from Statkraft and will be merged into Greentech business, increasing the promoters share from 51% to 62%, post merger of BEL. Focusing on the HEG Greentech Ltd, the company has built an integrated platform for green solutions focused on India's energy transitions. It will operate 4 separate entities:

Investor Rationale

Building core expertise into India's growing Battery Anode Material

TACC, the advance battery material arm is built on a strong expertise in graphitization. It is a complex and capital-intensive process critical to both graphite electrodes and anodes. The company is setting up an initial capacity of 20ktpa near Indore, plans to add an additional 10k capacity by FY29E and later expanding it to 60ktpa. Pilot plant of 200 tons has been established and used to qualify material with ~20 global cell OEMs. It is also working on silicon and graphene-doped solutions to enhance energy density. Overall, ~50% of capex has been invested, and 30% of actual cash flow is infused, with the bulk procurement of machinery done. On the demand side, the company sees strong customer response with potential to provide variety of product mixes and plans to serve ESS, mid range and premium EV segment. Expects strong growth from EV will drive ~70% growth alone for battery anode. Utilizations is expected to quickly ramp up at ~50% in initial stage, 75% in 1 year of operation and reaching 95% at steady rate going ahead. A new ~4ktpa of graphene plant for broader applications like cement, textiles, paints etc.

Industry demand & Market opportunity for Battery Materials

The global demand for anode material currently stands at ~1.5 mn tons and is expected to reach ~4.5 mn tons by 2035E. With close to ~85% of anode demand being catered by synthetic graphite. With strong policy tailwinds, tighter provisions requiring more localized products, with domestic value addition (DVA) mandate reaching ~60%, and growing battery manufacturing capabilities in India, the demand for anodes is expected to reach 120-140ktpa by 2030E. China currently controls ~97% of the global synthetic graphite supply. However, global OEMs (US, Europe, Asia) are aggressively seeking non-Chinese suppliers to de-risk supply chains.

Funding Growth through cash flow from hydro power assets

The company currently runs two hydropower plants, with one at Malana of ~86 MW and the second at AD Hydro of ~192 MW. Plans to add another ~74 MW capacity, which is under consideration. Recently company acquired the remaining 49% stake from Statkraft for INR 12.05 bn to take full ownership. These assets generate a steady EBITDA of INR 3.7 bn and FCF of ~INR 3 bn. This cash-rich segment is expected to support the ongoing capex requirement and organic funding for other key verticals.

RE Plus (Battery energy solutions)

HEG Greentech has a ~74% stake in RE plus, with ~26% remaining to the founder. The business is a BESS and battery pack system integrator with cell-to-pack, BMS, and EMS solutions. Currently, it has a ~1 GWh cell-to-pack line, expanding to 6 GWh by Q2FY27E. It has commissioned close to ~100 MWh with ~2000 MWh under execution globally. Targeting both the domestic and EMEA regions, supported by a new office in Dubai. At full utilization the company expects to achieve revenue of ~INR 60 bn, with enhanced in-house manufacturing capability of battery management systems and containerized solutions.

RE IPP (Solar+BESS)

The company is shifting its focus from vanilla solar generation to solar+BESS, the company targets the C&I segment, countering the RTM lower rates and capturing peak power markets where rates are significantly higher. The company has secured an order for a 200 MWh BESS project in Gujarat and is the L1 bidder for a 1,000 MWh standalone BESS project in Maharashtra. The company's target for the next five years is expected to reach ~5.9 GWh in BESS and ~3.7 GWh in solar. Expects to achieve an IRR in the 16-20% range, using the build-to-transfer model and reducing long-term capital tie-ups. The falling battery prices from ~USD 150/kWh to ~USD 60/kWh are improving competitiveness for solar+BESS vs. peak grid, as peak prices often reach ~INR 9/kWh in several states, supporting the BESS cost advantage.

Capex & Funding

The total capex funding is expected to be INR 44 bn in FY27E and reach ~INR 77 bn by FY32E across the HEG Greentech business. Almost INR 23 bn of equity is required to fund the near-term growth plans, with a ~30:70 debt-to-equity capital structure. Major capex of ~80-85% will be spent by FY27E, with deployment starting from Q3FY27E for some plants and working capital requirements. On a blended basis, the company expects to achieve an IRR of ~20%, with RE+ and solar+BESS being asset-light businesses.

Outlook: HEG Ltd is poised to unlock significant value by demerging its legacy graphite electrode business from its new **Greentech** solutions. Through this strategic move, shareholders will receive shares on a **1:1** basis in HEG Greentech Ltd, creating a dedicated green energy platform valued at **~INR 36 bn pre-merger**. This entity is further backed by Singularity's external investment of INR 5 bn and an increased promoter stake from 51% to 62%. This new entity strategically combines stable cash flows from its now 100% owned Malana Power hydro assets, which generate ~INR 3 bn in FCF to support capital requirements, with three more high-growth verticals:

- **TACC:** Currently building a synthetic graphite anode capacity of 20ktpa, which can be scaled to 60ktpa to capitalize on global supply chain de-risking.
- **RE Plus:** A battery system integrator expanding to a 6 GWh capacity, with **expected revenue generation of ~INR 60 bn** at peak once fully operational.
- **RE IPP:** Focusing on an asset-lite "build-to-transfer" model for **Solar+BESS** projects with a target of achieving an **IRR of 16-20%**.

With a strong **capex plan of ~INR 44 bn by FY27E**, funded through a mix of internal accruals and debt, HEG Greentech is expected to successfully build upon its **cash-rich hydro assets**. This foundation will fuel its transition into a diversified energy solutions provider, aiming for a blended IRR of ~20% across its portfolio.

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Stock Rating Scale

BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

Absolute Return

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