

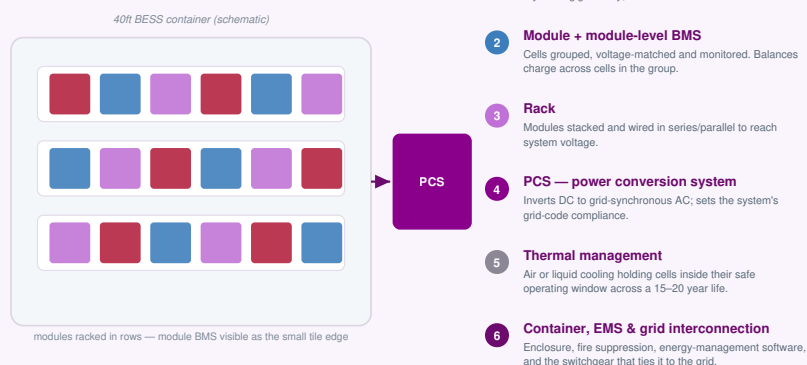


India Grid-Scale Battery Storage

A Ground-Up Primer on the cell-to-container supply chain, China's July 2025 gate on the recipe in the middle of it, and the fourteen listed companies building India's place inside it.

Anatomy of a grid battery

The cell is a minority of the parts count and most of the value



The chemistry is the hard part. Everything after the cell is systems integration.

CONTENTS

- Orientation — how to read this report
- 1 The vocabulary
- 2 The two problems
- 3 Why the cell is the hard problem
- 4 Free cell vs. free recipe
- 5 Classes & the value ladder
- 6 The industry & demand drivers
- 7 The anchor buyer — and the gatekeeper
- 8 The parts the data misses
- 9 The companies
- 10 Synthesis
- 11 Ratings summary
- Fourteen company reports & disclaimers



ORIENTATION

How to read this report

This is a first-principles primer, not a broker initiation note with an industry preamble bolted on front. The order is deliberate: the electrochemistry and the geopolitics of who controls it come first; every commercial fact that follows — margin, tender pipeline, valuation — is presented as a **consequence** of that difficulty, not as a separate story. If you finish Sections 1–4 and cannot explain why India can install a record 8.2 GWh of grid batteries in six months while still importing nearly every cell inside them, the primer has not done its job yet.

BEGINNER READS

§1–5

INVESTOR READS

§6–11 + reports

LISTED COMPANIES
COVERED

14 + context tier

VALUE-CHAIN LAYERS

4

Three questions this report answers

- **Why can India install storage 84 times faster in a year while its own cell industry covers less than 1% of the demand it is trying to meet?** — answered in §2–4.
- **Why did China restrict the export of a chemistry — lithium iron phosphate, LFP — that has been patent-free since 2022, and what does "restricted, not banned" actually mean in practice?** — answered in §3, §4 and §7.
- **Why are fourteen very differently-sized Indian companies — from a ₹2.07 lakh crore renewable-power giant to a ₹1,611 crore stabiliser-and-inverter maker — all plausibly "grid storage stocks," and which of them actually have a business that moves on it?** — answered in §9–11 and in the individual company reports.

THE ONE IDEA TO CARRY THROUGH THIS REPORT

Bolting cells, a battery management system and an inverter into a shipping container is a systems- integration problem: buy the parts, wire them together, commission the container. India already does this today, at scale — 8.2 GWh of it in the first half of 2026 alone. **Making the cell that goes inside that container — specifically, making a lithium iron phosphate cell dense and consistent enough to survive 20 years of daily cycling — is a different kind of problem entirely**, and it is the one China gated by export licence in July 2025, not by patent. Every company report in this document is really answering one question: how much of that company's business sits on the container side of that line, versus the cell side — and, for the handful actually trying to cross it, how far up the chemistry ladder they have actually climbed.

A note on sourcing: every figure in this report carries a source and a date next to it. Where published estimates disagree — and in a market growing 84x in a year, they disagree constantly — we show the disagreement rather than picking a number silently. Where we could not verify something, we say so. See the closing Notes section for the full methodology and data caveats.



SECTION 1

The vocabulary

Three terms decide almost everything about who can compete where in this industry, and what they are allowed to earn for it. Learn these three and the rest of the value chain organises itself.

1. Cell vs. pack vs. system

A **cell** is the electrochemical unit — the thing with a cathode, an anode, a separator and an electrolyte sealed inside a can, prismatic case or pouch, that actually stores charge. A **module** groups cells with a local battery management system (BMS) that balances and protects them. A **pack or rack** stacks modules to reach system voltage, and a **BESS (battery energy storage system)** — usually shipped as a standard 20 or 40-foot container — adds thermal management, fire suppression, a power-conversion system (PCS, the inverter that talks to the grid) and the energy-management software that makes the whole thing dispatchable. Almost every rupee of margin dispute in this sector comes down to which of these four layers a company actually touches.

2. LFP vs. NMC vs. sodium-ion

Lithium iron phosphate (**LFP**) cells dominate grid-scale storage specifically — not because they store the most energy per kilogram (NMC, nickel-manganese-cobalt cathodes, wins on that), but because the phosphate-oxygen bond is more thermally stable, giving LFP a far wider safety margin and a longer cycle life (4,000-6,000+ cycles to 80% capacity, against NMC's 1,500-3,000) — exactly the two things that matter for an asset that sits in one place, fully loaded, for 15-20 years, rather than one that gets replaced every eight. LFP packs also run roughly 40% cheaper than NMC on a like-for-like basis. **Sodium-ion** is the newest entrant: lower energy density than LFP, but no lithium exposure and — critically for India's localisation ambitions — a chemistry that can largely be built on the same production lines as LFP, and one China has not (yet) restricted the export of.

3. Compaction density — the number the export licence actually names

LFP as a chemistry has been off-patent since 2022; anyone can, in principle, make an LFP cell. What separates a mediocre LFP cell from a competitive one is **compaction density** — how tightly the cathode material packs during calendaring, measured in grams per cubic centimetre at a stated pressure — along with the formation and aging protocol that sets the cell's real-world cycle life. These are process parameters, not chemistry. When China's Ministry of Commerce restricted LFP cathode-preparation technology exports in July 2025, it did not ban the chemistry; it set a compaction-density threshold (≥ 2.58 g/cc at 220 MPa) above which the manufacturing *know-how* now requires an export licence. That single number is, in practical terms, the entire moat this report is built around.



Term	What it actually is	Who typically holds it	What it does NOT tell you
Cell	The electrochemical unit — cathode, anode, separator, electrolyte	A small, capital-intensive population; ~2 GWh operational in India, Aug 2026	Whether the cell is competitive on density, cost or cycle life
Compaction density	How tightly the cathode packs — the process-IP metric China's Jul-2025 restriction actually names	A handful of Chinese leaders in "third and fourth-generation" LFP	Whether a given cell is legally exportable to India at all
Pack / BESS	Cells + BMS + thermal management + PCS + enclosure, systems-integrated	A much larger, more contestable population — this is what most Indian entrants are actually building	Whether the cells inside were made in India or imported

Source: Dart Consultants, from [battery.mba](#) and [ufinebattery.com](#) (LFP vs NMC comparisons, 2026), Trivium China / HSF Kramer / Mondaq (China's Jul-2025 cathode-technology restriction, with exact compaction-density thresholds), and Wood Mackenzie (India operational cell capacity, Aug 2026) — see Notes for full citation list.

RULE OF THUMB

If a company's grid-storage business is about buying cells and wiring them into a container, assume it is on the easy, contestable half of this chain — capital and execution matter, but the chemistry barrier does not apply to it. If a company's business is about making the cell — or the cathode material inside it — assume the compaction-density and formation-process barrier is real, assume China's licensing regime is a live input cost and risk, and assume that is where this report's closest attention should go.

SECTION 2

The two problems

Every good version of this kind of report is built on one real structural asymmetry inside the product. Here is grid-scale battery storage's.

The easy half: building the container

Sourcing cells — bought outright, or supplied under a technology licence — and integrating them with a BMS, thermal management, a power-conversion system and an enclosure is a systems-engineering and capital-deployment problem. Buy the components, hire the electrical and mechanical engineers, commission the container, pass the grid-code compliance test. India already has this capability in depth, built on decades of EPC, power-electronics and renewable-project experience — not invented for this report. Any well-capitalised EPC contractor can, in principle, assemble a grid-scale BESS from imported cells; several of the companies in this report's context tier are doing exactly that today. Failure here is **visible and immediate**: a BMS fault trips, a thermal-management loop underperforms, a commissioning test fails — and an engineer finds out within hours, not years.

The hard half: making a cell that survives twenty years

Producing the cell itself — coating and calendaring the cathode to the right compaction density, stacking or winding it in a dry room, filling it with electrolyte, and taking it through formation and aging, the days-to-weeks first-charge process that sets the solid-electrolyte interphase and, with it, the cell's real-world cycle life — is an electrochemistry and process-control problem. Its failure mode is the opposite of the easy half's: **invisible and delayed**. A cell with a subtly under-controlled formation cycle will pass every test on day one and then fade faster than spec in year six, or fail a safety margin it was never actually engineered to. Nothing about inspecting the finished cell on a factory floor tells you it is wrong; only years of field data, or a gigafactory's own multi-year yield curve, actually proves it.

	The easy half — the container	The hard half — the cell
What it is	Sourcing cells, integrating BMS/thermal/PCS/ enclosure	Electrode coating, calendaring, formation & aging — proving the electrochemistry
Governing constraint	Capital, EPC execution, grid-code compliance	Compaction density, formation protocol — the exact metric China's export licence names
How it fails	Visible immediately — a commissioning test either passes or does not	Invisible and delayed — capacity fade and safety margin degrade over years
Who can attempt it	Any well-capitalised EPC/systems-integration contractor	A much smaller population with dry-room capex and multi-year yield-curve experience
Where the margin sits	Thin — increasingly price-competed as more entrants assemble from imported cells	Thick — and, per BloombergNEF, roughly 80% of total system cost sits here



COMMIT THIS TO MEMORY

The container is the easy part. The cell is the product. Everything else in this report — the value ladder in §5, the margin puzzle in §9, the ratings in §11 — is really a question of how much of a given company's revenue sits on the cell side of this line, versus the container side.



SECTION 3

Why the cell is the hard problem

Three reasons the hard half does not scale the way the easy half does.

1. The test for success is a test that takes years to fail

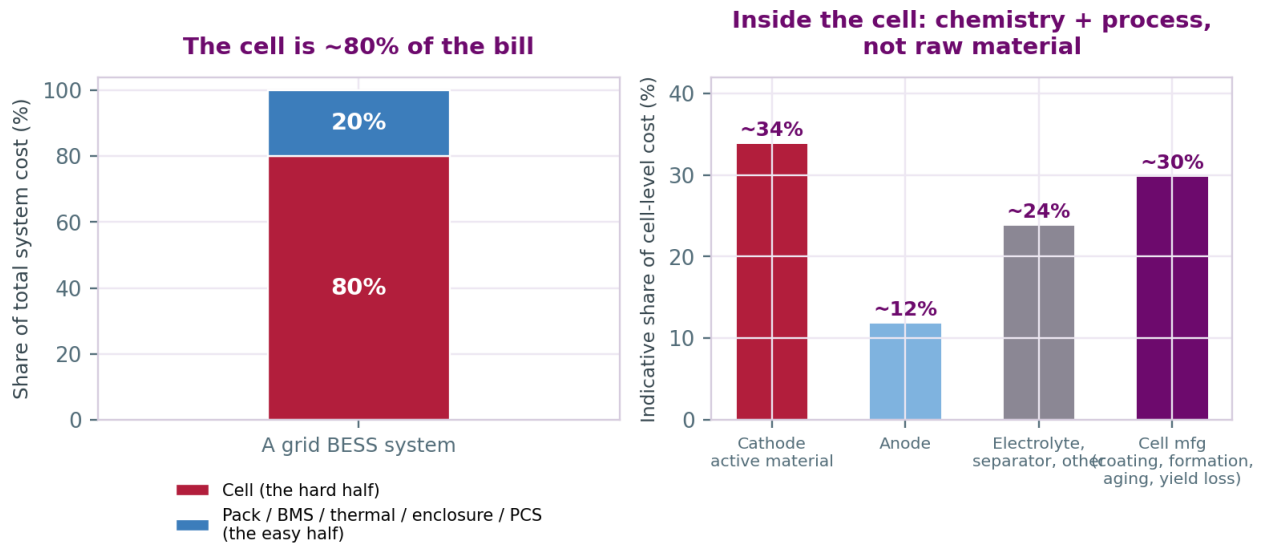
A commissioned container's success criterion is a measurement you take today: does the grid-code test pass, does the inverter synchronise, does the BMS balance the pack. A cell's success criterion is the absence of a failure that only shows up after years of cycling — capacity fade beyond spec, a safety margin that was never really there. You cannot inspect your way to confidence here; you can only control the coating, calendaring and formation process tightly enough, and accumulate enough of your own field data, that a customer trusts the absence of an early failure as a proxy for twenty years of it.

2. The yield curve, not a one-time qualification, is the barrier

A gigafactory does not open at rated yield. Formation and aging — the multi-day-to-multi-week first charge-discharge sequence — is where the industry's own process literature places roughly 70% of back-end capital expenditure, and it is the stage where latent defects (micro-shorts, gas generation, early capacity fade) actually surface and get scrapped. Climbing from first cells off the line to a commercially competitive yield typically takes a new entrant one to two years of continuous process learning — not a one-time audit, but a compounding experience curve that an incumbent with a decade's head start simply has more of.

3. The customer bears switching risk, so it will not repeat it lightly

A developer who qualifies a cell supplier for a 20-year BESS asset is underwriting that supplier's process control for two decades on the strength of, at best, a few years of field data. Having made that bet once, a customer has every incentive not to repeat it for a marginal price improvement from an unproven second source — which is exactly why, once a cell is designed into a programme, switching is structurally difficult, independent of whether a patent exists (for LFP, there is not one).



The cell is not just harder to make than the container — it is where roughly 80% of the system's economic value sits. Left panel: BloombergNEF's cell-vs-pack cost split. Right panel: indicative construction of within-cell cost by component, built to illustrate the structural point, not measured from a single disclosed cost model — see Notes.



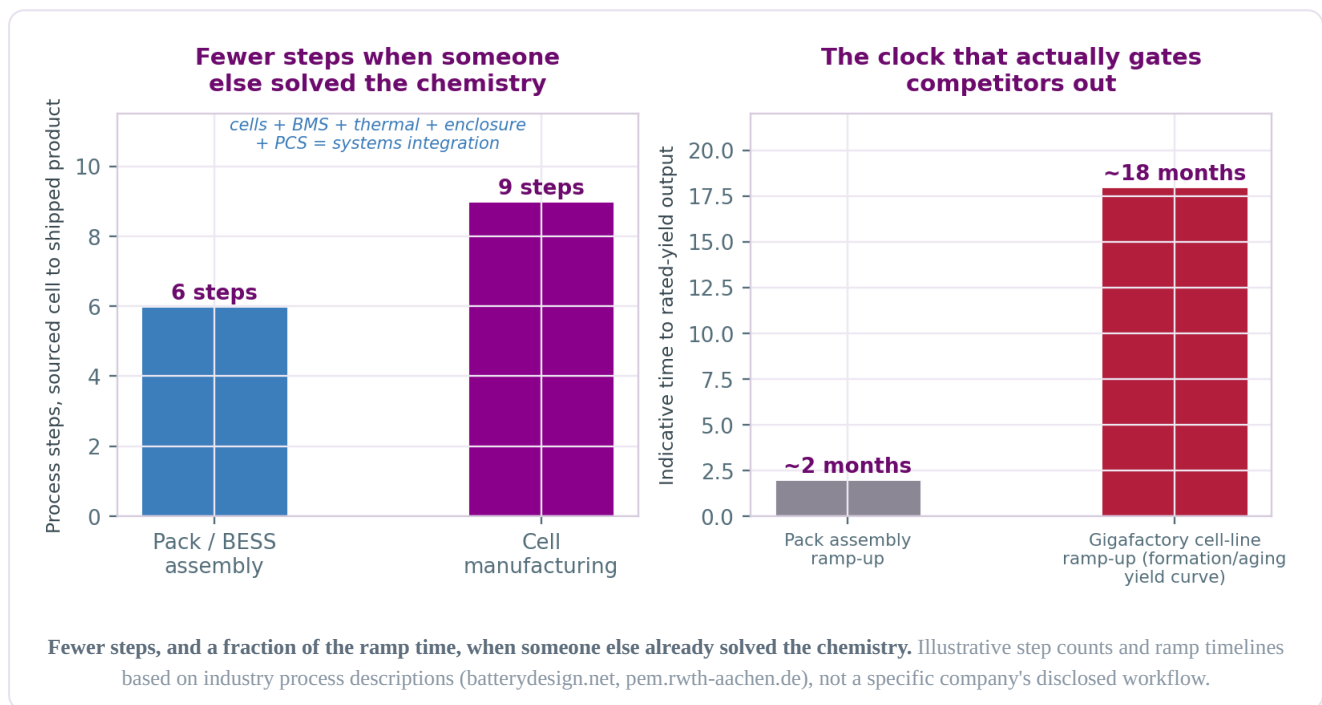
SECTION 4

Free cell vs. free recipe

The "free input" reframe

If the cell is this hard to make, why does an Indian EPC contractor with zero cell-manufacturing capability get any grid-storage revenue at all? Because China is currently happy to sell India the **finished cell** — in record volumes, at prices that fell to a global record low of \$108/kWh (pack average) in 2025 — while restricting the export of the **process know-how** behind it. The "free input" here is the imported cell itself: someone else has already solved the hard half, and is renting out the finished product at a globally competitive, still-falling price. This is precisely why India installed 8.2 GWh of grid batteries in the first half of 2026 — 84 times the prior year — while its own operational cell-manufacturing capacity covered under 1% of the demand pipeline behind that build-out. Advait Energy Transitions' September 2026 supply agreement with China's Hithium, covering up to 1 GWh of cells for a 2.5 GWh BESS assembly plant it is building in Gujarat, is this dynamic in miniature: the cell is for sale; the recipe is not part of the deal.

The alternative — actually licensing or building the cell-manufacturing process — inverts this entirely. It requires the capital, the dry-room infrastructure, and years of yield-curve learning that §3 describes, and as of July 2025 it also requires a Chinese export licence for the specific compaction-density and process technology that separates a competitive LFP cell from a mediocre one. Every serious Indian conglomerate named in this report is trying to walk through that second, harder door, at very different speeds — and, as the company reports that follow show in detail, with very different results.





WHAT THIS MEANS FOR READING THE REST OF THIS REPORT

When a company report later in this document describes a business as "cell-to-container assembly" or "BESS EPC," read that as: mostly the easy half, real revenue today, thin and contestable margin. When it describes a business as holding a licensed or in-house cell-manufacturing process — and names a compaction-density spec, a formation protocol, or a multi-year yield ramp — read that as: closer to the hard half, and worth asking whether the licence behind it actually survived contact with China's July 2025 restriction. Two of this report's fourteen companies signed cell-technology deals with Chinese licensors at different points either side of that restriction tightening — one succeeded, one stalled — and the contrast is the single clearest real-world illustration of this entire section. See §9.

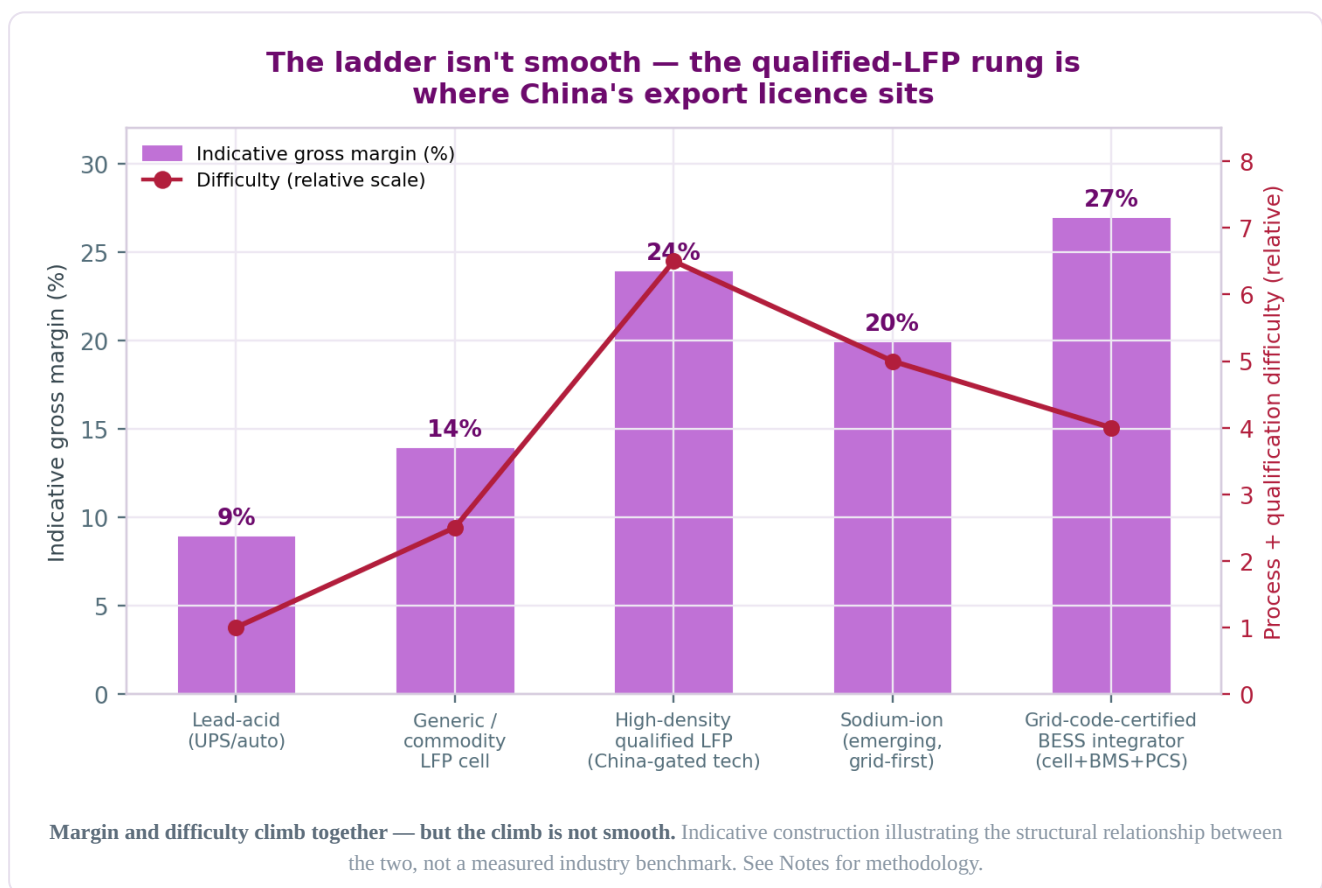


SECTION 5

Classes & the value ladder

Two naming systems, and where they disagree

The industry describes a company two different ways, and the two descriptions do not always point to the same conclusion. The first is **value-chain-layer nomenclature** — materials (cathode active material, electrolyte, separator), cell manufacturer, pack/BESS integrator, EPC/developer — which describes a company's position in the physical supply chain. The second is **chemistry-and-process classification** — which cell chemistry a company actually makes or sources, and how far up the compaction-density and yield-curve ladder that chemistry sits (\$1, \$4) — which describes what a company actually keeps versus rents out. A company can be a "cell manufacturer" by corporate description and still be running an imported-technology pack-assembly line in practice; a materials supplier several layers upstream, invisible in most "India battery capacity" headlines, can hold more durable pricing power than the cell-maker above it, if what it holds is the qualified cathode material that cell-maker actually needs.



The exception that breaks the taxonomy

Sodium-ion is the clearest case. It sits below LFP on an energy-density basis, yet it is not gated by China's July 2025 restriction, can largely be built on the same production lines as LFP, and removes lithium supply-chain exposure entirely — three reasons India's newest entrants (including a Reliance-linked Faradion sodium-ion line, and JSW's newly announced Pune R&D centre, which names sodium-ion explicitly alongside lithium-ion in its Phase 1 scope) are treating it as a genuine strategic hedge rather than a lesser chemistry. Size and chemistry-ladder position do not reliably predict a



company's actual grid-storage exposure in this industry; what a company's revenue is actually built on does. Keep this in mind through \$9 — market capitalisation, on its own, tells you almost nothing about where a company actually sits on the ladder above.

GALLERY A — THE CHEMISTRY FAMILY

What a value-chain company can actually be selling or sourcing, from open-IP commodity to the exact spec China's export licence gates.

The chemistry family — one job, five very different cells

Same job (store and release electricity). A wide spread in cycle life, safety margin and who controls the process.



Lead-acid

VRLA / flooded · UPS, auto, telecom
300-500 cycles · open IP, low value



Generic NMC cylindrical

21700 / 4680 format
EV-led chemistry · widely licensed



Commodity LFP prismatic

280-314Ah, grid-storage standard
Freely tradeable · China-dominant supply



High-density qualified LFP

≥2.58 g/cc compaction density
The exact spec China's Jul-2025 export licence gates



Sodium-ion

Same production lines as LFP
No lithium exposure · grid-first, not EV-first



Grid-code BESS module

Cell + BMS, packaged
What a pack assembler actually sells

GALLERY B — THE FUNCTIONAL FAMILY

The layers a pack assembler is actually integrating on its way from bought-in cell to grid-connected container — five of these six boxes are systems engineering, not chemistry.

The functional family — what a pack assembler is actually building

Every layer past the cell is systems integration — buyable capability, not chemistry.



Cell

Bought in, or made under licence
The one box that is chemistry, not integration



Module + BMS

Cell balancing, monitoring, protection
Off-the-shelf BMS ICs, widely available



Thermal management

Air or liquid cooling loop
Holds the cell inside its safe window



PCS / inverter

DC-AC conversion, grid sync
A power-electronics product, not a battery one



Enclosure & fire safety

Container, suppression, HVAC
Civil / mechanical engineering



EMS & grid controls

Dispatch software, grid-code compliance
The layer that earns the tariff, not the cell



SECTION 6

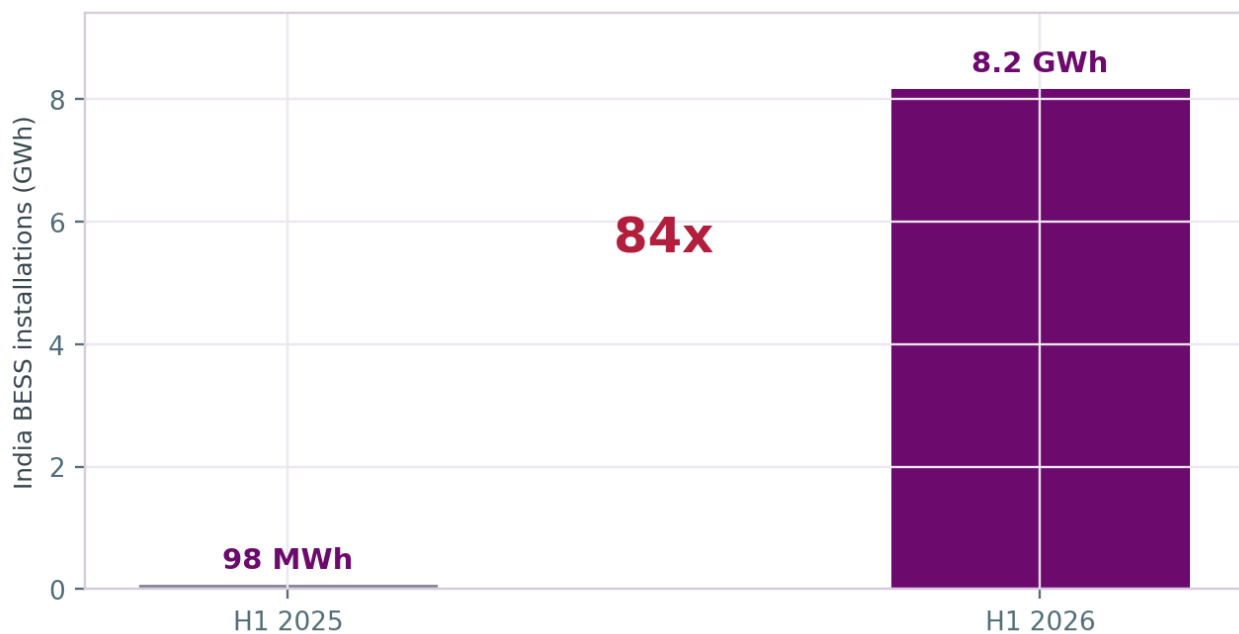
The industry & demand drivers

Several genuinely separate demand cycles are running at the same time here, each with its own anchor buyer and its own time horizon. Treating "India's battery storage opportunity" as one number is the easiest way to misread this sector — and, per Mercom India's own H1 2026 data, even the number itself means two different things depending on whether you are counting tenders issued, tenders awarded, or capacity actually commissioned.

Demand cycle	Anchor buyer	What is actually driving it
1. Standalone BESS tenders	SECI, NTPC/NVVN, state DISCOMs	~98% of Q2 2026 installed additions were standalone; VGF + ISTS-waiver support makes the economics work
2. RE-linked / FDRE & RTC tenders	SECI (round-the-clock power obligations)	Firm, dispatchable renewable power requires paired storage; 1 GW FDRE-RTC tender discovered ₹5.25/kWh, Aug 2026
3. Domestic cell-manufacturing build-out	Ministry of Heavy Industries (PLI-ACC)	₹18,100cr scheme, 50 GWh target, 40 GWh awarded — but only 1.4 GWh (2.8%) actually operational as of mid-2026
4. Materials backward integration	Cell-makers themselves, as customers	LiPF6, LFP cathode active material and electrolyte capacity being built a layer upstream of the cell — see §8
5. EV-adjacent cell capacity	Ola Electric, Reliance, Tata/Agratas	Cell lines built primarily for EVs increasingly carry a stated grid-storage product line alongside — see §9

Source: Dart Consultants, compiled from Mercom India (H1 2026 India BESS report, Sept 2026), pv magazine India / ESS-News (SECI FDRE-RTC tender, Aug 2026), IEEFA (PLI-ACC delivery tracking, 2026), and company research compiled for §9 — see Notes for full citation list.

India's storage build-out went from a rounding error to a real market in one year



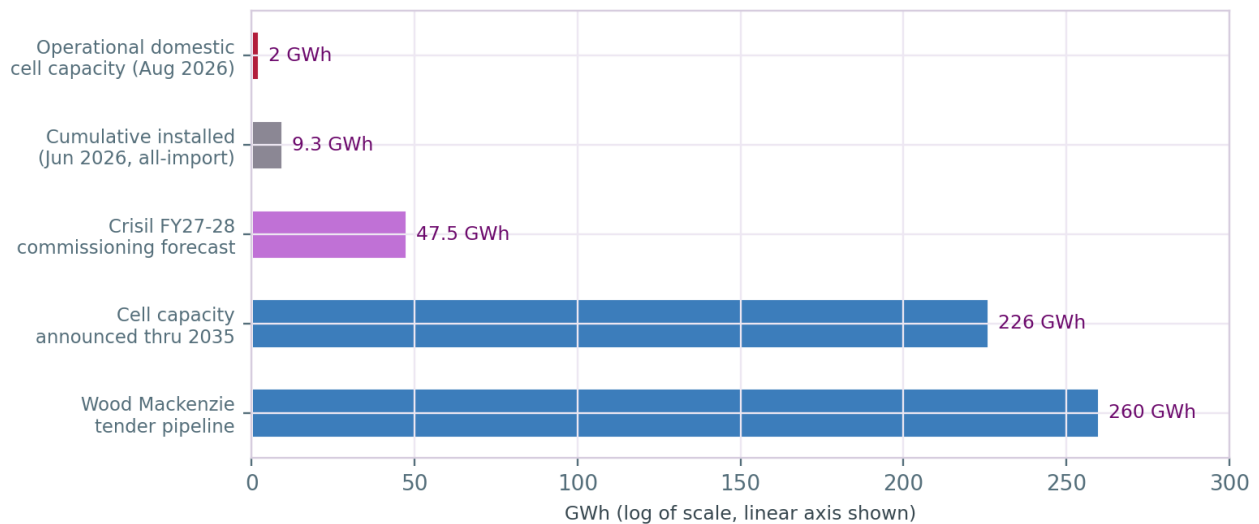
From a rounding error to a real market in twelve months. Mercom India Research, "India's Battery Storage Additions Jump 84-Fold to 8.2 GWh in 1H 2026," 14 Sept 2026.



TRAP TO AVOID

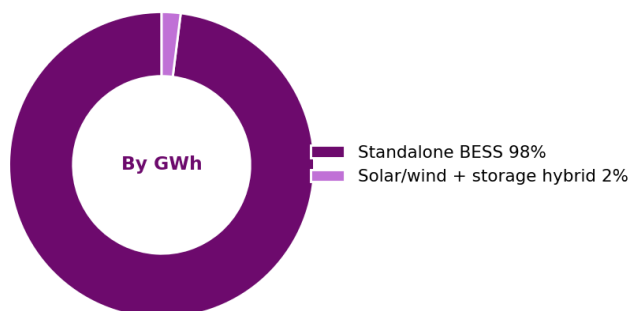
Every published figure about "India's battery storage capacity" in circulation is measuring a different stage of the same funnel — tendered, auctioned, awarded, under construction, commissioned, or operationally proven — and conflating them makes the opportunity look either far larger or far smaller than it is. Five genuinely different, correctly-sourced figures for this one industry are shown below; none of them is wrong, and none of them is a substitute for the other four.

Five numbers about the same industry — each measuring a different stage of the funnel

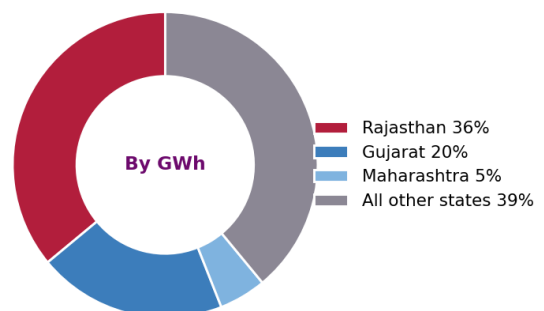


The same industry, measured five ways — and the gap between the top and bottom bar is the entire investment thesis. Sources: Wood Mackenzie ("Chasing Self-Sufficiency," Aug 2026), Crisil Ratings (Sept 2026), and Mercom India (Sept 2026) — see Notes.

Q2 2026 BESS additions, by project type



Cumulative installed BESS, by state (Jun 2026)



Standalone storage, not renewable-paired storage, is doing almost all of the volume — and three states account for 61% of everything built so far. Mercom India Research, H1 2026 India BESS report, 14 Sept 2026.



SECTION 7

The anchor buyer — and the gatekeeper

This sector has an unusual dual-anchor structure, and it sits on two different sides of the border. On the demand side, the Government of India — through SECI, the Ministry of Power and the PLI-ACC programme — sets the tender pipeline, the viability-gap funding that makes low-tariff bids financeable, and the localisation timetable directly. On the supply side, a foreign government — China's Ministry of Commerce — effectively sets whether the process technology behind a competitive cell can legally reach an Indian licensee at all. Neither substitutes for the other, and reading either one too generously is the easiest way to misjudge this sector's timeline.

What the Indian state is actually offering

Two Viability Gap Funding schemes, not one, are in force simultaneously: the original September 2023 scheme (₹3,760 crore of budgetary support, its target capacity since scaled from 4 GWh to 13.2 GWh within the same budget as battery costs fell) and a separate, additive June 2025 scheme (₹5,400 crore from the Power System Development Fund, targeting a further 30 GWh). The same June 2025 notification extended the ISTS (inter-state transmission) charge waiver for co-located BESS to June 2028. Layered on top, the ₹18,100 crore PLI-ACC manufacturing scheme has now opened a second tranche — a 10 GWh global tender specifically earmarked for grid-scale stationary storage cells, bids due October 2026 — an explicit acknowledgement that the original scheme's EV-oriented awards have not produced grid-storage-specific capacity on their own.

What China is actually gating — and what it is not

THE RULES SAY MORE, AND LESS, THAN THE HEADLINES SUGGEST

"China restricted LFP" is not quite what happened. The July 2025 MOFCOM/MOST amendment restricts the export of LFP and LMFP *cathode-preparation technology* above a stated compaction-density threshold — a licensing requirement on process know-how, not a ban on the underlying chemistry (which has been patent-free since 2022) or on physical cell exports. China continued selling India finished cells in record volumes throughout 2026; what tightened was specifically the transfer of the manufacturing process behind the highest-spec versions of them.

A separate, later measure moved in the opposite direction. In November 2025, China suspended — until 10 November 2026 — a different, not-yet-implemented set of controls covering lithium-ion batteries, graphite anode material and related production equipment, widely read as part of a broader US-China trade de-escalation. A reader who treats the July restriction and the November suspension as the same policy, or assumes the suspension covers cathode technology too, is reading the situation more favourably — or more alarmingly — than the record supports. Both measures are live, independent, and pointing in different directions, and the suspension's own status past 10 November 2026 is explicitly an open question in the sources that reported it.

The practical result, as Amara Raja's own New Energy Business head put it on the company's Q4 FY26 earnings call, is that "sharing of technology and licensing arrangements are being increasingly discouraged by the Chinese government" — a statement corroborated by JSW Group's August 2026 decision to place a ₹40,000 crore, 50 GWh Odisha cell project on hold for lack of an LFP technology partner, and by Reliance's reported January 2026 pause in cell-manufacturing plans after talks with China's Hithium did not produce a licence. Section 9 sets these company-level episodes against Exide's



SVOLT licensing deal, signed in March 2022 — well before this tightening began — which has since produced a commissioned 6 GWh plant. The date on which a company signed its technology deal, not just whether it signed one, is turning out to matter a great deal.



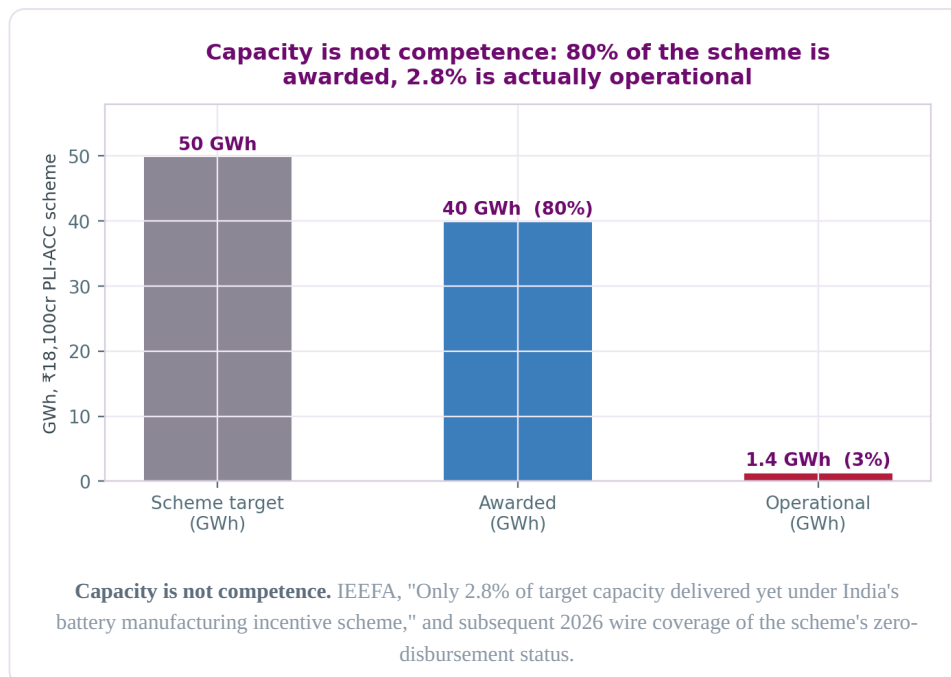
SECTION 8

The parts the data misses

Three pools of value and risk are structurally undercounted by the headline statistics used to size this opportunity. This is where the report's own original synthesis, rather than a repackaging of public data, actually lives.

1. "Awarded" capacity is not "operational" capacity — and the gap is enormous

The PLI-ACC scheme's own numbers make the point starkly: 40 of the scheme's 50 GWh target has been formally awarded and, as of March 2026, land has been acquired for all of it. Only 1.4 GWh — 2.8% of the target, and entirely attributable to a single beneficiary, Ola Electric — was actually operational as of mid-2026, per IEEFA's own tracking. Investment delivered runs at roughly a quarter of target; job creation runs at roughly a tenth of one percent of target. Zero incentive rupees had been disbursed as of July 2026, because the scheme pays out only after commercial production and domestic-value-addition thresholds are met — thresholds most awardees have not yet reached. Every "India has X GWh of battery manufacturing capacity" headline built from the award figure, rather than the operational one, overstates what is actually making cells today by roughly 30 times.



2. The materials layer runs its own, slower qualification clock

Cathode active material, electrolyte and lithium salt (LiPF₆) capacity — being built by companies like Gujarat Fluorochemicals, Himadri Speciality Chemical and Neogen Chemicals, none of which appear in a headline "India cell-manufacturing GWh" statistic at all — sits a layer upstream of the cell-makers this report otherwise focuses on, and runs on its own, slower qualification timeline. Even a materials supplier with commissioned capacity typically needs two to four years of OEM/cell-maker qualification before its output is actually designed into a commercial cell, a clock that starts only once physical capacity exists and runs largely independently of the cell-capacity build-out itself. This means that even if India's announced 226 GWh of cell capacity is commissioned on schedule through 2035, the materials-sovereignty question behind it — whether that capacity runs on Indian-made or imported cathode and electrolyte — is a separate, later-resolving question this report's headline capacity numbers do not answer.



3. Nobody is counting what happens to these batteries in fifteen years

India's Battery Waste Management Rules set collection and material-recovery targets rising to 90% from 2026 onward — but the country currently formally recycles under 3% of its end-of-life lithium-ion batteries. None of the demand-side statistics in §6 count this liability, because the 8.2 GWh installed in H1 2026 alone will not reach end-of-life for well over a decade; the gap between the regulatory target and the current recycling rate is therefore entirely invisible in today's numbers, and entirely real as a future cost.

WHY THIS SECTION MATTERS FOR §9

Every company report that follows should be read against this backdrop: an "awarded GWh" or "planned capacity" figure in a company's own investor presentation is a lagging indicator of intent, not a current fact of production. The materials-layer companies in this report are, in a real sense, running a race whose finish line (OEM qualification) is set by other companies' timelines, not their own — and the recycling gap means every BESS company's current growth is quietly building a liability that shows up on nobody's balance sheet yet.

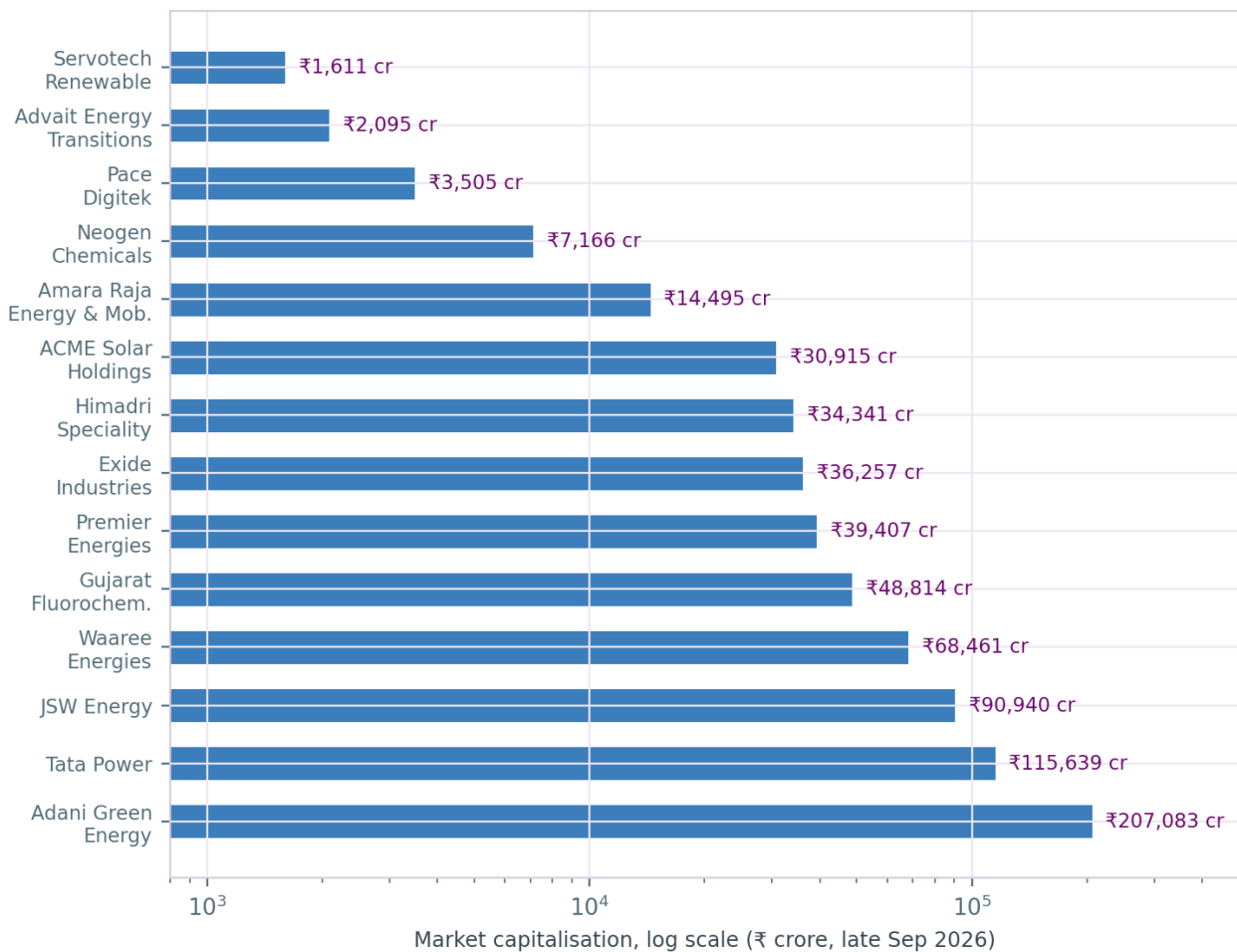


SECTION 9

The companies

Fourteen NSE/BSE-listed companies carry the fullest, most direct exposure to this value chain today, from a ₹2.07 lakh crore renewable-power giant down to a ₹1,611 crore stabiliser-and-inverter maker whose grid-storage segment is, by the company's own admission, still "negligible." A further five names — Reliance Industries, NTPC, Ola Electric, the unlisted Tata subsidiary Agratas, and Prostarm Info Systems — matter to the sector's story but are covered here as context rather than as full reports, for reasons each entry explains. This is a wider net than the primer's first pass cast: a completeness audit conducted after initial publication added six names (Waaree Energies, Premier Energies, Adani Green Energy, Pace Digitek, Servotech Renewable Power and ACME Solar Holdings) that a tweet-anecdote-driven company list had missed, and moved one candidate (Prostarm) to context after research found it had just abandoned its one dedicated grid-BESS initiative. Market capitalisation, on its own, tells you almost nothing about how central grid storage actually is to a company's business, which is the first thing to sort out before any ratio in the individual company reports means anything.

Same sector, over a hundred-fold difference in scale — and storage is a small fraction of most of these



Over a hundred-fold difference in scale, and storage is a minority pursuit for most of them. Market capitalisation, log scale, late Sept 2026 — see each company's own report for a dated, reconciled figure where sources disagreed materially.



Two very different kinds of "grid storage stock"

Splitting the fourteen by how central grid storage actually is to the business — based on segment disclosure where a company breaks one out, and on revenue/capex proportion where it does not — produces a picture this sector's headlines rarely admit to:



Grid storage is the strategic identity	Grid storage is one bet among several
Advait Energy Transitions — legacy transmission EPC still 63% of FY26 revenue, but the company is explicitly repositioning around BESS and green hydrogen, and is priced by the market almost entirely on that story	Exide Industries — EESL's Li-ion plant just commissioned, but lead-acid is still ~90%+ of group revenue today
Pace Digitek — energy/BESS was 90% of FY26 order inflow and management guides to 55% of FY27 revenue, against a legacy telecom-infrastructure base now firmly in the minority	Amara Raja Energy & Mobility — New Energy crossed ₹200cr in a quarter for the first time in FY26, against ~₹3,400cr quarterly group revenue
	JSW Energy — 3.2 GWh of locked-in BESS against 26.4 GWh of pumped-hydro storage and 32.4 GW of total locked-in generation capacity
	Gujarat Fluorochemicals — battery materials is a loss-making, low-single-digit-percent segment inside a much larger, profitable fluorochemicals business
	Himadri Speciality Chemical — battery materials is pre-revenue-scale, and management capital/attention is simultaneously being spent on an unrelated Birla Tyres acquisition
	Neogen Chemicals — battery chemicals is the fastest-growing segment by percentage, but from a tiny base inside a bromine/pharma-intermediates business
	Tata Power — storage is not even a separately disclosed segment inside a ~₹68,000cr-revenue integrated utility
	Waaree Energies — a board-approved 16 GWh battery gigafactory sits alongside a much larger, longer-established solar module/cell business (₹26,537cr FY26 revenue)
	Premier Energies — a named non-Chinese BESS technology JV (RCT Solutions) is still a binding term sheet, layered on a solar-cell-export business several times its size
	Adani Green Energy — a genuinely large 3.37 GWh Khavda BESS sits inside a ~20 GW+ generation fleet targeting 50 GW by 2030; no BESS-specific revenue is disclosed
	ACME Solar Holdings — FDRE/storage is the forward-pipeline growth story, but 2,890 MW of current operating capacity is still overwhelmingly plain solar and wind
	Servotech Renewable Power — BESS is explicitly "negligible" against a solar-dominated (94.8%) revenue mix as of the most recent quarter

Source: Dart Consultants, from company segment disclosures gathered for each company's own report (see part 4). Where a segment split is not itemised, proportion is estimated from disclosed capex, capacity or subsidiary-revenue figures and flagged as such.



THE MARGIN PUZZLE, STATED PLAINLY

Unlike sectors where the identity-play and the diversified-conglomerate-play are evenly split, this sector currently has very few of the former. That is itself a finding: India's grid-storage build-out is being financed, for now, mostly out of the balance sheets of much larger businesses for whom storage success or failure will not move the stock on its own — which means the company reports that follow spend as much time establishing *how big this bet actually is* as they do assessing whether it is a good one.

The fourteen, at a glance

Company	Ticker	Primary value-chain layer	Listing note
Exide Industries	EXIDEIND	Cell manufacturing (Li-ion, via EESL) + legacy lead-acid	Long-listed; SVOLT-licensed 6 GWh Phase-I commissioned 23 Sep 2026
Amara Raja Energy & Mobility	ARE&M	Cell manufacturing (Li-ion, planned) + legacy lead-acid	Renamed from Amara Raja Batteries, Sep 2023; Gotion tech deal stalled, gigafactory delayed to FY27/28
JSW Energy	JSWENERGY	BESS deployment (IPP/EPC) + pack assembly (JEPEL)	Long-listed; COEP cell-R&D MoU signed by a separate JSW Group entity, Sep 2026
Advait Energy Transitions	ADVAIT	BESS cell-to-container assembly + EPC	Renamed from Advait Infratech, Oct 2024; Hithium cell-supply MSA, Sep 2026
Gujarat Fluorochemicals	FLUOROCHEM	Materials — LiPF6 electrolyte salt + LFP cathode	Long-listed; battery materials a small, loss-making segment to date
Himadri Speciality Chemical	HSCL	Materials — LFP cathode + graphite/silicon-carbon anode	Long-listed; also diversifying into Birla Tyres (unrelated to batteries)
Neogen Chemicals	NEOGEN	Materials — electrolyte + LiPF6, via Morita JV	Long-listed; CRISIL downgraded battery-chemicals subsidiary, Jul 2026
Tata Power	TATAPOWER	BESS / pumped-storage deployment (IPP/EPC)	Long-listed; storage a small, non-disclosed ancillary business
Waaree Energies	WAAREENER	Cell manufacturing (planned, 16 GWh) + solar module/cell core	Long-listed; battery-entity structure (Rambilli vs. "Waaree ESS") unreconciled in public disclosure
Premier Energies	PREMIERENE	BESS manufacturing (JV, 12 GWh) + solar cell/module core	Long-listed; RCT Solutions (Germany) JV — the only named non-Chinese tech partner in this report
Adani Green Energy	ADANIGREEN	BESS deployment (IPP) + renewable generation	Long-listed; 3.37 GWh Khavda BESS commissioned, but storage revenue undisclosed
Pace Digitek	PACEDIGITK	BESS pack/container manufacturing + legacy telecom infra	Mainboard IPO, Oct 2025; flagship order's per-MWh pricing unreconciled
Servotech Renewable Power	SERVOTECH	BESS manufacturing (small-scale) + solar/EV-charging core	Long-listed; Chinese tech partner (Zhuhai Piwin); BESS revenue currently negligible
ACME Solar Holdings	ACMESOLAR	BESS/FDRE deployment (IPP)	Long-listed; storage-integrated pipeline growing fast off a still-small operating base



FOUR NAMES THAT NEED A SECOND LOOK BEFORE YOU TRUST THE LABEL

Amara Raja's core grid-storage differentiator has already failed once. Its licensing agreement with China's Gotion (via GIB EnergyX, signed June 2024) was the company's stated path to a competitive LFP cell technology; per its own New Energy Business head, it "has not moved ahead due to geopolitical reasons," and the flagship Telangana gigafactory has slipped from an original end-2025 target to FY27/FY28. **Advait Energy Transitions is a grid-storage story built almost entirely on events from the last twelve months** — a company name change (October 2024), a single Chinese cell-supply agreement with Hithium (September 2026) covering under half of its planned facility's year-one nameplate capacity, and a stock with zero institutional brokerage coverage found in this research. **Pace Digitek's single largest named BESS order does not add up.** A ₹488.46 crore contract stated as covering "5.015 MWh" implies a price roughly 100 times the company's own, contemporaneous Kalpa Power order and roughly 100 times its own FY26 delivery economics — every outlet checked repeats the same figure, consistent with all of them republishing one press release rather than verifying it, and the primary exchange filing could not be accessed to resolve the discrepancy. **Waaree Energies discloses two battery businesses that do not obviously reconcile** — a board-approved ₹8,175 crore, 16 GWh Rambilli gigafactory, and a separately-reported, already-operating "Waaree Energy Storage Solutions" line (5.15 GWh, funded by a distinct ₹1,003 crore family-office/HNI raise) building toward 20 GWh — with no public source clarifying whether these are the same project under two names, one a subset of the other, or genuinely separate initiatives. None of these four points makes the underlying stock uninvestable; each is exactly the kind of structural detail this report exists to surface rather than gloss over. *Full 9-page reports for each of the fourteen companies — financials, governance assessment, SWOT, valuation and rating — follow this primer; see each company's own report for the fullest, most current picture.*



SECTION 10

Synthesis

Where the opportunity actually originates

Origin	What it is	Who captures it	Time horizon
1. Import-substitution assembly	Sourcing cells and integrating them into a grid-code-compliant container	Whoever has EPC capability and capital — widely contestable	Now, but thin and increasingly price-competed margin
2. Policy-subsidised volume	VGF- and ISTS-waiver-enabled tenders make low-tariff storage bids financeable	Whoever wins the SECI/ DISCOM auction	Set by the government's funding calendar through 2028
3. Licensed cell manufacturing	A working Chinese or Korean technology licence, secured and kept before the access window tightened	Whoever signed early — see Exide vs Amara Raja, §9	Now through the 2030s, but access itself is the bottleneck
4. Materials sovereignty	Cathode, electrolyte and lithium-salt capacity that clears OEM/cell-maker qualification	Whoever survives the 2-4 year qualification clock (§8)	Years away — the slowest-moving, least-priced-in layer

Five distilled conclusions

- **The moat is a licence, not a patent.** LFP chemistry has been free to use since 2022; what China gates is the compaction-density process technology behind a competitive cell, and the date a company signed its technology deal has turned out to matter more than the fact that it signed one at all.
- **Installation growth and cell sovereignty are different races.** India's 84x year-on-year jump in installed BESS capacity (§6) is real and does not, on its own, mean the sovereignty question (§7-8) is being resolved — 83.6% of the cells inside that installed capacity were still imported as of FY26.
- **For twelve of these fourteen companies, grid storage is a bet, not the business.** Only Advait Energy Transitions and Pace Digitek are currently priced and run as storage-or-adjacent-energy pure-plays; the other twelve are diversified companies where storage's success or failure will move the stock by less than most coverage implies.
- **Capacity is not competence.** The PLI-ACC scheme's own numbers — 40 of 50 GWh awarded, 1.4 GWh (2.8%) operational, zero rupees disbursed as of mid-2026 — are the cleanest evidence in the sector that an announced GWh and a shipped cell are not the same claim.
- **The materials layer carries this report's most asymmetric, least-priced-in risk and opportunity.** Neogen's July 2026 CRISIL downgrade (explicitly citing battery-chemicals project delays) and Gujarat Fluorochemicals'/Himadri's still-pending cathode qualifications show both directions of that asymmetry already playing out, years before most of this capacity reaches commercial scale.



Bull case / bear case

THE BULL CASE

A 260 GWh tender pipeline dwarfs anything built so far, backed by two overlapping VGF schemes and an ISTS waiver extended to 2028. PLI-ACC's second tranche, for the first time, is explicitly earmarked for grid-scale — not EV — cells. Global battery pack prices sit at a record low, making even import-dependent Indian BESS economically viable today. And at least one Indian company, Exide, has already proven that a Chinese cell-technology licence, signed early enough, can be operationalised into a working, commissioned plant.

THE BEAR CASE

Nearly every other Indian conglomerate's cell-technology ambition — Amara Raja, Reliance, JSW — has stalled or been placed on hold specifically because China's technology-transfer window tightened after Exide's 2022 deal. Crisil already flags 12 GWh of under-construction capacity with weak returns because 2026 cell prices are running well above the tariffs bid in 2025. India's flagship manufacturing incentive scheme has delivered under 3% of its operational target four years in. And for most of this report's fourteen companies, storage remains too small a share of the business to be the reason to own the stock even if every part of the bull case plays out on schedule — and for at least two of the names added in a later completeness pass (Adani Green Energy, Pace Digitek), a rich valuation or an unreconciled flagship order raise real questions of their own.

Numbers to track

- India's cumulative installed BESS capacity and the standalone-vs-hybrid mix, each Mercom India quarterly update
- PLI-ACC Tranche 2 (10 GWh, grid-scale-specific) award outcome — bids closed October 2026
- Whether China's November 2025 export-control suspension is renewed, extended or allowed to lapse after 10 November 2026
- Chinese 314Ah storage-cell spot prices — a further rise would widen the 12 GWh at-risk pipeline Crisil has already flagged
- Each materials-layer company's disclosed OEM/cell-maker qualification status at the next 2-3 quarterly results



SECTION 11

Ratings summary

Ratings key, used consistently across every company report in this document:

Rating	Expected total return, 12 months
BUY	15% and above
HOLD	–5% to 15%
SELL	–5% and below

Every rating in this series is anchored to a stated reference price and date, derived from a named multiple on a named forward year, cross-checked with a second method where balance-sheet data allowed, and carries explicit upgrade/downgrade triggers. BUY/HOLD/SELL are an educational device for summarising public information — not a regulated recommendation. See the Notes section and each company's own report for full disclosure.

Status of this rating series

All fourteen companies now carry a formal rating, each with the full valuation exhibit described in the company report template — target price, scenario range, and a named methodology. Six of the fourteen (Waaree Energies, Premier Energies, Adani Green Energy, Pace Digitek, Servotech Renewable Power, ACME Solar Holdings) were added in a second research pass, after a completeness audit found the primer's initial company list — built from a source tweet's own anecdotes rather than a systematic sector screen — had missed them. A seventh candidate surfaced by that audit, Prostarm Info Systems, was researched in the same depth but placed in the context tier rather than rated, after its own disclosures showed it had just cancelled its one dedicated grid-scale BESS manufacturing initiative — see the context-tier note following the company reports.



Company	Ticker	Rating	Target	CMP (late Sep 2026)	Upside/(downside)
Exide Industries	EXIDEIND	BUY	₹490	₹423.80	+15.6%
Amara Raja Energy & Mobility	ARE&M	SELL	₹715	₹791.95	(9.7)%
JSW Energy	JSWENERGY	HOLD	₹527	₹498.00	+5.8%
Advait Energy Transitions	ADVAIT	HOLD	₹2,170	₹1,913.00	+13.4%
Gujarat Fluorochemicals	FLUOROCHEM	HOLD	₹4,600	₹4,414.20	+4.2%
Himadri Speciality Chemical	HSCL	HOLD	₹683	₹669.40	+2.0%
Neogen Chemicals	NEOGEN	SELL	₹1,720	₹2,385.20	(27.9)%
Tata Power	TATAPOWER	HOLD	₹406	₹356.35	+14.0%
Waaree Energies	WAAREEENER	HOLD	₹2,550	₹2,380.00	+7.1%
Premier Energies	PREMIERENE	HOLD	₹1,000	₹870.00	+14.9%
Adani Green Energy	ADANIGREEN	SELL	₹1,125	₹1,260.00	(10.7)%
Pace Digitek	PACEDIGITK	SELL	₹152	₹162.00	(6.2)%
Servotech Renewable Power	SERVOTECH	SELL	₹57	₹71.30	(20.1)%
ACME Solar Holdings	ACMESOLAR	HOLD	₹422	₹438.00	(3.7)%

1 BUY, 8 HOLD, 5 SELL across the fourteen companies — a deliberately mixed outcome reflecting how early and unevenly this sector's companies have actually progressed, not a uniform "the sector is a buy" or "the sector is a sell" call. Exide's BUY reflects a technology licence that was signed early enough to survive China's tightening and has since become a working plant; Neogen's SELL reflects a confirmed, rating-agency-quantified execution setback; Adani Green's SELL reflects a rich valuation (107x P/E) not supported by flat core profit growth, with storage confirmed immaterial to current earnings despite being the narrative driving at least one bullish third-party target; Pace Digitek's SELL and Servotech's SELL each reflect a specific, named disclosure or revenue-materiality problem rather than a blanket bearish view of the underlying business. See each company's own report for the full distinction.

WHAT WOULD CHANGE A RATING, IN GENERAL, ACROSS THIS SERIES

For the cell-manufacturers (Exide, Amara Raja, Waaree, Premier Energies): any confirmed change to commercial-scale yield, customer qualification wins or losses, or further news on the status of their respective (or, for Waaree, entirely absent) Chinese or Western technology relationships — and, for Waaree specifically, a clear reconciliation of its two disclosed battery-business threads. For the materials layer (Gujarat Fluorochemicals, Himadri, Neogen): confirmed OEM/cell-maker qualification (positive) or a further credit-rating action (negative). For the diversified deployers (JSW Energy, Tata Power, Adani Green Energy, ACME Solar Holdings): any disclosure that materially changes storage's share of consolidated capex or revenue, or — for Adani Green specifically — a lower entry multiple or a confirmed net-debt figure that resolves the current interest-coverage concern. For Advait specifically: a second, diversified cell-supply relationship beyond Hithium, or confirmed capex/commissioning detail for the Gangad facility. For Pace Digitek: primary-source confirmation (or correction) of the NTPC-GE order's per-MWh economics. For Servotech: disclosed absolute GWh/MWh BESS capacity, or a first utility-scale project win. For all fourteen: a promoter-holding or pledge change, a further China export-control development, or new information that inverts this report's current read of the compaction-density licensing gate.



NOTES

Methodology, data caveats & who we are

Methodology

This primer follows Dart Consultants' standard first-principles method: identify the one real structural asymmetry inside the product (§2), derive the value ladder and moat mechanism from it (§4-5), then apply that framework to the listed companies (§9-11). Research was conducted via public sources only — company filings and investor presentations, credit-rating-agency press releases (CRISIL, ICRA, CARE), stock-exchange disclosures, company websites, primary industry-tracker releases (Mercom India, Wood Mackenzie, JMK Research, BloombergNEF), Indian government sources (PIB, MNRE, Ministry of Heavy Industries), and market-research summaries, in that order of preference. All web research was conducted in September 2026; company financials and stock data are dated individually throughout.

The company universe was built in two passes. The first, drawn from a source tweet's own anecdotes plus the researchers' prior knowledge of the sector, produced eight companies. A subsequent completeness audit — cross-referencing every "BESS stocks India" listicle reachable at the time against the initial list — surfaced six further companies with genuine, verifiable grid-storage exposure (Waaree Energies, Premier Energies, Adani Green Energy, Pace Digitek, Servotech Renewable Power, ACME Solar Holdings) and one further candidate (Prostarm Info Systems) that, on closer research, had just abandoned its one dedicated grid-scale BESS initiative and was placed in the context tier instead of rated. Several listicle sources named in the audit brief (5paisa, Pocketful, Rupeezy, Equitymaster, Blackridge Research) could not be reached in the session that ran the audit, so this fourteen-company list, while substantially wider than the first pass, should still be read as the most complete list this research process could produce, not a guaranteed universe of every listed company with any grid-storage exposure.

Data caveats

- **Constructed/indicative figures** are labelled as such in every caption where used — specifically the cell-cost split (§3), the easy-half/hard-half step counts (§4), and the value-ladder margins (§5). These illustrate a structural relationship; they are not measured from a disclosed cost model for any specific company.
- **Derived figures** are marked with a tilde (~) and explained in the source line.
- **Undisclosed figures** are shown as a dash, never estimated into a table.
- **Market-size and capacity-figure disagreements** are shown as ranges or multiple bars rather than resolved to a single number — see §6's dispersion chart and the company-scale chart in §9.
- We do not model full balance sheets or cash-flow statements for companies that do not disclose at that granularity; company reports use a "selected disclosed metrics" format instead.
- Several figures in the source brief for this report were refined or corrected during research: the "25-40% domestic cell cost premium" figure could not be independently traced to a single named primary source (though company-level data points — Exide/Amara Raja cells reported ~30-50% above Chinese benchmarks — are directionally consistent and are cited where found); the "₹9,400 crore VGF scheme" and a separate, later "₹5,400 crore VGF scheme" are two distinct, additive government programmes, not one scheme reported two ways (§7); and Advait Infratech's rename to Advait Energy Transitions occurred in October 2024, not 2026.
- Several company-level stock-data points (P/E, FY25/FY26 PAT, debt figures) showed material disagreement between data aggregators for the same company on the same date, most notably for Tata Power, Gujarat Fluorochemicals,



Himadri Speciality Chemical and Adani Green Energy. These are flagged in the relevant company report rather than silently reconciled.

- For three of the six companies added in the second research pass, a basic governance disclosure could not be located at all rather than merely disagreeing across sources: ACME Solar Holdings' full board composition, statutory auditor and litigation history were not found in this research; Pace Digitek's statutory auditor and full board were similarly not found. These are stated in the relevant reports as explicit gaps — absence of evidence, not evidence of a clean or an adverse record — and should be verified directly against each company's annual report before being relied upon.

About Us

Dart Consultants is a market intelligence and technology service provider. **We are not a SEBI-registered Investment Adviser or Research Analyst.** This document, and the company reports that follow it, are educational material only — not investment advice, and not a recommendation to buy or sell any stock. BUY/HOLD/SELL labels used in this series are an educational device for summarising publicly available information, not a regulated recommendation. The analyst(s) preparing this report hold no position in, and have no banking, advisory or brokerage relationship with, any company named in it, and have received no compensation from any of them. *Several companies in this report carry correspondingly elevated risk and shorter public track records specific to their grid-storage business: Advait Energy Transitions' BESS business is under a year old and carries no institutional brokerage coverage found in this research; Amara Raja's and Neogen's grid-storage-adjacent businesses have each experienced a confirmed execution setback (a stalled technology licence, and a credit-rating downgrade, respectively) within the twelve months preceding this report; and among the six companies added in the second research pass, Pace Digitek and Servotech Renewable Power similarly carry no institutional brokerage coverage found in this research, and ACME Solar Holdings' basic governance disclosures (board, auditor, litigation history) could not be located at all. Readers should treat these names as carrying above-average risk pending a longer track record or fuller disclosure, independent of this report's eventual rating.*



COMPANY REPORTS

Fourteen companies, one format

Each report that follows uses the same structure: summary and key data; investment rationale; what gives us pause; corporate governance assessment; SWOT; developments and risks to watch; valuation and recommendation; and a financial summary. Ratings use the key below, consistently, and every target price shows its arithmetic in the open.

Rating	Expected total return, 12 months
BUY	15% and above
HOLD	–5% to 15%
SELL	–5% and below

Reminder: Dart Consultants is not a SEBI-registered Investment Adviser or Research Analyst. These reports are educational material only, not investment advice or a recommendation to buy or sell any stock. See the primer's Notes section and each report's closing disclaimer for full detail.



BUY

Exide Industries Ltd

EXIDEIND

The one company in this report whose Chinese cell-technology licence actually became a working plant

Summary

Exide Industries is India's largest lead-acid battery maker, and — as of 23 September 2026, six days before this report's research date — it is also the company that has turned a Chinese cell-technology licence into a commissioned lithium-ion plant. Exide signed its technical collaboration agreement with China's SVOLT Energy Technology in March 2022, well before Beijing's technology-transfer environment began tightening; Exide Energy Solutions Ltd (EESL, a wholly-owned subsidiary) has since commissioned Phase-I of a 6 GWh cell plant at Devanahalli, near Bengaluru — 3 GWh of NMC cylindrical capacity and 3 GWh of LFP prismatic capacity — with commercial revenue guided from Q3 FY27. Cylindrical cells are reportedly reaching customer sample-delivery stage with two-wheeler OEMs by Q1 FY27, and equipment setup was reported complete as of August 2026. Against this, the core lead-acid business remains overwhelmingly the revenue base: FY26 consolidated revenue reached ₹17,269 crore with a zero-debt balance sheet and [ICRA]AAA(Stable)/A1+ ratings, and management has separately guided lead-acid revenue alone to ₹20,000 crore within two to three years.

The contrast with this report's other Chinese-technology stories is instructive. Amara Raja's Gotion licensing deal, signed in June 2024 — after China's tightening had already begun — has since stalled; Reliance's Hithium talks reportedly collapsed in January 2026; JSW's flagship Odisha cell project was shelved in August 2026 for lack of an LFP technology partner. Exide's SVOLT relationship, signed two years earlier, is the one visible counter-example in this report of a licence that survived contact with the export-restriction environment this primer's §4 and §7 describe — though no source found in this research explicitly confirms the SVOLT relationship itself has been unaffected by the broader tightening, and the plant's ramp to full commercial revenue is still ahead, not behind.

Cumulative equity investment into EESL had reached ₹4,902 crore as of July 2026, funded entirely from Exide's own zero-debt balance sheet via a series of rights-issue infusions — a materially different funding posture from several peers in this report who are relying on dilutive external capital raises for their own build-outs. Analyst coverage is broadly constructive but not uniformly so: Nomura (Buy, target raised to ₹492) and JM Financial (Buy, ₹450) sit

TARGET PRICE

12-month target	₹490
CMP (25 Sep 2026)	₹423.80
Implied upside	+15.6%
Rating	BUY

KEY STOCK DATA

Market cap	₹36,257 cr
P/E (TTM)	~30-33x
52-week range	₹287 - ₹496.4
Balance sheet	Zero-debt
Credit rating	[ICRA]AAA(Stable)/A1+
EESL Phase-I	6 GWh, commissioned 23 Sep 2026

SHAREHOLDING (~FEB 2026)

Promoter (Rajan Raheja / R Raheja Group)	~46.0%
FII	~10.9%
DII	~10.3%
Retail / other	~32.8%

FINANCIAL SNAPSHOT (₹ CR)

	FY25	FY26	Q1 FY27
Revenue	16,588	17,269	4,695
EBITDA (margin)	1,893 (11.4%)	~1,943 (11.3%)	—
PAT	1,077	1,111	275



alongside Kotak (Neutral, ₹420) and a reported Nuvama downgrade to Reduce, with a consensus average clustering in the ₹368-438 range — most of it dated before the September 2026 Phase-I commissioning.

Net: BUY. This is a thin-margin call — Exide's core lead-acid business alone does not obviously justify a re-rating — but it is the one company in this report that has actually crossed the "hard half" of this primer's central asymmetry, on a zero-debt, top-rated balance sheet, with commercial revenue about to begin. We size the call to reflect that the ramp is proven to exist, not yet proven to be profitable at scale.

Investment rationale

- **The only commissioned, technology-transferred Li-ion cell plant in this report's coverage list.** EESL's 6 GWh Devanahalli Phase-I (3 GWh NMC cylindrical + 3 GWh LFP prismatic) was commissioned 23 September 2026, with commercial revenue guided from Q3 FY27 — a working plant, not an announcement.
- **The technology licence was signed before the access window tightened.** The March 2022 SVOLT deal predates by more than two years the wave of Chinese technology-transfer restrictions that have since stalled Amara Raja's, Reliance's and JSW's own cell-technology ambitions (§9 of this primer).
- **Funded from a zero-debt, AAA-rated balance sheet.** Cumulative ₹4,902cr equity investment into EESL has come entirely from Exide's own rights-issue infusions — no external dilution, no project debt disclosed at the parent level.
- **Real, near-term customer engagement.** Reported advanced discussions with two-wheeler OEMs for cylindrical NMC cells, with customer sample deliveries guided by Q1 FY27, and advanced discussions for LFP supply to the three-wheeler segment.
- **The core lead-acid business is not standing still.** Management's own ₹20,000cr-in-2-3-years lead-acid revenue ambition (May 2025) means the Li-ion ramp is genuinely additive, not a distraction from a declining base business.
- **Expandability is already engineered in.** Phase-I's 6 GWh is explicitly a step toward a planned 12 GWh facility, giving a clear, disclosed path for the ramp to continue if commercial results validate it.

What gives us pause

- **The ramp is proven to exist, not yet proven to be profitable.** Phase-I commissioning (Sep 2026) to guided commercial revenue (Q3 FY27) is a compressed window, and customer qualification for 2W OEM cylindrical cells was only reaching "sample delivery" stage as of the most recent guidance.
- **The valuation is not obviously cheap on the core business alone.** A ~30-33x trailing multiple (sources disagree on the precise figure) already reflects some expectation of the Li-ion ramp succeeding.
- **Large, well-capitalised competitors are entering the same space.** Reliance's battery gigafactory programme (targeting 40 GWh initial phase), Tata's Agratas (20 GWh, Sanand), and Amara Raja's own gigafactory (delayed but still planned) all compete for the same customer base EESL is now courting.
- **No Exide-specific confirmation was found that the SVOLT relationship itself remains unaffected** by the broader Chinese technology-transfer tightening described in §7 of this primer — the plant exists, but whether SVOLT-linked equipment, components or further technology transfer face any of the friction reported for Amara Raja/Gotion was not addressed in any source found.
- **Analyst sentiment is mixed, not uniformly bullish.** Nomura and JM Financial are constructive, but Kotak sits at Neutral and a Nuvama downgrade to Reduce was reported — average targets found in this research (₹368-438) sit below our own base case, mostly on pre-commissioning data.



■ **An unresolved trademark dispute with Amara Raja** (the "red colour" case) saw Exide win injunctive relief at the Calcutta High Court (Jul 2025); Amara Raja's appeal was heard through Feb 2026 with judgment delivered 2 April 2026 — the outcome of that appellate judgment could not be confirmed in this research.

Corporate governance assessment

1. Which rules actually apply

Exide Industries Ltd is a mainboard NSE/BSE-listed company, fully subject to SEBI LODR Regulations 17-27. EESL, its wholly-owned subsidiary carrying the Li-ion business, is a material subsidiary under the same disclosure regime, and separately carries its own credit rating ([ICRA]AAA(CE)/A1+, credit-enhanced via parent guarantee).

2. What the company does well

Statutory auditor BSR & Co. LLP was re-appointed for a second five-year term through the 2027 AGM — a routine, non-adverse governance mechanic. The company has maintained a zero-debt balance sheet throughout its capital-intensive EESL build-out, funding it entirely via disclosed, arm's-length rights-issue infusions from the parent rather than external dilution or undisclosed related-party arrangements. [ICRA]AAA ratings have been maintained on the parent's core facilities throughout this period.

3. Grey areas

A CFO/Director-Finance transition (Asish Kumar Mukherjee's retirement, effective 30 April 2025) occurred without this research finding detailed public explanation of process or succession timing — ordinary corporate housekeeping, but worth noting given the scale of capital allocation decisions EESL requires from finance leadership during this period. This research also could not obtain a current, granular FY25/FY26 segment revenue split (automotive vs. industrial lead-acid) more precise than an FY21-vintage figure, limiting external visibility into exactly which parts of the core business are driving growth.

4. Red flags

None found specific to Exide Industries Ltd in the sources reached for this report. The Exide v. Amara Raja trademark litigation (see below) is an active commercial dispute, not a governance red flag for Exide, which was the party granted injunctive relief at first instance. We flag explicitly that absence of evidence is not evidence of absence: the outcome of the April 2026 appellate judgment in that case remains unconfirmed, and should be checked before treating the matter as resolved.

5. Items to watch

Confirmation of Q3 FY27 commercial Li-ion revenue actually materialising as guided; the outcome of the Amara Raja trademark appeal; any disclosure clarifying the SVOLT relationship's status amid the broader Chinese technology-transfer environment; and a current, granular lead-acid segment split in the next annual report.

GOVERNANCE CONCLUSION

Strong. A zero-debt balance sheet, top-tier credit ratings maintained through a major capital programme, and a technology partnership that has actually delivered a working plant are all genuine, verifiable positives. The main governance-adjacent gap is disclosure granularity (segment splits, SVOLT relationship status) rather than any identified misconduct — reflected here in a target multiple in line with, not above, the current trading multiple, rather than a discount.



SWOT analysis

STRENGTHS

- Only commissioned, technology-transferred Li-ion cell plant among this report's eight companies (6 GWh Phase-I, Sep 2026)
- Zero-debt balance sheet; [ICRA]AAA(Stable)/A1+ on parent facilities
- SVOLT technology licence signed Mar 2022, before China's export-restriction environment tightened
- Dominant, cash-generative lead-acid franchise funding the Li-ion build-out without external dilution
- Near-term customer engagement already underway (2W OEM sample deliveries guided Q1 FY27)

WEAKNESSES

- Commercial Li-ion revenue not yet flowing — guided from Q3 FY27, still ahead not behind
- Granular lead-acid segment disclosure (auto vs. industrial) is dated (FY21) in sources reached
- Active trademark litigation with Amara Raja, appellate outcome unconfirmed
- No independent confirmation the SVOLT relationship itself is unaffected by broader China tech-transfer friction

OPPORTUNITIES

- Expansion path to 12 GWh already disclosed if Phase-I ramps successfully
- Management's own ₹20,000cr lead-acid revenue ambition (2-3 years) adds a second, independent growth lever
- PLI-ACC Tranche 2 (10 GWh, grid-scale-specific) is a fresh policy on-ramp EESL could pursue
- LFP supply to the fast-growing three-wheeler segment reportedly in advanced discussion

THREATS

- Reliance (40-120 GWh planned), Tata/Agratas (20 GWh) and Amara Raja's own gigafactory all compete for the same emerging customer base
- Rising Chinese cell/cathode input costs (\$7 of this primer) could pressure EESL's cost competitiveness during ramp-up
- Any disruption to the SVOLT technology relationship, given the sector-wide tightening pattern this primer documents
- A ~30-33x multiple already prices in a reasonably successful ramp, limiting room for a further re-rating on good news alone

Key developments to watch

- **Q3 FY27 commercial Li-ion revenue.** The single clearest near-term proof point for whether the Devanahalli ramp is translating into P&L impact.
- **Named 2W/3W OEM customer wins.** Confirmation of specific customers beyond the currently-anonymous "two leading 2W OEMs" reported in advanced discussion.
- **Resolution of the Amara Raja trademark appeal** — judgment delivered 2 April 2026, outcome unconfirmed in this research.
- **Any disclosed progress toward the 12 GWh expansion**, which would signal management's own confidence in Phase-I's commercial results.

Key risks to be aware of

- **Ramp-execution risk (dominant).** The gap between "commissioned" and "commercially proven at scale" is where this call could be wrong.
- **Competitive risk.** Several much larger-scale entrants (Reliance, Tata/Agratas) are building capacity aimed at the same demand.
- **Input-cost risk.** Rising Chinese cell/cathode prices affect EESL's own cost base during the ramp, not just its competitors'.
- **Valuation risk.** The current multiple already assumes reasonable execution; a stumble would likely be repriced quickly.



Valuation

FY26 PAT of ₹1,111cr on an implied share count of ~85.6cr (market cap ÷ CMP) gives FY26 EPS of ~₹12.99. We construct an FY27E EPS of ~₹15.33 using an indicative 18% growth assumption — reflecting continued core lead-acid growth plus an initial, partial-year Li-ion commercial contribution from Q3 FY27 — not management guidance. We apply a target multiple in line with, not above, the current trading range, since the Li-ion ramp's commercial success is not yet proven:

Scenario	Target P/E (FY27E)	FY27E EPS (~)	Target price	Upside/(downside)
Bear (15% EPS growth)	28.0x	14.94	418	(1.3)%
Base (18% EPS growth)	32.0x	15.33	491	+15.8%
Bull (22% EPS growth)	35.0x	15.85	555	+30.9%

Base case rounded to ₹490. EV/EBITDA cross-check not performed at full precision — Exide's zero-debt status simplifies this (no net-debt adjustment required), but a formal cross-check multiple was not derived in this research pass. Third-party targets found (Nomura ₹492, JM Financial ₹450, Kotak ₹420 Neutral, a reported Nuvama Reduce downgrade) sit on both sides of our own base case and mostly predate the 23 September 2026 commissioning; our target is broadly in line with the more constructive end of that range.

RECOMMENDATION: BUY, TARGET ₹490 (+15.6% FROM ₹423.80, 25 SEP 2026)

Upgrade triggers: confirmed on-schedule Q3 FY27 commercial Li-ion revenue; named large OEM customer wins; a favourable resolution of the Amara Raja trademark appeal. **Downgrade triggers:** a delay to Q3 FY27 commercial revenue guidance; any disclosed disruption to the SVOLT technology relationship; a material customer loss to a larger competitor (Reliance, Tata/Agratas) during the ramp window.

Financial summary — selected disclosed metrics (₹ crore)

	FY25	FY26	Q1 FY27
Revenue	16,588	17,269	4,695
EBITDA (margin)	1,893 (11.4%)	~1,943 (11.3%)	—
Net profit (PAT)	1,077	1,111	275
EPS	9.35	~12.99	3.21

FY22-FY24 figures not independently confirmed to the same standard as FY25-FY27 in this research pass and are not reproduced here rather than estimated. FY26 EBITDA shown as approximate — two search passes returned slightly different figures (₹1,893cr vs ₹1,943cr for the FY25/FY26 pair); treat as indicative pending confirmation against the audited P&L. Source: WebSearch aggregation, 29 Sep 2026.

Selected ratios	FY26 / latest
Balance sheet	Zero-debt
Credit rating (parent)	[ICRA]AAA(Stable)/A1+
Credit rating (EESL)	[ICRA]AAA(CE)/A1+
Cumulative equity into EESL (Jul 2026)	₹4,902 cr
EESL Phase-I capacity	6 GWh (expandable to 12 GWh)

Balance sheet and cash-flow statements are not reproduced here at full granularity beyond the zero-debt status disclosed above. Source: WebSearch aggregation of company disclosures and news coverage, 29 Sep 2026, reflecting a share-price snapshot dated 25 Sep 2026.



DISCLAIMER

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SELL

Amara Raja Energy & Mobility

ARE&M

The other half of this report's cleanest case study — a Chinese technology licence that came too late

Summary

Amara Raja Energy & Mobility is India's second-largest lead-acid battery maker, and the mirror image of Exide's story in this report (see the Exide Industries report, immediately preceding this one). Its technology licence for lithium-ion cells — signed with China's Gotion High-Tech, via subsidiary GIB EnergyX, in June 2024 — came after China's technology-transfer environment had already begun tightening, and per the company's own New Energy Business head, Vikramadithya Gourineni, it "has not moved ahead due to geopolitical reasons." On the company's Q4 FY26 earnings call, Gourineni stated plainly that "sharing of technology and licensing arrangements are being increasingly discouraged by the Chinese government," and the flagship Telangana (Mahbubnagar/Divitipally) gigafactory — planned for up to 16 GWh of cells and 5 GWh of packs — has slipped from an original "before end of 2025" target to a first 2 GWh line now guided for June 2027, with full commissioning pushed to Q1 FY28.

The lead-acid core remains genuinely strong — a duopoly position alongside Exide, and a fast-scaling telecom lithium battery-pack business (cumulative supply crossed 1 GWh, with quarterly volumes exceeding 300 MWh by late FY26) that does not depend on the stalled gigafactory. But FY26 consolidated PAT declined 5.18% year-on-year to ₹895.77 crore even as the company continued investing heavily in New Energy — a combination that shows up directly in the numbers, not just the narrative. The stock fell roughly 19% during FY26, and a mid-September 2026 downgrade to "Sell" was reported in secondary coverage (the issuing brokerage was not confirmed in this research).

At a P/E near 15x, the stock is not expensive relative to Exide's roughly double that multiple — the market has already re-rated much of this bad news in. The question this report had to answer is whether that de-rating has gone far enough, or whether a still-declining earnings base, a now-multi-year-delayed capital-intensive gigafactory, and the loss of the company's stated external technology path leave room for further downside before the numbers stabilise.

Net: SELL. This is not a judgment that Amara Raja's core lead-acid franchise is impaired — it is a judgment that the New Energy segment, the part of the story the market is increasingly pricing this

TARGET PRICE

12-month target	₹715
CMP (25 Sep 2026)	₹791.95
Implied downside	(9.7)%
Rating	SELL

KEY STOCK DATA

Market cap	~₹14,495 cr
P/E (TTM)	~14.9x
Balance sheet	Near-zero debt
Credit rating	CRISIL AA+/Stable
52-week range	₹670 – ₹1,023
1-year price change	~(19)%

SHAREHOLDING (~APR 2026)

Promoter (Galla family)	~32.9%
FII	~17.3%
Mutual funds / insurers	~15.0%
Pledge	None declared, FY26

FINANCIAL SNAPSHOT (₹ CR)

	FY25	FY26	FY27E
Revenue	12,405	13,814	—
PAT (consol.)	963.9	895.77	—
EPS (₹)	52.66	53.02	~53 (indicative, flat)



stock on, has just lost its clearest near-term catalyst, with the resulting capex and margin drag still largely ahead of the company rather than behind it.

Investment rationale

- **A cheap absolute valuation reflecting most of the bad news already.** At ~14.9x trailing earnings — roughly half Exide's multiple — the market has already priced in much of the New Energy disappointment this report describes.
- **A resilient, cash-generative lead-acid duopoly underneath the story.** Alongside Exide, Amara Raja holds a dominant position in India's organised automotive and industrial battery market, largely insulated from the grid-storage-specific risks discussed elsewhere in this report.
- **A genuinely scaling telecom lithium business, independent of the delayed gigafactory.** Cumulative telecom lithium battery-pack supply crossed 1 GWh, with quarterly volumes exceeding 300 MWh by late FY26 — real, growing revenue that does not depend on the stalled Gotion relationship or the delayed Telangana plant.
- **A lower-capital-intensity near-term BESS path.** A 5 GWh BESS integration facility (~₹280 crore capex, targeted end-FY27) offers a nearer-term, less capital-intensive route into grid storage than the multi-thousand-crore gigafactory.
- **A conservative balance sheet and strong credit rating.** CRISIL AA+/Stable and near-zero debt mean the company is not financially stressed even as it absorbs the New Energy segment's losses — this is a valuation and timing call, not a solvency one.

What gives us pause

- **The company's own stated external technology path has failed.** The Gotion/GIB EnergyX licensing deal, signed June 2024, has "not moved ahead due to geopolitical reasons" per the company's own New Energy Business head — a direct, company-sourced confirmation that the core differentiator behind the original gigafactory story did not survive contact with China's tightening technology-transfer posture.
- **The flagship project has slipped by well over a year.** The Telangana gigafactory's first 2 GWh line is now guided for June 2027 (from an original "before end of 2025" target), with full commissioning pushed to Q1 FY28 — a multi-quarter delay that, per this report's own cross-company reading (§9 of the primer), appears causally linked to the stalled technology relationship, though no single source draws that line explicitly.
- **Consolidated profit is already declining, not merely delayed.** FY26 PAT fell 5.18% year-on-year even before the gigafactory's full capital intensity has been felt — the earnings drag from this bet is still largely ahead of the company, not behind it.
- **The pivot to "in-house" technology has no confirmed milestone yet.** Following the stalled Gotion deal, management describes cell-chemistry R&D as now "largely driven by teams in India" via an internal facility (E Positive Energy Labs) — a strategic statement this research could not corroborate against any named technical milestone, energy-density figure or cycle-life claim.
- **Recent sell-side sentiment has turned negative.** A mid-September 2026 downgrade to "Sell" was reported in secondary coverage citing "flat financial performance and deteriorating technical indicators" — the issuing brokerage was not confirmed in this research, but the direction is consistent with this report's own read.
- **An unresolved trademark dispute with Exide adds a further, if immaterial, overhang.** Amara Raja is the respondent/appellant in the "red trade dress" case; the 2 April 2026 appellate judgment's outcome was not confirmed in this research.



Corporate governance assessment

1. Which rules actually apply

Amara Raja Energy & Mobility is a long-listed, main-board NSE/BSE company subject to the full SEBI LODR regime. The listed parent was renamed from Amara Raja Batteries Ltd in September 2023 as part of a broader strategic repositioning around "New Energy" alongside the legacy lead-acid business; the key lithium-cell operating subsidiary, Amara Raja Advanced Cell Technologies Pvt Ltd (ARACT), was separately incorporated in November 2022.

2. What the company does well

Promoters (the Galla family, via Amara Raja Enterprises Pvt Ltd and family trusts) declared zero share encumbrance for FY26, and the balance sheet carries near-zero debt despite a heavy, multi-year capex programme — a genuinely conservative financing posture given the scale of the New Energy ambition. Independent director Annush Ramasamy was reappointed for a second five-year term (12 June 2026 to 11 June 2031) with shareholder approval, and subsidiary ARACT's auditor transition (Brahmayya & Co's resignation, 24 September 2025) was explicitly described as an alignment move with the parent's own auditor rather than a dispute-driven change.

3. Grey areas

Management's characterisation of in-house R&D progress following the stalled Gotion deal is, so far, a strategic statement without an independently verifiable technical milestone attached — worth tracking rather than taking at face value. The New Energy Business head's own public acknowledgement of the stalled deal is a positive from a transparency standpoint, but it also means the market is currently relying on management's word for how the in-house alternative is actually progressing.

4. Red flags

None found in the sources reached for this report beyond the routine, small (~₹1.27 crore) upheld GST demand disclosed 31 July 2026 — immaterial financially and not indicative of a broader compliance issue. We flag explicitly that absence of evidence is not evidence of absence, particularly regarding the undisclosed internal-R&D-progress question above.

5. Items to watch

Any named technical milestone for the in-house cell-chemistry programme; the outcome of the pending Exide trademark appeal; further disclosure on whether the Gotion/GIB EnergyX relationship is formally terminated or merely dormant; and confirmation of the first 2 GWh Telangana line's commissioning against the June 2027 guidance.

GOVERNANCE CONCLUSION

No governance red flags — the concern here is strategic execution, not conduct. Management has been unusually candid in publicly attributing the gigafactory delay to a specific, named external cause (China's technology-transfer posture) rather than obscuring it, which this report credits. The valuation discount in this report's target reflects execution and earnings-trajectory risk, not a governance discount.



SWOT analysis

STRENGTHS

- Dominant lead-acid duopoly position alongside Exide
- Telecom lithium battery-pack business scaling independently (>300 MWh/quarter, cumulative >1 GWh)
- Near-zero debt; CRISIL AA+/Stable rating
- Management transparency in publicly naming the cause of the gigafactory delay
- Cheap absolute valuation (~14.9x) relative to sector peer Exide (~30-33x)

WEAKNESSES

- Gotion/GIB EnergyX cell-technology licence confirmed stalled — the original gigafactory differentiator
- FY26 consolidated PAT declined 5.18% YoY
- Telangana gigafactory delayed from end-2025 to June 2027 (first line) / Q1 FY28 (full)
- No confirmed technical milestone for the "in-house" R&D pivot

OPPORTUNITIES

- 5 GWh BESS integration plant (~₹280cr capex) as a nearer-term, lower-capex alternative path
- PLI-ACC Tranche 2 (grid-scale-specific, 10 GWh) — a possible fit if in-house technology matures
- Continued telecom lithium growth requires no new technology breakthrough
- A market already pricing in the bad news leaves room for a positive surprise if delays stop compounding

THREATS

- Further delay to the Telangana gigafactory beyond the current June 2027/Q1 FY28 guidance
- Continued PAT decline as New Energy capex intensifies ahead of revenue
- Exide's now-commissioned, successfully-licensed plant sets a visible, unflattering comparison
- Reported negative sell-side sentiment (mid-Sep 2026 Sell downgrade) could compound if FY27 results disappoint further

Key developments to watch

- **Any confirmed technical milestone for the in-house cell-chemistry programme** — the clearest signal of whether the post-Gotion pivot is substantive.
- **First-line commissioning at Telangana**, against the current June 2027 guidance.
- **Formal status of the Gotion/GIB EnergyX relationship** — terminated, dormant, or still notionally active.
- **5 GWh BESS integration plant progress** toward its end-FY27 target, as the nearer-term alternative story.

Key risks to be aware of

- **Earnings-trajectory risk (dominant).** FY26 PAT already declined; further New Energy capex ahead of any Telangana revenue means near-term consolidated earnings pressure is more likely to continue than reverse.
- **Technology-access risk.** The core lesson of this report's China-licensing comparison (§4, §7, §9 of the primer) applied unfavourably to Amara Raja specifically, and there is no confirmed alternative path yet.
- **Execution/credibility risk.** A second material delay to the Telangana timeline would further damage market confidence in the New Energy segment's guidance generally.
- **Sentiment risk.** A reported recent Sell downgrade suggests the stock may see continued technical weakness independent of fundamentals in the near term.

Valuation

₹ per share unless stated

FY26 consolidated EPS was ₹53.02 as disclosed. We construct an *indicative*, not guided, FY27E EPS of approximately ₹53 (flat), reflecting continued core lead-acid and telecom-lithium growth largely offset by intensifying New Energy segment losses and capex-related costs ahead of the delayed Telangana commissioning:



Scenario	FY27E EPS (~)	Target P/E	Target price	Upside/(downside)
Bear	50 (–6%)	12.0x	600	(24.2)%
Base	53 (flat)	13.5x	715	(9.7)%
Bull	56 (+6%)	15.0x	840	+6.1%

Base case rounded to ₹715. The target multiple (13.5x) sits modestly below the current ~14.9x trailing multiple, reflecting the compounding effect of a confirmed stalled technology licence and a now-multi-quarter-delayed flagship project — not a further collapse in the core lead-acid business, which this report continues to view as fundamentally sound. EV/EBITDA cross-check not performed given the near-zero-debt balance sheet makes the P/E-based method the more informative single lens here. This report found a wide dispersion of third-party target prices (roughly ₹1,000 to ₹1,195 on one tracked series, and ₹1,027 to ₹1,109 on another, neither internally consistent nor clearly dated) — all of these appear to predate the confirmed Gotion-deal-stalled disclosure (BusinessToday, 22 June 2026) and are treated as stale for this report's purposes rather than averaged in.

RECOMMENDATION: SELL, TARGET ₹715 (–9.7% FROM ₹791.95, 25 SEP 2026)

Upgrade triggers: a confirmed, named technical milestone for the in-house cell-chemistry programme; a new, credible external technology or licensing relationship replacing Gotion; two consecutive quarters of stabilised or growing consolidated PAT; on-schedule commissioning of the first Telangana line. **Downgrade triggers:** a further delay to the June 2027/Q1 FY28 Telangana guidance; continued consolidated PAT decline; a formal, disclosed termination of the Gotion/GIB EnergyX relationship without a replacement path named.

Financial summary — selected disclosed metrics (₹ crore)

	FY24	FY25	FY26
Revenue (consol.)	11,260	12,405	13,814
EBITDA	—	1,629	—
EBITDA margin	—	13.1%	—
Net profit (PAT, consol.)	—	963.9	895.77

FY26 revenue growth is cited inconsistently across sources as both +7.53% and +16% YoY — this discrepancy was not reconciled in research and is flagged rather than resolved. FY26 EBITDA and FY24 PAT are shown as undisclosed (—) pending primary-source confirmation rather than estimated.

Selected ratios	FY26
EPS (₹, consolidated)	53.02
EPS (₹, standalone)	~47.26
PAT growth YoY	(5.18)%
Balance sheet	Near-zero debt

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: company disclosures and aggregator data as compiled in this report's research digest, snapshot dated 23-25 Sep 2026.



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HOLD

JSW Energy Ltd

JSWENERGY

A 32 GW generation story with an 11%-of-storage BESS kicker still finding its feet

Summary

JSW Energy is one of India's largest private-sector power generators, having crossed 15.0 GW of operational capacity in September 2026 with a further 13.4 GW under construction and 4.0 GW in pipeline — 32.4 GW "locked-in" in total, backed by a stated ₹1.3 lakh crore incremental capex plan through 2030. Grid storage sits inside that build-out, but as a genuinely small piece of it: 3.2 GWh of locked-in battery storage against 26.4 GWh of pumped-hydro storage — BESS is roughly 11% of the company's total storage ambition, and storage overall is a fraction of the 32.4 GW generation figure.

The company's flagship standalone BESS project — a 1 GWh, SECI-awarded facility at Fatehgarh, Rajasthan, construction started June 2024 with an original commissioning target around June 2025 — could not be confirmed in this research as commissioned. No source located states it is operational, and the company's most recent capacity-milestone disclosures do not break out Fatehgarh specifically. Separately, JSW Energy subsidiary JEPEL operates a 5 GWh battery pack-assembly plant in Pune (imported cells, not indigenous cell manufacturing), and a separate JSW Group entity — described in coverage only as "JSW Projects," with no confirmed link to the listed JSW Energy balance sheet — signed a ₹800+ crore MoU with COEP Technological University in September 2026 for a cell R&D and validation centre, coming roughly a month after JSW Group placed a ₹40,000 crore, 50 GWh Odisha cell-manufacturing project on hold for lack of an LFP technology partner.

Financially, JSW Energy is executing well on its core business — FY26 revenue rose to ₹18,901 crore with a 53% EBITDA margin and PAT of ₹2,762 crore, up sharply from FY25 — but the stock already reflects that strength, trading at a rich ~39-45x trailing multiple (sources vary). Chairman Sajjan Jindal's own September 2026 comment that indigenous cell technology is "one year, maybe two years for sure" away is a reasonable, candid assessment, but it also confirms that JSW Group's cell-manufacturing ambition remains pre- commercial group-wide.

Net: HOLD. This is a well-run, fast-growing generation and storage-deployment business trading at a valuation that already prices in continued execution — the grid-storage-specific thesis is real but

TARGET PRICE

12-month target	₹527
CMP (29 Sep 2026)	₹498.00
Implied upside	+5.8%
Rating	HOLD

KEY STOCK DATA

Market cap	~₹90,940 cr
P/E (TTM)	~39-45x (sources vary)
ROE (3-yr avg)	7.72%
ROCE	8.16%
Credit rating	ICRA AA/Stable
52-week range	₹428 – ₹617

SHAREHOLDING (JUN 2026)

Promoter	66.53%
DII	16.16%
FII	11.41%
Public	5.82%

FINANCIAL SNAPSHOT (₹ CR)

	FY25	FY26	FY27E
Revenue	11,745	18,901	—
PAT	1,983	2,762	—
EPS (₹)	11.16	12.74	~14.65 (indicative)



small, unconfirmed on its flagship project's commissioning status, and not, on its own, a reason to pay a premium multiple for the stock.

Investment rationale

- **A genuinely large, fast-growing generation platform.** 15.0 GW operational (Sep 2026, up from 10 GW in March 2025) with 32.4 GW locked-in across operational, under-construction and pipeline capacity — scale most storage-adjacent names in this report cannot match.
- **Storage is diversified across two technologies, not a single bet.** 26.4 GWh of pumped-hydro storage alongside 3.2 GWh of BESS gives JSW Energy a long-duration storage hedge most pure BESS players lack.
- **Strong, improving core profitability.** FY26 EBITDA margin of 53% and PAT growth of 39% YoY reflect real operating leverage as capacity has scaled.
- **A credible, candid read on the cell-technology gap from the top.** Chairman Sajjan Jindal's September 2026 remarks — calling the cell "the new oil" and estimating one to two years to indigenous technology — are a realistic acknowledgement rather than a promotional overstatement, consistent with the broader sector pattern this report documents (§7, §9 of the primer).
- **A working pack-assembly business today.** JEPEL's 5 GWh Pune facility is a genuine, operating BESS pack-assembly line — the "easy half" of this report's central asymmetry (§2-4 of the primer) — generating real order flow (a ₹443.74 crore BESS+PCS order from Bondada Renewable Energy, July 2026).

What gives us pause

- **The flagship standalone BESS project's commissioning status could not be confirmed.** Fatehgarh's original ~June 2025 target has passed with no source located stating the 1 GWh project is operational — this report treats it as unconfirmed/likely delayed rather than assuming completion.
- **The cell R&D centre may not even sit on this company's balance sheet.** "JSW Projects," the counterparty to the September 2026 COEP MoU, is described in every source found only as "a JSW Group company" — this research could not confirm it is JSW Energy Ltd or a subsidiary of it, meaning the ₹800+ crore commitment may not be a JSW Energy shareholder obligation at all.
- **Group-level cell-manufacturing ambition remains stalled.** JSW Group placed its ₹40,000 crore, 50 GWh Odisha cell project on hold in August 2026 specifically for lack of an LFP technology partner — the same access constraint affecting Reliance and Amara Raja elsewhere in this report.
- **BESS is genuinely small within the total storage and generation picture.** At ~11% of locked-in storage capacity and a low-single-digit share of total locked-in generation, grid storage is not, on current disclosure, a segment large enough to independently justify a valuation premium.
- **The valuation already prices in continued strong execution.** A ~39-45x trailing multiple leaves limited room for disappointment on either the core generation build-out or the storage narrative.
- **No disclosed BESS-specific capex line exists within the ₹1.3 lakh crore capex envelope** — an investor cannot currently size the storage bet's capital commitment independently of the generation business.

Corporate governance assessment

1. Which rules actually apply

JSW Energy Ltd is a long-listed, main-board NSE/BSE company subject to the full SEBI LODR regime. Statutory audit sits with Deloitte Haskins & Sells LLP, which issued an unmodified opinion on both standalone and consolidated FY26 results.



2. What the company does well

Multiple rated subsidiaries (JSW Neo Energy, JSW Mahanadi Power) carry their own independently affirmed ICRA ratings rather than relying solely on parent-level comfort, and the parent's own ICRA AA(Stable)/A1+ ratings were reaffirmed as recently as 11 September 2026 — current, not stale, coverage. The company has been transparent about capacity-milestone disclosure (the 4 September 2026 "15 GW crossed" release breaks out thermal/renewable/hybrid/hydro mix in useful detail) even where it has not been equally transparent about storage-specific execution status.

3. Grey areas

The corporate-structure ambiguity around "JSW Projects" (see above) is a genuine disclosure gap: an investor in JSW Energy Ltd specifically cannot currently determine whether the COEP R&D centre commitment is this company's obligation or a separate JSW Group entity's. A ~₹19,155 crore contingent- liabilities figure was found in only a single secondary aggregator source and could not be independently verified against the primary annual report in this research pass — flagged rather than treated as confirmed. Full board composition was not independently compiled beyond a partial list (Desh Deepak Verma, Parth Jindal, Pritesh Vinay among directors named in available coverage).

4. Red flags

None found in the sources reached for this report. No adverse litigation, regulatory action or accounting concern specific to JSW Energy Ltd was located. We flag explicitly that absence of evidence is not evidence of absence, particularly given the incomplete board-composition and contingent-liability detail noted above.

5. Items to watch

Confirmation (or denial) of Fatehgarh's commissioning status; clarification of "JSW Projects" corporate identity and its balance-sheet relationship to JSW Energy Ltd; a primary-source confirmation of the contingent-liabilities figure; and any disclosed BESS-specific capex breakout within future capex-plan updates.

GOVERNANCE CONCLUSION

Adequate for the core business, genuinely opaque on the storage-specific corporate structure. Nothing found here points to misconduct, but the "JSW Projects" ambiguity is exactly the kind of structural detail an investor in the listed entity needs and currently cannot get — that opacity belongs in how much credit this report gives the storage narrative, not in the core generation-business governance read, which is clean.



SWOT analysis

STRENGTHS

- 15.0 GW operational, 32.4 GW locked-in generation capacity (Sep 2026)
- Diversified storage: 26.4 GWh pumped-hydro + 3.2 GWh BESS
- 53% FY26 EBITDA margin; PAT up 39% YoY
- Multiple independently-rated subsidiaries; parent ICRA AA reaffirmed Sep 2026
- Operating 5 GWh BESS pack-assembly line (JEPEL) with real order flow

WEAKNESSES

- Fatehgarh 1 GWh BESS commissioning status unconfirmed past its original target
- No BESS-specific capex disclosed within the ₹1.3 lakh crore plan
- "JSW Projects" cell R&D entity's relationship to JSW Energy's balance sheet unclear
- Group-level cell-manufacturing ambition (Odisha) on hold since Aug 2026

OPPORTUNITIES

- PLI-ACC Tranche 2 (grid-scale-specific, 10 GWh) — a fit if group cell-technology access resolves
- "Strategy 3.0" targets 30 GW generation + 40 GWh storage by 2030
- Continued BESS/PCS order wins for JEPEL's pack-assembly business
- Sodium-ion named explicitly in the COEP centre's Phase 1 scope, a chemistry not currently gated by China

THREATS

- Continued group-level LFP technology-access constraints (per Parth Jindal, Aug 2026)
- Rich valuation (~39-45x) vulnerable to any generation-growth or storage-narrative disappointment
- Fatehgarh delay, if confirmed, would undercut the company's own storage-execution credibility
- Chinese cell-price inflation (Crisil: \$50-55/kWh 2025 to \$70-75/kWh 2026) raises JEPEL's input costs

Key developments to watch

- **Confirmation of Fatehgarh's commissioning status** — the clearest near-term test of the company's standalone-BESS execution.
- **Clarification of "JSW Projects" corporate identity** and whether its capex sits on JSW Energy Ltd's books.
- **Any BESS-specific capex disclosure** within future capital-plan updates.
- **PLI-ACC Tranche 2 outcome** (bids closed October 2026) — relevant if the group re-enters cell manufacturing formally.

Key risks to be aware of

- **Valuation risk (dominant).** A ~39-45x multiple already prices in continued strong execution across generation and storage alike, leaving limited margin for disappointment.
- **Disclosure risk.** The "JSW Projects" ambiguity and unconfirmed Fatehgarh status make it harder than it should be to independently verify the storage narrative for a company this size.
- **Technology-access risk.** Group-level cell-manufacturing ambition remains constrained by the same China-licensing dynamic affecting peers elsewhere in this report.
- **Execution risk.** A further delay to Fatehgarh or any storage-specific project would compound the existing disclosure gap.

Valuation

₹ per share unless stated

FY26 EPS was ₹12.74 as disclosed. We construct an *indicative* FY27E EPS of ~₹14.65 (15% growth), reflecting continued generation-capacity ramp broadly in line with the company's own capacity-addition guidance, without assuming any incremental storage-specific re-rating given the unresolved items above:



Scenario	FY27E EPS (~)	Target P/E	Target price	Upside/(downside)
Bear	13.5 (+6%)	34.0x	459	(7.8)%
Base	14.65 (+15%)	36.0x	527	+5.8%
Bull	15.7 (+23%)	39.0x	612	+22.9%

Base case rounded to ₹527. The target multiple (36x base case) sits below the reported current trailing multiple range (~39-45x, sources disagree materially — flagged rather than reconciled), reflecting a modest normalisation rather than an assumption of continued re-rating, given the unconfirmed Fatehgarh status and the "JSW Projects" disclosure gap. Third-party targets found in this research ranged widely — ICICI Securities ₹700 (May 2026), Morgan Stanley ₹545 (Dec 2025, now stale), and consensus figures disagreeing between ₹510-590 and ₹634 (range ₹459.55-756) depending on aggregator — all shown rather than averaged into a false single consensus.

RECOMMENDATION: HOLD, TARGET ₹527 (+5.8% FROM ₹498.00, 29 SEP 2026)

Upgrade triggers: confirmed Fatehgarh commissioning; a disclosed BESS-specific capex line with a credible growth trajectory; clarification that "JSW Projects" is consolidated within JSW Energy Ltd, with resulting cell-technology optionality. **Downgrade triggers:** confirmed further delay or cancellation of Fatehgarh; continued group-level cell-technology access failure; any generation-capacity growth shortfall against the 32.4 GW locked-in figure.

Financial summary — selected disclosed metrics (₹ crore)

	FY25	FY26	Q4 FY26	Q1 FY27
Revenue	11,745	18,901	4,499	5,207
EBITDA margin	—	53%	50%	55%
Net profit (PAT)	1,983	2,762	574	533

FY25 EBITDA margin not independently confirmed to the same basis as FY26/ quarterly figures and shown as undisclosed (—). Several secondary Q1-period YoY comparison articles were found internally inconsistent with the screener.in point figures used here; only the table above is treated as reliable.

Selected ratios	FY26
EPS (₹)	12.74
ROE (3-yr avg)	7.72%
ROCE	8.16%
Dividend yield	0.40%

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: screener.in and company disclosures as compiled in this report's research digest, snapshot dated 29 Sep 2026.

DISCLAIMER

Dart Consultants is a market intelligence and technology service provider, not a SEBI-registered Investment Adviser or Research Analyst. This report is educational material only — not investment advice, and not a recommendation to buy or sell any stock. The HOLD rating above is an educational device for summarising public information, not a regulated recommendation. The analyst(s) hold no position in, and have no banking, advisory or brokerage relationship with, JSW Energy Limited, and have received no compensation from the company.



HOLD

Advait Energy Transitions

ADVAIT

This report's smallest, fastest-growing and least-covered name — and its purest storage bet

Summary

Advait Energy Transitions — renamed from Advait Infratech in October 2024 — is a ₹2,095 crore market-cap power-transmission EPC contractor that has, over the past twenty months, built the most concentrated grid-storage story of any company in this report. Its legacy power-transmission-line business (Power Transmission Solutions, or PTS) still generated 63% of FY26 revenue and 84% of the order book as of December 2025, but the market is pricing this stock overwhelmingly on its BESS pivot: a string of Gujarat DISCOM order wins (GUVNL, DGVCL, PGVCL) through 2025-26, and, on 18 September 2026 — ten days before this report was researched — a Master Supply Agreement with China's Hithium for up to 1 GWh of 314Ah LFP prismatic cells, feedstock for a planned 2.5 GWh annual-capacity cell-to-container BESS assembly facility at Gangad, near Dholera, Gujarat.

The growth numbers are genuinely exceptional: FY26 consolidated revenue of ₹715 crore, up 79% year-on-year, a 5-year revenue CAGR of 61% and profit CAGR of 63%, ROE of 21.5% and ROCE of 27.9% — figures that would be striking at any market cap, let alone one this small. CRISIL upgraded the company's rating to A-/Stable in March 2026, and its stock returned +23.96% over the trailing year against a falling Sensex. None of this has attracted institutional coverage: Trendlyne's research-report tracker returned zero published analyst targets for this stock as of our research date, meaning the entire narrative above is being priced by retail and HNI investors (notably Ashish Kacholia, whose disclosed holding has diluted from 2.67% to 1.83% since March 2025) rather than sell-side analysts.

The specific risks are concentrated and identifiable: the Gangad facility's project-level capex and precise commissioning date were not found disclosed with primary-source specificity (best available guidance points to ~Q4 FY27); the disclosed Hithium supply covers, at most, well under half of the facility's year-one nameplate capacity, from a single Chinese counterparty; and the company has funded its pivot through a series of small-ticket preferential allotments and warrant issuances (₹25-110 crore range) since mid-2024 rather than one large committed funding package.

TARGET PRICE

12-month target	₹2,170
CMP (29 Sep 2026)	₹1,913.00
Implied upside	+13.4%
Rating	HOLD

KEY STOCK DATA

Market cap	~₹2,095 cr
P/E (TTM)	~36-40x (sources vary)
ROE / ROCE	21.5% / 27.9%
Credit rating	CRISIL A-/Stable
Institutional coverage	None found
52-week range	₹1,321 – ₹2,486

SHAREHOLDING (JUN 2026)

Promoter (Shalin Sheth & family)	~60-67%
Public (incl. Ashish Kacholia)	~32.5%
FII / DII	0.68% / 0.04%
Pledge	Not disclosed — treat as unknown

FINANCIAL SNAPSHOT (₹ CR)

	FY25	FY26	FY27E
Revenue	399	715	—
PAT	32	55	—
EPS (₹)	28.60	47.26	~63.8 (indicative)



Net: HOLD. This is a legitimate, fast-growing, credit-upgraded small-cap with a real and diversified BESS order book beyond the single Hithium dependency — but undisclosed flagship-project economics, zero institutional coverage, and a valuation already reflecting years of continued hyper-growth leave this report unwilling to call it cheap enough for a BUY, or troubled enough for a SELL.

Investment rationale

- **The most concentrated, purest grid-storage story in this entire report.** Unlike the other seven companies covered here, Advait is genuinely being valued as a storage play, not as a diversified business where storage is a side bet.
- **A real, diversified BESS order book beyond the single Hithium dependency.** GUVNL (50 MW LoI, Jan 2025), a separate 180 MW/360 MWh BESS EPC contract (May 2025), a further 150 MW/300 MWh GUVNL LoI, plus DGVCL, PGVCL and MPPTCL transmission/BESS-adjacent orders — a genuinely broader pipeline than "one Chinese cell deal," even though the Gangad manufacturing facility specifically does concentrate on Hithium.
- **Exceptional, credit-agency-corroborated growth.** 79% FY26 revenue growth, 61%/63% five-year revenue/profit CAGR, and a CRISIL upgrade to A-/Stable (March 2026, bank facilities enhanced from ₹110 crore to ₹405 crore) citing "strategic growth across renewables, transmission infrastructure, BESS and green hydrogen."
- **Strong returns on capital for a company this size.** ROE of 21.5% and ROCE of 27.9% indicate the underlying EPC and BESS-integration business is genuinely capital-efficient, not merely fast-growing.
- **A still-majority legacy revenue base provides a floor.** With PTS still 63% of FY26 revenue, the company is not purely dependent on the unproven Gangad manufacturing ambition succeeding to remain a going concern.

What gives us pause

- **Zero institutional brokerage coverage.** Trendlyne's tracker returned no published analyst research reports with target prices for this stock — an unusual gap for a company that has more than doubled revenue in a year, and one that leaves this report unable to cross-check its own valuation against any independent sell-side view.
- **The flagship Gangad facility's economics are largely undisclosed.** No standalone, company- disclosed total capex figure for the 2.5 GWh cell-to-container facility was found; the best available commissioning guidance (~Q4 FY27) comes from a secondary investor-blog source, not a primary filing.
- **Single-supplier concentration at the manufacturing facility specifically.** The Hithium MSA covers up to 1 GWh against a 2.5 GWh nameplate facility — under half of year-one capacity, from a single Chinese counterparty, with no second cell supplier disclosed.
- **The growth has been funded through serial, small-ticket dilution.** Preferential allotments and warrant issuances in the ₹25-110 crore range since mid-2024, rather than one large committed funding package — a financing pattern more common to companies without ready access to larger institutional capital.
- **Independent-analyst-flagged related-party and disclosure inconsistencies exist.** A restated FY2022 related-party purchase figure from promoter-linked entity Hind Power Services (₹25 crore originally, ₹21.40 crore in a later restatement) was flagged by an independent fundamental-analysis source — not a governance emergency, but worth tracking.
- **A rich valuation for a company this size and this thinly covered.** At ~36-40x trailing earnings on a ₹2,095 crore base, a significant amount of continued hyper-growth is already required just to hold the current multiple.



Corporate governance assessment

1. Which rules actually apply

Advait began as a BSE SME-platform listing in September 2020 and currently trades on the NSE mainboard (ticker ADVAIT) — this research could not independently locate the specific date of the SME-to-mainboard migration, but the current listing status means the company is subject to the full SEBI LODR regime, not the lighter SME-specific exemptions. There is no independent confirmation of any SEBI show-cause notice, litigation or enforcement action specific to this company; the only regulatory filing located was a routine SEBI Large Corporate Framework non-applicability confirmation (28 April 2026).

2. What the company does well

The company proactively issued a formal exchange clarification in March 2026 correcting media reports that had mischaracterised a previously-disclosed DGVCL order as a new award — a transparent, investor- protective disclosure practice worth crediting. The CRISIL rating upgrade itself (to A-/Stable, March 2026) is an independent, positive third-party signal on operational performance and growth strategy.

3. Grey areas

The board is visibly family-concentrated: Chairman & Managing Director Shalin Rahulkumar Sheth, Whole-Time Director Rejal Shalin Sheth (shared surname), and a limited number of other named directors in available coverage — this research could not independently confirm the full board's independent-director count or committee composition. Promoter Shalin Sheth's personal stake reportedly rose from 51.20% to 60.34% via an off-market transaction in June 2026 (a separate, differently-dated source cites 52.8%, unreconciled) — legal and disclosed, but a concentration trend worth tracking. Pledge status was not disclosed in the sources checked and should not be assumed to be zero. The Hind Power Services related- party-transaction restatement noted above (§ What gives us pause) is a legitimate, if modest, disclosure grey area.

4. Red flags

None found in the sources reached for this report that rise above the grey-area items already noted. We flag explicitly that absence of evidence is not evidence of absence, particularly given the thin sell-side and institutional scrutiny this stock currently receives — the near-total absence of independent analyst coverage means fewer outside parties are actively checking this company's disclosures than for a comparably-sized, more widely covered peer.

5. Items to watch

A primary-source, project-specific capex and commissioning-date disclosure for the Gangad facility; confirmation of the SME-to-mainboard migration date and process; any second cell-supplier announcement diversifying away from sole Hithium dependence; and the first instance of initiated institutional analyst coverage, which would materially improve this report's ability to cross-check its own valuation.

GOVERNANCE CONCLUSION

No confirmed red flags, but thinly scrutinised — the appropriate discount belongs in the multiple, not a footnote.

This is a genuinely fast-growing, credit-upgraded small-cap with a proactive disclosure instance on record, but the near-complete absence of institutional coverage and undisclosed flagship- project economics mean an investor is currently relying more heavily on company-issued communication, and less on independent verification, than for any other name in this report.



SWOT analysis

STRENGTHS

- Purest grid-storage-priced story in this report's coverage
- Diversified BESS/EPC order book beyond the Hithium manufacturing dependency (GUVNL, DGVCL, PGVCL, MPPTCL)
- Exceptional growth: 79% FY26 revenue growth, 61%/63% 5-yr revenue/profit CAGR
- CRISIL upgrade to A-/Stable, March 2026, with enhanced ₹405cr bank-facility rating
- Strong capital efficiency: 21.5% ROE, 27.9% ROCE

WEAKNESSES

- Gangad facility capex and commissioning date not disclosed with primary-source specificity
- Single Chinese cell supplier (Hithium) covers under half of year-one nameplate capacity
- Zero institutional brokerage coverage found
- Growth funded via serial small-ticket dilutive preferential allotments/warrants

OPPORTUNITIES

- India's 260 GWh storage tender pipeline (\$6 of the primer) is far larger than Advait's current order book
- A second, diversified cell-supply relationship would materially de-risk the Gangad ramp
- Continued EPC order flow from Gujarat DISCOMs, independent of the manufacturing ambition
- Potential for institutional coverage initiation as scale increases, improving valuation transparency

THREATS

- Any disruption to the Hithium relationship would directly threaten Gangad's cell supply
- Continued equity dilution to fund growth would pressure per-share metrics
- A valuation this rich, on a company this thinly covered, is vulnerable to a sharp re-rating on any disappointment
- Small-cap/SME-origin liquidity and volatility risk generally

Key developments to watch

- **Primary-source disclosure of Gangad facility capex and commissioning timeline** — the single biggest information gap in this report's Advait coverage.
- **Any second cell-supplier announcement**, diversifying away from sole Hithium dependence.
- **Initiation of institutional analyst coverage**, which would materially improve valuation transparency.
- **FY27 results confirming whether management's own guided BESS revenue ramp (₹100-200cr in the "commissioning year," reportedly >₹1,000cr at full run-rate, per concall-summary aggregation — not a verified primary transcript quote) is on track.**

Key risks to be aware of

- **Disclosure risk (dominant).** Undisclosed flagship-project economics and zero institutional coverage mean this report's valuation rests on less independently-verified information than any other company covered here.
- **Single-supplier concentration risk.** The Gangad facility's cell supply is currently 100% dependent on one Chinese counterparty.
- **Dilution risk.** A pattern of serial equity raises could continue, pressuring per-share value even as the underlying business grows.
- **Valuation risk.** A rich multiple on a thinly-covered small-cap can re-rate sharply in either direction on new information.

Valuation

₹ per share unless stated

FY26 EPS was ₹47.26 as disclosed (screener.in; note this implies a current P/E of ~40x against the CMP below, while screener.in separately states a P/E of 36.3x on a slightly different EPS/timing basis — both are shown, not reconciled, per this report's data-honesty rules). We construct an *indicative* FY27E EPS of ~₹63.8 (35% growth — a meaningful deceleration from FY26's 79% revenue/72%-equivalent PAT growth, reflecting the execution and single-supplier risks noted above):



Scenario	EPS growth	FY27E EPS (~)	Target P/E	Target price	Upside/(downside)
Bear	+20%	56.7	30.0x	1,701	(11.1)%
Base	+35%	63.8	34.0x	2,170	+13.4%
Bull	+50%	70.9	38.0x	2,694	+40.9%

Base case rounded to ₹2,170. The target multiple (34x) sits modestly below the current implied ~36-40x, reflecting a deliberate discount for the disclosure and single-supplier risks noted above rather than a full re-rating to reflect continued 79%-pace growth. No third-party brokerage target exists for cross-checking this valuation, which this report flags as a genuine limitation rather than a false comfort — see Governance, item 5.

RECOMMENDATION: HOLD, TARGET ₹2,170 (+13.4% FROM ₹1,913.00, 29 SEP 2026)

Upgrade triggers: primary-source disclosure of Gangad project capex/commissioning confirming a credible, funded path to completion; a second, diversified cell-supply agreement; initiation of institutional analyst coverage validating the growth narrative independently. **Downgrade triggers:** any disruption to the Hithium supply relationship; a further, undisclosed dilutive capital raise; evidence that the Gangad facility's timeline is slipping materially beyond ~Q4 FY27.

Financial summary — selected disclosed metrics (₹ crore)

	FY25	FY26	Q1 FY27
Revenue	399	715	179
EBITDA	52	84	—
EBITDA margin	13%	12%	14%
Net profit (PAT)	32	55	15

Outstanding borrowings ₹47.12cr as of 31 Mar 2026. Pledge level not disclosed in sources checked and shown as undisclosed (—) rather than assumed zero.

Selected ratios	FY26
EPS (₹)	47.26
ROE / ROCE	21.5% / 27.9%
5-yr revenue / profit CAGR	61% / 63%

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: screener.in and company disclosures as compiled in this report's research digest, snapshot dated 29 Sep 2026.

DISCLAIMER

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HOLD

Gujarat Fluorochemicals Ltd

FLUOROCHEM

A profitable fluoropolymers major with a genuine battery-materials call option, priced for a lot of it already

Summary

Gujarat Fluorochemicals is, first and foremost, a fluoropolymers and fluorochemicals major — refrigerant gases, bulk chemicals and specialty polymers that together still generate the overwhelming majority of a business trading at ₹48,814 crore of market capitalisation. Inside that business, via subsidiary GFCL EV Products Ltd, GFL has built one of the more credible battery-materials footprints among India's listed chemical companies: commercial LiPF₆ (the lithium electrolyte salt) supply began December 2025 from a 1,800-tonne-per-annum line at Dahej, and its LFP cathode active material (CAM) line has reached "initial approval," with final qualification guided for the end of Q3 FY27 and offtake agreements claimed — though not named — for its entire committed capacity.

The catch is that none of this shows up in the numbers yet. GFL's own quarterly disclosures put battery- materials segment revenue at just ₹14-29 crore in recent quarters, with negative EBITDA and PAT — a rounding error against a group generating ₹4,700-5,400 crore of annual revenue. The "final qualification" milestone for the CAM line has now been "expected by Q3 FY27" across multiple quarters of commentary without yet landing, which means the single most important near-term catalyst for this thesis remains, as of the most recent (Q1 FY27) update, still pending. Institutional backing is real — the IFC approved a ₹430 crore investment into GFCL EV Products, and a sovereign wealth fund separately committed \$82 million — but institutional capital committed to a pre-qualification business is a vote on the option, not proof the option has been exercised.

Valuation compounds the caution. At 84.55x trailing earnings, GFL already trades at a multiple that prices in a meaningful re-rating from its fluorochemicals base alone; the battery-materials segment is optionality layered on top of an already-rich multiple, not a discount an investor is being offered to wait for qualification. A disclosed 17-

TARGET PRICE

12-month target	₹4,600
CMP (29 Sep 2026)	₹4,414.20
Implied upside	+4.2%
Rating	HOLD

KEY STOCK DATA

Market cap	₹48,814 cr
P/E (TTM)	~84.6x
52-week range	₹2,917 – ₹4,959
Net debt	unreconciled — see Notes
Consensus target	₹4,715.88 (17 analysts)
EV/EBITDA	not disclosed here

SHAREHOLDING (SEP 2026)

Promoter (Jain family)	61.39%
DII	13.33%
FII	4.41%
Promoter pledge	~1.9-3.1% (basis unclear)

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	—	4,737	5,380*
EBITDA margin	—	23.2%	28.5%*
PAT	—	546	712*



analyst consensus average target of ₹4,715.88 (range ₹3,000-5,800) sits only modestly above the current price, which is broadly consistent with the base case this report reaches independently.

Net: HOLD. A well-capitalised, genuinely progressing battery-materials option sitting inside an already fully-valued core business — attractive on a multi-year view if the Q3 FY27 qualification milestone finally clears, but not offering enough margin of safety today to call it a BUY.

Investment rationale

- **A rare dual-product battery-materials footprint already in commercial supply.** LiPF₆ electrolyte salt has been commercially supplied since December 2025 from a 1,800 tpa Dahej line, with the company citing approvals from "most of the major global electrolyte players" — a live, revenue-generating product, not just a plan.
- **The harder product — LFP cathode — has already cleared the first gate.** CAM has reached "initial approval" status, ahead of Himadri's comparable cathode programme (see that company's report), with management guiding to final qualification by end-Q3 FY27 and claiming offtake agreements for its entire committed capacity.
- **Institutional capital has already underwritten the bet.** IFC's ₹430 crore investment into GFCL EV Products, alongside a separate \$82 million sovereign-wealth-fund commitment, is a credible third-party signal — and came with a governance upgrade (see below).
- **Management is sizing the opportunity ambitiously and backing it with capital.** GFL targets addressing roughly 70% of an LFP cell's value through its battery-materials portfolio, with ~₹2,300 crore of planned FY27 capex behind that ambition.
- **The core business is genuinely strong, not just a funding source for the option.** 9M FY26 operating margin recovered to 27% from 23% a year earlier, per CRISIL's own rating commentary — the battery bet is not being funded by a deteriorating legacy business.

What gives us pause

- **The qualification milestone that matters most keeps slipping into the next quarter.** "Final qualification expected by Q3 FY27" has now been repeated across multiple quarters of commentary without landing; as of the most recent (Q1 FY27) update it remains a target, not an achievement.
- **The segment is still a rounding error, and a loss-making one.** Disclosed battery-materials segment revenue of ₹14-29 crore a quarter, with negative EBITDA and PAT, sits against a group doing ₹1,200-1,400 crore of quarterly revenue — this is optionality, not yet a business.
- **The valuation does not offer a margin of safety while waiting.** At 84.55x trailing earnings, GFL already prices in substantial continued growth from its core fluorochemicals franchise; the battery optionality is priced as upside on top of that, not as a discount for uncertainty.
- **GFL's own leverage position is not independently verifiable from public sources.** Three secondary aggregators put net/total debt at ₹397 crore, ₹1,451 crore and roughly ₹2,180 crore respectively for broadly the same period — a wide, unreconciled spread this report will not resolve by picking one.
- **China's restriction targets technology transfer, not finished-material trade.** Nothing in the July 2025 MOFCOM restriction stops China from continuing to sell finished LFP cathode material into India competitively — GFL's addressable market ceiling depends on Indian and global cell-makers choosing to buy domestic CAM even where a cheaper Chinese alternative exists.
- **A minor compliance lapse, and an unresolved US trade dispute.** BSE and NSE each fined GFL ₹5.31 lakh for LODR Regulation 17(1) non-compliance for the quarter ended 31 March 2025; separately, "Gujarat Fluorochemicals Ltd v. United



States" is an active matter before the US Court of International Trade, whose substance was not detailed in sources reviewed and should be treated as adjudicated.

Corporate governance assessment

1. Which rules actually apply

GFL is a long-listed, mainboard NSE/BSE company and is therefore subject to the full SEBI LODR regime, including Regulations 17-27 on board composition and disclosure. A promoter family (the Jain family, via Devendra Kumar Jain as Chairman and Vivek Kumar Jain as Managing Director) holds 61.39% as of the most recent disclosure found, comfortably above the threshold at which promoter-family board representation invites scrutiny of independent-director headroom.

2. What the company does well

The IFC's ₹430 crore investment into subsidiary GFCL EV Products came with a condition that the subsidiary appoint a "Big Five" audit firm — GFL complied, replacing Patankar & Associates with Walker Chandio & Co LLP, a genuine, externally-imposed governance upgrade at the subsidiary funding the battery-materials bet. The core business's operating-margin recovery (23% to 27%, 9M FY26 per CRISIL) suggests functioning operational discipline independent of the newer battery story.

3. Grey areas

The board, as identified in this research, includes Chandra Prakash Jain, Shanti Prasad Jain and Shailendra Swarup as Independent Directors alongside the two Jain-family executive roles — the repeated "Jain" surname across multiple board seats is consistent with, though not proof of, a promoter-family- dominated board; this research could not independently confirm the total board size or the resulting independent-director percentage against the LODR threshold. GFL's parent-level statutory auditor was not identified in this research pass (only the EV Products subsidiary's auditor change was found) — a gap that should be closed before relying on this report's governance read as complete.

4. Red flags

One confirmed, minor compliance lapse: BSE and NSE each fined GFL ₹5.31 lakh for LODR Regulation 17(1) non-compliance for the quarter ended 31 March 2025 — a real but small procedural matter, not evidence of a broader pattern in sources reviewed. The pending US Court of International Trade matter is adjudicated and its substance unknown from public sources; it is listed here for completeness, not as a finding of wrongdoing. No other red flags were located in this research. We note explicitly that absence of evidence is not evidence of absence, particularly given the parent-level auditor and full-board gaps noted above.

5. Items to watch

Confirmation of the LFP CAM final-qualification milestone (guided for Q3 FY27); disclosure of named customers for the LiPF6 and CAM offtake agreements currently described only as covering "entire capacity"; resolution of the net-debt discrepancy against a primary balance sheet; and identification of GFL's parent-level statutory auditor.

GOVERNANCE CONCLUSION

Adequate, with real positives and real disclosure gaps. The IFC-driven auditor upgrade at the subsidiary is a genuine, externally-verified governance positive; the promoter-family board concentration and the unresolved parent-auditor and net-debt gaps are reasons for a normal, not elevated, governance discount — reflected here in a target multiple set close to, not above, the current one.



SWOT analysis

STRENGTHS

- Only Indian listed company with LiPF6 already in commercial supply
- LFP CAM at "initial approval," ahead of most listed domestic peers on qualification progress
- IFC and sovereign-wealth-fund capital already committed, with a governance-positive auditor upgrade attached
- Core fluorochemicals/fluoropolymers business independently profitable and improving (27% 9M FY26 operating margin)
- Management targets ~70% of LFP cell value addressable via its own materials portfolio

WEAKNESSES

- Battery-materials segment revenue still in the tens of crores per quarter, loss-making
- Final CAM qualification has repeatedly slipped past its own guided quarter
- No named customers disclosed for either LiPF6 or CAM offtake despite "full capacity" claims
- Net/total debt figure unreconciled across public sources by a wide margin

OPPORTUNITIES

- Q3 FY27 CAM qualification, if achieved, would be a first-mover confirmation among listed Indian cathode suppliers
- India's PLI-ACC Tranche 2 (10 GWh, grid-scale-specific) could pull forward domestic cell-maker demand for GFL's materials
- Continued core fluoropolymers growth (R32 refrigerant capacity ramp) provides earnings support independent of the battery bet

THREATS

- China's export restriction targets technology transfer, not finished-material trade — Chinese CAM remains a competitive alternative
- 84.55x trailing P/E leaves little room for multiple compression if qualification slips again
- Indian cell-manufacturer demand for domestic CAM depends on those manufacturers themselves reaching cost-competitive scale (\$8 of the primer)
- Unresolved US trade litigation, though currently unquantified in its potential impact

Key developments to watch

- **LFP CAM final qualification (guided Q3 FY27).** The single most important near-term catalyst for this thesis; a further slip would be a negative surprise given how long it has already been guided for.
- **Disclosure of named offtake customers** for either LiPF6 or CAM — would materially de-risk the "entire capacity" claims currently made without counterparties.
- **PLI-ACC Tranche 2 outcome (bids closed Oct 2026)** — a wave of newly-funded, grid-scale-specific domestic cell capacity would be a direct demand catalyst for GFL's materials.

Key risks to be aware of

- **Qualification-timeline risk (dominant).** The CAM business's entire near-term value depends on a milestone that has already slipped multiple times.
- **Valuation risk.** An 84.55x multiple assumes continued strong execution across both the core and battery businesses, leaving little cushion for disappointment in either.
- **Demand-side risk.** GFL's addressable market depends on Indian cell manufacturers scaling domestic (not imported) production — a second-order risk outside GFL's own control.
- **Disclosure risk.** The unreconciled net-debt figures and unidentified parent auditor limit how precisely this report can verify balance-sheet quality.



Valuation

FY26 PAT of an approximately ₹52.2 implied EPS (from a P/E of 84.55x on the current price) forms the base. We apply an indicative FY27E EPS growth rate reflecting continued core-business momentum, with the battery-materials segment assumed to remain a negligible near-term EPS contributor given its still- loss-making, pre-qualification status:

Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	70.0x	55.0	3,850	(12.8)%
Base	78.0x	58.5	4,563	+4.2%
Bull	88.0x	63.0	5,544	+25.6%

Base case rounded to ₹4,600. This sits close to the disclosed 17-analyst consensus average target of ₹4,715.88 (range ₹3,000-5,800, Simply Wall St/Investing.com aggregation, dated vintage unconfirmed) — corroborating rather than independently verifying our own construction. EV/EBITDA cross-check not performed given the unreconciled net-debt figures noted above.

RECOMMENDATION: HOLD, TARGET ₹4,600 (+4.2% FROM ₹4,414.20, 29 SEP 2026)

Upgrade triggers: confirmed LFP CAM final qualification with a named customer; disclosure of LiPF6/CAM offtake counterparties; resolution of the net-debt discrepancy in favour of the lower figure. **Downgrade triggers:** a further slip in the CAM qualification timeline; any adverse development in the US trade litigation; a competing domestic or Chinese CAM supplier securing a marquee Indian cell-maker contract first.

Financial summary — selected disclosed metrics (₹ crore)

	FY22	FY23	FY24	FY25	FY26
Revenue	—	—	—	4,737	5,380*
Operating profit	—	—	—	1,099	1,533*
Operating margin	—	—	—	23.2%	28.5%*
Net profit (PAT)	—	—	—	546	712*

*FY26 figures were labelled as estimate/forecast in the source consulted, not confirmed as an audited actual, in this research pass — treat with caution pending the FY26 annual report. FY22-24 figures were not independently sourced at this granularity and are shown as undisclosed.

Selected ratios	FY26
P/E (TTM)	~84.6x
Promoter holding	61.39%
9M FY26 operating margin	27% (up from 23%)
Net debt	unreconciled — see Notes

Balance sheet and cash-flow statements are not reproduced here at full granularity; GFL's net-debt position specifically could not be independently confirmed in this research pass given three disagreeing secondary sources. Source: multibagg.ai/ICICI Direct/scanx.trade aggregation of GFL quarterly results, tickertape.in live-quote data (29 Sep 2026).



DISCLAIMER

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HOLD

Himadri Speciality Chemical

HSCL

India's first cathode-and-anode aspirant, with genuine momentum and a genuine distraction

Summary

Himadri Speciality Chemical built its business on coal-tar pitch and carbon black — a backward- integrated, decades-old franchise that delivered a strong FY26: consolidated revenue of ₹4,660.70 crore and PAT up 36% year-on-year to ₹755.07 crore. On top of that base, Himadri is positioning itself as, by its own description, "the first Indian producer and pioneer of both anode and cathode materials for lithium-ion batteries" — a genuinely dual-sided claim among this report's materials-layer companies, most of which are cathode- or electrolyte-only.

The cathode side is real but earlier-stage than the equivalent bet at Gujarat Fluorochemicals: Himadri's LFP cathode active material (CAM) programme targets only a 2,000-tonne pilot tranche by Q3 FY27, with the full 40,000-tonne Phase I not expected until FY28, and no "initial approval" milestone equivalent to GFL's has been disclosed. The anode side is newer still — a 200-tonne graphite plant commissioned in April 2026, paired with an exclusive silicon-carbon anode technology licence from Australia's Sicona Battery Technologies — genuinely differentiated, but pilot-scale, with commercial economics and customer qualification both undisclosed.

What should give an investor real pause is not the battery bet itself but what is happening alongside it: Himadri, together with Dalmia Bharat Refractories, has acquired Birla Tyres out of insolvency resolution — an entirely unrelated diversification into tyre manufacturing that management is targeting at ₹3,000 crore of revenue over four years. Capital and management bandwidth are now split between a battery- materials story and a tyre- manufacturing turnaround, which complicates any attempt to value Himadri as a "pure-play battery materials optionality" name.

Net: HOLD. A profitable, well-run core business with a credible, if earlier-stage than peers, battery- materials option — offset by genuine capital-allocation distraction and a valuation (~44.7x trailing earnings by our calculation) that leaves little room for disappointment on either front.

Investment rationale

■ **A genuinely dual-sided battery-materials bet.** Himadri is the only company in this report's materials layer building both cathode (LFP CAM) and anode (graphite, plus a licensed silicon-carbon technology) capacity — most peers are single-product.

TARGET PRICE

12-month target	₹683
CMP (23 Sep 2026)	₹669.40
Implied upside	+2.0%
Rating	HOLD

KEY STOCK DATA

Market cap	~₹34,341 cr
P/E (TTM)	~44.7x (sources: 31.7-43.2x)
52-week range	₹418.50 – ₹819.50
Debt/equity	~21%
Interest coverage	~263.6x
Analyst targets	₹500-1,000 (wide, stale)

SHAREHOLDING (JUN 2026)

Promoter (Choudhary family)	52.50%
Public	37.4%
FII	6.8%
DII	3.3%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	—	4,612.63	4,660.70
EBITDA	—	—	1,005.70
PAT	—	555.09	755.07



- **The anode business is already commercial-adjacent, not just a slide in a deck.** A 200 tpa synthetic/natural graphite plant was commissioned at Mahistikry, West Bengal on 23 April 2026, the product of "over a decade of in-house R&D."
- **The Sicona silicon-carbon licence is a genuine next-generation technology bet.** An exclusive agreement for SiC_x anode technology, claimed to deliver up to 20% greater energy density and 40% faster charging than conventional graphite, backed by an AUD 15 million (~₹81.5 crore) commitment.
- **The core business is compounding, independent of the battery story.** FY26 PAT grew 36% year-on-year to ₹755.07 crore, with Q1 FY27 PAT up a further 26.33% — genuine, disclosed, audited profitability funding the optionality above it.
- **Balance sheet capacity to fund the build-out exists.** Debt/equity of roughly 21% and interest coverage above 260x (per one aggregator) suggest Himadri is not stretching its balance sheet to pursue either the battery or the tyre bet.

What gives us pause

- **The cathode programme is earlier-stage than the read-across from Gujarat Fluorochemicals suggests.** Only a 2,000 tpa pilot tranche is targeted by Q3 FY27, with full 40,000 tpa Phase I not until FY28, and no "initial approval"-equivalent qualification milestone has been disclosed for Himadri's CAM, unlike GFL's.
- **A large, unrelated capital-allocation distraction is already underway.** The Birla Tyres acquisition (via NCLT-approved CIRP resolution with Dalmia Bharat Refractories) targets ₹3,000 crore of revenue over four years in a business with nothing to do with batteries — a genuine test of whether Himadri's next phase of capital and management attention goes to the battery-materials story or elsewhere.
- **The anode business is pilot-scale only.** 200 tpa is a fraction of any commercially meaningful volume, and neither commercial-scale unit economics nor customer qualification status for the graphite or silicon-carbon anode products were found disclosed.
- **No named customer has been disclosed for the CAM or anode businesses.** Company language describes being "in discussions with global EV manufacturers and battery-makers," which is directional, not confirmed offtake.
- **No current-vintage credit rating was found.** The only ICRA action located in this research was of uncertain, likely 2024/25 vintage, with no 2026-dated CRISIL or CARE rating identified — a disclosure gap relative to some peers in this report.
- **Analyst coverage is unusually dispersed.** Target prices found range from ₹500 to ₹1,000 across sources with inconsistent dating — treat any single quoted target, including our own, as low-confidence until corroborated by a dated, named brokerage note.

Corporate governance assessment

1. Which rules actually apply

Himadri is a long-listed, mainboard NSE/BSE company subject to the full SEBI LODR regime. Promoter holding stands at 52.50% as of the most recent disclosure, following a November 2025 warrant-conversion allotment to promoter Anurag Choudhary and associated parties.

2. What the company does well

The board approved amendments to its Related Party Transaction policy (aligned to SEBI LODR Regulation 23(1)) and its Material Subsidiaries policy on 23 April 2026 — routine, but evidence of active policy maintenance rather than a stale governance framework. Promoters confirmed their shares free of any encumbrance as of 31 March 2026, with no undisclosed pledge during FY26 — a clean disclosure on a point where several peers in this report carry some pledge.

3. Grey areas

The board list identified in this research — Anurag Choudhary, Girish Paman Vanvari, Amitabh Srivastava, Gopal Ajay Malpani, Rita Bhattacharya — is likely incomplete; this report could not confirm the full board roster, independent-director count, or committee composition from public sources reviewed. The Birla Tyres diversification, while disclosed and NCLT-approved, represents a meaningful capital-allocation decision taken alongside, rather than instead of, the battery-materials build-out, and investors should weigh whether management bandwidth is being spread across two large, unrelated growth bets simultaneously.

4. Red flags

HDFC Bank filed a plea challenging the joint Himadri-Dalmia Bharat Refractories resolution plan for Birla Tyres; the Kolkata NCLT bench approved the resolution plan notwithstanding. This is Birla-Tyres/CIRP- related litigation, not battery-materials-related, and does not itself indicate wrongdoing by Himadri — it is disclosed here because it is directly tied to the diversification flagged as a grey area above. No other red flags were located in this research. We note that absence of evidence is not evidence of absence, given the incomplete board roster and the absence of a current-vintage credit rating noted above.

5. Items to watch

Disclosure of a named customer or OEM qualification for either the LFP CAM or anode product lines; progress of the Birla Tyres integration and whether it draws capital away from the battery-materials capex plan; and publication of a current-dated CRISIL or CARE rating.

GOVERNANCE CONCLUSION

Adequate, with one genuine strategic-focus concern. Nothing found in this research points to misconduct, and the disclosed encumbrance-free promoter shareholding and active policy maintenance are real positives. The Birla Tyres diversification is the item most likely to affect how the battery- materials story actually unfolds, and belongs in the valuation's growth assumption, not a footnote — reflected here in a target multiple below the company's current trailing multiple.



SWOT analysis

STRENGTHS

- Only listed Indian materials company building both cathode and anode capacity
- Strong, growing core profitability (FY26 PAT +36% YoY) funding the optionality
- Exclusive Sicona silicon-carbon anode technology licence — a genuine next-gen differentiator
- Lightly levered balance sheet (debt/equity ~21%)
- Promoter shares confirmed free of encumbrance, FY26

WEAKNESSES

- Cathode programme earlier-stage than closest listed peer (GFL) on disclosed qualification progress
- Anode business pilot-scale only (200 tpa), commercial economics undisclosed
- No named customers for either cathode or anode products
- No current-vintage (2026) credit rating found

OPPORTUNITIES

- Full 40,000 tpa CAM Phase I by FY28 would be a step-change versus current pilot scale
- Silicon-carbon anode commercialisation, if achieved first in India, is a genuine technology lead
- PLI-ACC Tranche 2 (grid-scale-specific cell capacity) could pull forward domestic materials demand

THREATS

- Birla Tyres integration could absorb capital and management attention needed for the battery ramp
- Wide, unreconciled analyst target dispersion (₹500-1,000) signals genuine market uncertainty on this name
- China's export restriction leaves finished-CAM imports as a continued competitive threat even if Himadri qualifies technically
- No disclosed OEM qualification milestone to date, unlike GFL's "initial approval"

Key developments to watch

- **First OEM qualification milestone for LFP CAM or anode product** — currently absent; the single biggest unlock for re-rating the battery-materials story specifically.
- **Q3 FY27 2,000 tpa CAM pilot-tranche delivery** — the first concrete capacity checkpoint on the current guided timeline.
- **Birla Tyres integration progress against its own ₹3,000 crore four-year revenue target** — a read on whether the diversification is additive or distracting.

Key risks to be aware of

- **Capital-allocation/focus risk (dominant).** Two large, unrelated growth bets — battery materials and tyres — are running simultaneously, and this report cannot yet tell which one is the priority.
- **Qualification-timeline risk.** Neither the cathode nor the anode business has a disclosed OEM qualification milestone, an earlier stage than at least one direct listed peer.
- **Coverage/disclosure risk.** No current-vintage credit rating and a wide, low-confidence analyst target spread make this name harder than most in this report to independently verify.
- **Valuation risk.** A ~44.7x trailing multiple already prices meaningful continued core-business growth, leaving limited cushion if either growth engine disappoints.

Valuation

₹ per share unless stated

FY26 PAT of ₹755.07 crore on an implied share count of ~50.45 crore gives FY26 EPS of ~₹14.97. We apply an indicative FY27E EPS growth rate reflecting continued core carbon-black/coal-tar-pitch momentum plus an early, small Birla Tyres contribution; the battery-materials segment itself is assumed to remain a negligible near-term EPS contributor given its pre-commercial status:



Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	34.0x	16.5	561	(16.2)%
Base	38.0x	17.96	683	+2.0%
Bull	44.0x	19.5	858	+28.2%

Base case rounded to ₹683. Third-party target prices found in this research (₹500-1,000 range, inconsistently dated) are too dispersed to serve as a reliable cross-check and are shown here for completeness rather than corroboration. EV/EBITDA cross-check not performed given incomplete net-debt disclosure in sources reviewed.

RECOMMENDATION: HOLD, TARGET ₹683 (+2.0% FROM ₹669.40, 23 SEP 2026)

Upgrade triggers: a disclosed OEM qualification milestone for either the CAM or anode business; confirmation that Birla Tyres integration is not diverting battery-materials capex; a current-dated CRISIL or CARE rating confirming credit quality. **Downgrade triggers:** a further delay to the Q3 FY27 CAM pilot-tranche target; evidence that Birla Tyres integration costs are materially exceeding plan; loss of the Sicona silicon-carbon exclusivity.

Financial summary — selected disclosed metrics (₹ crore)

	FY22	FY23	FY24	FY25	FY26
Revenue	—	—	—	4,612.63	4,660.70
EBITDA	—	—	—	—	1,005.70
PBT	—	—	—	806.17	—
Net profit (PAT)	—	—	—	555.09	755.07

FY22-24 figures not independently sourced at this granularity in this research pass and are shown as undisclosed rather than estimated.

Selected ratios	FY26
PAT growth YoY	+36%
Debt/equity	~21%
Interest coverage	~263.6x
Promoter holding	52.50%

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: multibagg.ai/investywise.com aggregation of Himadri FY25-FY26 results, live-quote data dated 22-23 Sep 2026.

DISCLAIMER

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SELL

Neogen Chemicals Ltd

NEOGEN

A genuine battery-chemicals scale-up story, already carrying a rating agency's own confirmation that it slipped

Summary

Neogen Chemicals is a bromine and lithium specialty-chemicals producer — organolithium compounds, pharma/agro intermediates and custom synthesis — that has spent the last three years building a genuine second business in battery chemicals through its subsidiary Neogen Ionics: electrolyte production licensed from MUIS (a Mitsubishi Chemical/UBE joint venture), and a solid LiPF₆ lithium-salt line built with Japan's 100-year-old Morita Chemicals via the 80/20 Neogen Morita New Materials joint venture. Both technology partners are Japanese, not Chinese — a genuine differentiator from several peers in this report reliant on Chinese licensors — and the subsidiary's growth is real: Neogen Ionics generated over 50% of its entire prior-year revenue in a single quarter (Q1 FY27).

The problem is that this scale-up has already cost the company a formal, dated, agency-confirmed setback. On 17 July 2026, CRISIL Ratings downgraded Neogen's bank facilities and NCDs to CRISIL A-/Negative/A2+ from A-/Negative/A1, and separately downgraded Neogen Ionics itself from A-/Negative to BBB+/Negative — explicitly citing "battery chemicals project delays and insurance claim issues." This is not a hypothetical qualification-cycle risk of the kind this primer flags generically for the materials layer (§8); it is a primary-source-adjacent, dated confirmation that the ₹1,795 crore Dahej-Pakhajan capex programme has already slipped, with the project cost itself revised upward from an unrecovered original budget.

The financial trail corroborates the downgrade rather than contradicting it. FY26 consolidated PAT fell 17.46% year-on-year despite revenue growth, and Q2 FY26 specifically saw "profit plunges 69% as interest costs surge" — the capex build is pressuring near-term profitability through financing cost well ahead of any offsetting battery-chemicals revenue. Roughly ₹189-251 crore of insurance-claim receivables, likely tied to the same project delays, remain outstanding. None of this has yet been reflected in the stock's extraordinary starting multiple: reported trailing P/E ranges from 137x to 183x depending on source and date, and most third-party target prices found in this research pre-date the July downgrade and should not be relied on without a post-downgrade check.

TARGET PRICE

12-month target	₹1,720
CMP (25 Sep 2026)	₹2,385.20
Implied downside	(27.9)%
Rating	SELL

KEY STOCK DATA

Market cap	₹7,166 cr
P/E (TTM)	137-183x (sources vary)
52-week range	₹966.70 – ₹2,499.70
Credit rating	CRISIL A-/Negative (downgraded Jul-26)
Battery-chem. capex	₹1,795 cr (revised)
EV/EBITDA	not disclosed

SHAREHOLDING (JUN 2026)

Promoter	51.23%
DII	19.6%
FII	4.11%
Public / other	~25.1%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue (consol.)	—	778	862
EBITDA	—	136	—
PAT (consol.)	—	34.8	28.8



Net: SELL. The battery-chemicals business is real and the technology partnerships are genuinely non-Chinese, but a company already carrying a confirmed, dated credit-rating consequence of its own capex delays does not deserve a triple-digit earnings multiple, and the market has not yet re-rated it to reflect that.

Investment rationale

- **Two genuinely non-Chinese technology partnerships.** The MUIS (Mitsubishi Chemical/UBE)-licensed electrolyte line and the Neogen Morita New Materials joint venture (80% Neogen / 20% Morita Chemicals, a 100-year-old Japanese lithium-salt producer contributing \$20 million) mean Neogen's core process technology does not depend on a Chinese licensor's continued cooperation — a real differentiator from peers exposed to the tightening described in §4 and §7 of this primer.
- **The scale-up is real, not promotional.** Neogen Ionics generated over 50% of its entire prior-year revenue in Q1 FY27 alone — rapid growth off a small base, but growth that shows up in disclosed quarterly numbers, not just guidance.
- **Dual product scope.** Neogen covers both electrolyte formulation (MUIS-licensed) and electrolyte salts/LiPF₆ (in-house technology plus the Morita JV) — a broader materials-layer footprint than a single-product peer.
- **A credible medium-term revenue target with a stated capital-efficiency bar.** Management guides battery-chemicals revenue to ₹2,400-2,900 crore by FY29, targeting 18-20% ROCE for that business specifically — a number, not just a direction.
- **Some deleveraging already underway.** Neogen's first-ever QIP raised approximately ₹600 crore, oversubscribed 6.5x, explicitly used to repay debt and fund working capital.

What gives us pause

- **A rating agency has already confirmed the project slipped — this is not a forecast, it is a fact on record.** CRISIL downgraded Neogen's bank facilities and NCDs to A-/Negative/A2+ from A/Negative/A1 on 17 July 2026, explicitly citing "battery chemicals project delays and insurance claim issues"; subsidiary Neogen Ionics was separately cut from A-/Negative to BBB+/Negative. This is the single clearest, dated, primary-source-adjacent evidence of execution risk found anywhere in this report's materials-layer research.
- **The project got more expensive, not less.** The combined Dahej Phase 1 (₹428cr) and Pakhajan Phase 2 (₹1,367cr) capex was disclosed as "revised" to a ₹1,795 crore total — the word "revised" implies an increase from an original, lower budget that was not found disclosed, consistent with a cost overrun.
- **Profitability is already being squeezed by the capex build, ahead of any offsetting revenue.** FY26 consolidated PAT fell 17.46% year-on-year despite revenue growth; Q2 FY26 alone saw profit fall 69% as interest costs surged — a leverage/interest-coverage risk that is compounding, not merely coinciding with, the technology-qualification risk.
- **An unresolved contingent asset sits on the balance sheet.** Roughly ₹189-251 crore of insurance-claim receivables — plausibly tied to the same project delays — remain outstanding; management "believes" the amount is fully recoverable, but this has not yet been confirmed.
- **The valuation has not caught up with the downgrade.** A reported trailing P/E of 137-183x is an extraordinary multiple for a company that just received a negative, delay-citing rating action; most third-party target prices found in this research appear to pre-date the July 2026 downgrade and should be treated as stale rather than current until independently re-verified.
- **The commercial ramp is still ahead, on an already-revised schedule.** Electrolyte commissioning is targeted for H1 FY27 and electrolyte salts separately for H2 FY27 — meaningful revenue contribution remains one to two quarters out even before allowing for further slippage risk.



Corporate governance assessment

1. Which rules actually apply

Neogen Chemicals is a full mainboard-listed company subject to SEBI LODR in its entirety — there is no SME exemption to weigh here, unlike some smaller names elsewhere in this report. The company completed its first QIP in the review period (~₹600cr, 6.5x oversubscribed) and disclosed a preferential allotment to a promoter-group entity, both processes that carry their own SEBI (ICDR) compliance obligations.

2. What the company does well

The board approved and disclosed a statutory-auditor transition (Chandabhoy & Jassoobhoy Chartered Accountants replacing JMT & Associates, a five-year term from the 35th to the 40th AGM in 2029) in the ordinary course, and statutory, cost and secretarial auditors have confirmed no instances of reportable fraud. The company has been transparent about the CRISIL downgrade's stated cause (project delays and insurance-claim issues) rather than attributing it vaguely to "market conditions," which is worth crediting even though the underlying news is negative. Technology partnerships with Mitsubishi Chemical/UBE and Morita Chemicals — both long-established, non-Chinese specialty-chemicals groups — were disclosed with reasonable structural detail (equity split, contribution amounts).

3. Grey areas

A promoter-group preferential allotment (10 lakh shares at ₹1,610/share, ₹161 crore total, to Cadamba Solutions Private Limited, taking that entity to a 3.65% stake) ran alongside the public QIP — legitimate and disclosed, but worth noting that promoter and public capital were both being raised into the same capex programme at a similar time. One secondary source separately headlined this transaction as a "₹1,610 crore" promoter investment; this report treats that figure as a likely per-share-price/total-amount conflation error and uses the more consistently corroborated ₹161 crore total instead — readers should be aware the error exists in some public coverage.

4. Red flags

None found beyond the CRISIL downgrade itself — no fraud finding, no SEBI enforcement action, and no litigation specific to the battery-chemicals business was located in this research. We treat the downgrade itself as a disclosed, agency-confirmed operational setback rather than a governance red flag, but it is the dominant fact investors should weigh, and it is treated as such throughout this report rather than filed separately as a footnote.

5. Items to watch

Whether CRISIL's outlook moves from "Negative" to "Stable" at the next scheduled review, which would signal the rating agency itself sees the project delays as resolving; confirmed commissioning of Pakhajan electrolyte production (H1 FY27 target) and salts (H2 FY27 target); resolution of the outstanding insurance claim; and whether Q2/Q3 FY27 results show interest-cost pressure easing as the QIP proceeds are deployed.

GOVERNANCE CONCLUSION

No misconduct found, but a confirmed execution setback that the valuation has not yet absorbed. Nothing in this research points to fraud, related-party abuse or disclosure failure — if anything, Neogen disclosed the CRISIL downgrade's stated cause plainly. The issue is operational, not governance in the narrow sense, but it belongs in the discount rate exactly the same way a governance concern would: a company whose own rating agency has just confirmed delayed execution should not trade at a premium multiple to peers who have not had that confirmation.



SWOT analysis

STRENGTHS

- Non-Chinese technology base: MUIS (Mitsubishi Chemical/UBE)-licensed electrolyte tech and the Morita Chemicals JV for LiPF₆ salt
- Dual product scope — both electrolyte and lithium salts, not one
- Battery-chemicals subsidiary revenue genuinely scaling (>50% of prior FY revenue in one quarter)
- First-ever QIP (~₹600cr, 6.5x oversubscribed) used for deleveraging
- Diversified base business (bromine, organolithium, pharma/agro intermediates) not dependent on battery chemicals alone

WEAKNESSES

- CRISIL downgrade (Jul-26) explicitly citing battery-chemicals project delays — a confirmed, not hypothetical, setback
- FY26 consolidated PAT down 17.46% YoY despite revenue growth
- Q2 FY26 profit fell 69% YoY on rising interest costs
- Capex revised upward (to ₹1,795cr total) from an unrecovered original, lower budget
- ~₹189-251cr of unresolved insurance-claim receivables on the balance sheet

OPPORTUNITIES

- Battery-chemicals revenue guided to ₹2,400-2,900cr by FY29 at 18-20% ROCE
- India's cell-manufacturing build-out (\$6-7 of this primer) is a structural multi-year electrolyte/salt demand driver if it materialises on schedule
- Both technology partnerships are outside the China export-restriction perimeter described in §7
- QIP proceeds specifically earmarked for debt reduction could improve interest coverage from here

THREATS

- Further delay or a second insurance/claims issue could trigger another rating action
- Extreme starting P/E (137-183x) leaves little room for anything short of a clean execution recovery
- Rising interest-rate/financing-cost environment continuing to compress profitability during the ramp
- Domestic cell-manufacturer cost-competitiveness (§7 of this primer) determines the addressable market for Neogen's output regardless of its own execution

Key developments to watch

- **CRISIL's next scheduled rating review** — the clearest external signal of whether the "Negative" outlook is stabilising or deteriorating further.
- **Pakhajan electrolyte commissioning (H1 FY27 target) and salts commissioning (H2 FY27 target)** — both already-once-revised milestones; a further slip would corroborate the downgrade's thesis.
- **Resolution of the outstanding insurance-claim receivable** — full recovery vs. a write-down would materially affect reported earnings quality.
- **Deployment of QIP proceeds against stated debt-reduction and working-capital goals.**

Key risks to be aware of

- **Execution risk (dominant, and already partly realised).** A rating agency has confirmed delays on the record; this is not a generic industry risk applied by analogy.
- **Leverage/interest-coverage risk.** Rising financing costs are already visibly compressing profitability during the build-out.
- **Valuation risk.** A triple-digit P/E leaves minimal margin of safety if execution does not recover quickly.
- **Contingent-asset risk.** The unresolved insurance receivable is a real, if smaller, source of downside if not recovered as management expects.



Valuation

FY26 standalone PAT of ₹46.96cr on an implied share count of ~3.0cr (market cap ÷ CMP) gives standalone FY26 EPS of ~₹15.63 — the basis consistent with the reported 137-183x trailing multiple range. Given the confirmed CRISIL downgrade and the rising financing-cost pressure documented above, we apply a deliberately modest forward-growth assumption and a sharply compressed target multiple relative to the current, downgrade-inconsistent trading multiple, rather than assuming a smooth continuation of FY26's already- pressured earnings trajectory:

Scenario	Target P/E (FY27E)	FY27E EPS (~)	Target price	Upside/(downside)
Bear	80.0x	16.0	1,280	(46.3)%
Base	100.0x	17.2	1,720	(27.9)%
Bull	130.0x	19.0	2,470	+3.6%

Base case rounded to ₹1,720. Even our bull case — a 130x multiple, still a rich one — barely clears the current price, which is the point: at 137-183x trailing, the stock is priced for an execution outcome the company's own rating agency has just said is not currently happening on schedule. EV/EBITDA cross-check not performed — FY26 EBITDA was not consistently disclosed across sources in this research. Third-party target prices found (a ₹1,335-2,761 range across 8 analysts, average ~₹1,752.50, per aggregator data) are wide and, per our governance section, likely include pre-downgrade vintage notes; we have not relied on them.

RECOMMENDATION: SELL, TARGET ₹1,720 (-27.9% FROM ₹2,385.20, 25 SEP 2026)

Upgrade triggers: a CRISIL outlook revision from Negative to Stable; confirmed, on-schedule commissioning of both Pakhajan electrolyte and salts lines; full resolution of the outstanding insurance claim without a write-down; two consecutive quarters of PAT growth showing interest-cost pressure easing. **Downgrade triggers:** any further rating action: a second insurance/claims complication; continued YoY PAT decline into FY27; or a further-revised (higher) capex figure for the Dahej-Pakhajan programme.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY22	FY23	FY24	FY25	FY26
Revenue	—	—	—	778	862
EBITDA	—	—	—	136	—
EBITDA margin	—	—	—	17%	—
Net profit (PAT)	—	—	—	34.8	28.8

FY26 consolidated PAT of ₹28.75cr is down 17.46% YoY despite revenue growth to ₹862cr, driven by rising interest costs tied to the battery-chemicals capex build; standalone FY26 PAT of ₹46.96cr (used for the per-share valuation above) is a materially different, higher figure reflecting the standalone-vs-consolidated distinction — both are shown per this report's data-honesty standard rather than reconciled into one number. FY22-FY24 figures were not found disclosed at this granularity in the sources reviewed.

Selected ratios	FY26
Trailing P/E (range across sources)	137-183x
Consolidated total debt	₹1,330 cr
Consolidated net debt	₹1,295 cr
Credit rating (bank/NCD)	CRISIL A-/Negative



Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: company results coverage and CRISIL Ratings rationale (17 Jul 2026), as aggregated via indianchemicalnews.com, whalesbook.com and scanx.trade (Jul-Sep 2026).

DISCLAIMER

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HOLD

Tata Power Company Ltd TATAPOWER

A well-diversified ₹1.15 lakh crore utility where storage is backdrop, not thesis — and a \$490m litigation overhang is the real near-term swing factor

Summary

Tata Power is India's largest integrated private-sector power utility, spanning transmission & distribution (₹41,339cr of FY26 segment revenue), renewables (₹15,028cr) and thermal & hydro generation (₹11,636cr) across more than 14.7 GW of installed capacity. Grid storage appears in this report because Tata Power has been an active, credible bidder for pumped-hydro and standalone BESS tenders — a 324 MW/ 2,592 MWh pumped-storage award from SECI (July 2026) plus standalone and hybrid BESS wins in Rajasthan, Chhattisgarh, Kerala and Maharashtra — but storage is not a separately disclosed segment, and the awards identified in this research sum to roughly 3.2 GWh against a >14.7 GW generation base. This is a company where storage is a growing, credible optionality, not yet a reason to own the stock on its own.

Two facts matter far more to Tata Power's near-term investment case than any of its storage tenders. First, the Mundra ultra-mega power project was shut down for roughly nine months (July 2025-March 2026) in a dispute with Gujarat's GUVNL over imported-coal cost pass-through, an estimated ₹800-1,000 crore drag that has now resolved with new PPAs and an April 2026 restart. Second, and larger: Tata Power lost a \$490.32 million international arbitration award to Kleros Capital Partners over a 2013 Russian coal-mining dispute, and the Singapore International Commercial Court rejected the company's challenge to that award on 26 August 2026. Tata Power has said it will appeal further, but as of this report a roughly half-a- billion-dollar liability, with interest accruing since November 2020, remains live and unresolved.

We flag a genuine data-quality problem in Tata Power's own reported financials: FY25 PAT is cited as ₹4,775 crore (Screener.in), ₹5,197 crore (the company's own Q4FY25 release) and ₹6,320 crore (a third aggregator's YoY comparator for FY26) across sources that do not reconcile in this research. We use the more conservative, Screener.in-sourced figure for our valuation below rather than pick the most flattering number, and flag this explicitly rather than resolve it silently.

TARGET PRICE

12-month target	₹406
CMP (29 Sep 2026)	₹356.35
Implied upside	+14.0%
Rating	HOLD

KEY STOCK DATA

Market cap	~₹1.15 lakh cr
P/E (TTM)	~24x (see Notes on data conflict)
52-week range	₹342.50 – ₹464.90
Debt/equity	~1.4-1.5x
Credit rating	CRISIL AA+/Stable
Storage in generation mix	~3.2 GWh identified / >14.7 GW total

SHAREHOLDING (JUN 2026)

Promoter (Tata Sons)	46.86%
DII	18.1%
FII	10.03%
Public	24.7%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25*	FY26
Revenue	61,542	64,502	62,429
EBITDA	12,701	14,468	11,041
PAT	4,280	4,775*	6,636**



Net: HOLD. Mundra's normalisation is a genuine, underappreciated positive; storage optionality is real but immaterial today; and the unresolved Kleros arbitration, alongside unreconciled earnings data, keeps this just short of a BUY on our own conservative numbers.

Investment rationale

- **A genuinely diversified utility, not a single-asset bet.** T&D, renewables and thermal/hydro each contribute materially to FY26 segment revenue and segment result, giving the business resilience a pure-play generator does not have.
- **Mundra's ~9-month drag has ended.** The UMPP restarted 1 April 2026 under new PPAs with GUVNL after a dispute-driven shutdown estimated to have cost ₹800-1,000 crore in the affected period — a real, underappreciated earnings tailwind into FY27 that does not depend on any storage thesis.
- **A real, growing (if small) storage and pumped-hydro order book.** The 324 MW/2,592 MWh SECI pumped-storage award (July 2026, 40-year contract) plus standalone/hybrid BESS wins across Rajasthan, Chhattisgarh, Kerala and Maharashtra show Tata Power winning competitive tenders in this space, even if the aggregate scale remains small against the total generation base.
- **Strong, stable credit access.** CRISIL AA+/Stable and an August 2026 ICRA reaffirmation citing "stable performance... and progress in transmission project execution," plus a ₹1,500 crore NCD raised at a 7.50% coupon in July 2026, show continued market access at reasonable cost despite the litigation overhang below.
- **Deleveraging trend, even if leverage remains meaningful.** Debt/equity is reported to have fallen from around 165% to roughly 145% over five years — directionally the right trend for a capital-intensive utility funding a large capex programme.

What gives us pause

- **A live \$490 million arbitration award, with the company's own appeal just rejected.** Tata Power lost a Kleros Capital Partners arbitration over a 2013 Russian coal-mining dispute; the Singapore International Commercial Court rejected its challenge to the \$490.32 million award (plus 5.33% simple annual interest accruing since 30 November 2020) on 26 August 2026. Tata Power intends a further appeal, but this is a material, quantified, currently unresolved liability that is a bigger near-term swing factor for this stock than anything in its storage business.
- **Grid storage is immaterial to the investment case, and should be read as such.** No segment discloses BESS/pumped-storage revenue or profit separately; the storage awards identified in this research sum to roughly 3.2 GWh against >14.7 GW of total generation capacity and an 11.6 GW renewables portfolio — a low-single-digit-percent contributor at most. Readers drawn to this stock by a storage thesis should be explicit with themselves that they are really underwriting a diversified-utility thesis with a storage kicker, not the reverse.
- **Tata Power itself makes no battery cells.** Its BESS hardware is sourced from Tata AutoComp-Gotion (a separate Tata Motors-orbit joint venture doing pack assembly only); all of the Tata Group's lithium-cell-manufacturing ambition sits with Agratas, an 88%-Tata-Sons-owned entity that is not Tata Power and not separately listed. Investors should not conflate Tata Group's broader battery ambitions with this company's own, much narrower storage-deployment business.
- **We could not reconcile the company's own reported profit figures.** FY25 PAT is cited as ₹4,775 crore (Screener.in), ₹5,197 crore (Tata Power's own Q4FY25 release) and ₹6,320 crore (a third aggregator's FY26 YoY base) — a spread wide enough to materially change any P/E-based valuation depending which figure is used. We use the most conservative figure below and flag this rather than pick the most flattering number.
- **Leverage remains meaningful.** A debt/equity ratio of roughly 1.4-1.5x is typical for an integrated utility with large T&D and generation asset bases, but it is not a balance sheet with significant spare capacity to absorb an adverse Kleros outcome without some financial consequence.
- **A third-party US litigation matter names the underlying asset, even if not the company directly.** Gujarat fishing communities and farmers have sued the International Finance Corporation (not Tata Power) in US federal court over alleged



environmental/livelihood damage from the IFC-financed Mundra UMPP — Tata Power is not the named defendant, but the plant is its own, and this is worth disclosing for completeness.

Corporate governance assessment

1. Which rules actually apply

Tata Power is a full mainboard-listed company under complete SEBI LODR obligations, majority-owned (46.86%) by Tata Sons under the chairmanship of N. Chandrasekaran, who also chairs Tata Sons itself — a related-party-adjacent structure common across the Tata group and disclosed as such, not evidence of irregularity on its own.

2. What the company does well

The company resolved the Mundra PPA dispute through negotiated new agreements with GUVNL rather than prolonged unilateral action, restarting the plant within roughly nine months. Continued NCD issuance (₹1,500cr at 7.50%, July 2026) and rating reaffirmations (CRISIL AA+/Stable; ICRA, August 2026) show sustained market and rating-agency confidence despite the Kleros litigation being public knowledge throughout this period. The company has been public about the Kleros arbitration outcome and its intent to appeal, rather than staying silent on a material litigation development.

3. Grey areas

The FY25/FY26 PAT reconciliation gap described above is significant enough that it should be treated as a genuine disclosure-clarity issue, not merely a data-aggregator artefact — a company of this scale publishing figures that differ by nearly ₹1,500 crore across its own release and third-party trackers for the same fiscal year warrants direct verification against the primary annual report before any external party relies on a specific number. The chairman's dual role at Tata Sons and Tata Power is a standard group-structure feature, not a red flag, but it is the kind of related-party-adjacent governance detail this report's methodology requires naming rather than assuming away.

4. Red flags

None found specific to governance or financial-reporting integrity. The Kleros arbitration loss and the Mundra shutdown are both disclosed, commercial/legal matters with clear public paper trails, not governance failures in the SEBI LODR sense. We flag explicitly that the unreconciled PAT figures, while troubling for analytical precision, were not found to stem from any restatement, auditor qualification or regulatory action in this research — absence of evidence of a reporting failure is not the same as confirmation that none exists, and readers should treat the FY25/26 PAT figures as needing direct verification before use in any precise valuation.

5. Items to watch

The outcome of Tata Power's further appeal to the Singapore Court of Appeal on the Kleros award; any primary-source reconciliation of the FY25/FY26 PAT figures via the next annual report; and whether Tata Power's storage/pumped-hydro order book grows large enough that the company begins disclosing it as a distinct segment.

GOVERNANCE CONCLUSION

Adequate, with two live items that belong in the discount rate. Nothing found here points to misconduct, but an unresolved ~\$490 million litigation exposure and a genuine gap in the company's own reported profit figures are both real enough that we have applied a conservative earnings base and a below-current target multiple in the valuation below, rather than assuming either resolves favourably.



SWOT analysis

STRENGTHS

- Genuinely diversified segment mix — T&D, renewables, thermal & hydro all material
- CRISIL AA+/Stable; continued market access (₹1,500cr NCD, Jul-26, at 7.50%)
- Mundra UMPP restarted Apr-26, removing an estimated ₹800-1,000cr FY26 drag
- Real, growing pumped-hydro and BESS order book (324MW/2,592MWh SECI PSP award, plus multiple standalone/hybrid BESS wins)
- Deleveraging trend (D/E ~165% → ~145% over five years)

WEAKNESSES

- Live, unresolved \$490.32m Kleros arbitration award, appeal to Singapore ICC already rejected
- FY25/FY26 PAT unreconciled across the company's own disclosures and third-party trackers
- Meaningful leverage (D/E ~1.4-1.5x)
- No separate storage/BESS segment disclosure — limits external tracking of that business's actual economics

OPPORTUNITIES

- India's 260 GWh storage tender pipeline (§6 of this primer) is a genuine multi-year EPC/IPP opportunity for an experienced, well-rated developer
- ISTS waiver extended to Jun-2028 improves BESS project economics sector-wide
- Continued renewables (TPREL) capacity growth alongside storage-linked hybrid awards
- A favourable further appeal outcome on Kleros would remove the report's single largest overhang

THREATS

- An adverse final Kleros outcome could require a material cash or balance-sheet response
- Further coal-cost or DISCOM-tariff pass-through disputes analogous to Mundra could recur elsewhere in the portfolio
- Rising interest-rate environment pressuring a meaningfully leveraged balance sheet
- Storage-specific: Crisil's own flagged 12 GWh of sector-wide "weak return potential" capacity (§6-7 of this primer) could apply to any newly-bid Tata Power project priced before the 2026 cell-cost spike

Key developments to watch

- **Tata Power's further appeal on the Kleros award** — the single largest identified swing factor for this stock, dwarfing any storage-related news.
- **Primary-source reconciliation of FY25/FY26 PAT** at the next annual report or investor presentation.
- **Any move toward separate segment disclosure for storage/pumped-hydro**, which would materially improve external ability to track that business's actual contribution.
- **Further BESS/pumped-storage tender wins or losses**, tracked against the sector-wide tender data in §6 of this primer.

Key risks to be aware of

- **Litigation risk (dominant).** The unresolved \$490m Kleros award is quantified, live, and larger than any single business-line consideration in this report.
- **Disclosure/data-quality risk.** The unreconciled PAT figures genuinely limit precise valuation confidence for this name specifically.
- **Leverage risk.** Meaningful debt on a capital-intensive balance sheet, still funding a large capex programme.
- **Regulatory/counterparty risk (secondary).** The Mundra dispute shows DISCOM cost-pass-through disagreements can shut down a major asset for the better part of a year; a recurrence elsewhere in the portfolio is a structural, not one-off, risk for an Indian generation business.



Valuation

Given the unreconciled PAT figures described above, we deliberately use the most conservative disclosed base: Screener.in's FY25 PAT of ₹4,775cr on an implied share count of ~324.5cr (market cap ÷ CMP), giving FY26 EPS of ~₹14.72 (assuming a broadly similar PAT trajectory to that conservative base). We then apply a 15% indicative FY27E growth rate, reflecting Mundra's normalisation and continued T&D/renewables growth, against a target multiple held roughly in line with the current implied multiple rather than re-rated upward, given the unresolved Kleros overhang:

Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	20.0x	15.5	310	(13.0)%
Base	24.0x	16.9	406	+14.0%
Bull	28.0x	18.4	515	+44.5%

Base case rounded to ₹406. This deliberately conservative-PAT-base approach means our target sits below several third-party brokerage figures found in this research (Kotak "Add" at ₹420 vs. a separate Kotak "Neutral" at ₹310 — itself an unreconciled pair; HSBC Buy at ₹440; JM Financial Buy at ₹429) — we have not adopted any of these directly given the underlying data-quality issues, and note our own base case sits just under the 15% BUY threshold specifically because of the unresolved Kleros litigation, not because of the operating business.

RECOMMENDATION: HOLD, TARGET ₹406 (+14.0% FROM ₹356.35, 29 SEP 2026)

Upgrade triggers: a favourable or settled resolution of the Kleros arbitration; primary-source reconciliation of FY25/FY26 PAT confirming the higher end of the disclosed range; two consecutive quarters of clean post-Mundra-restart earnings growth. **Downgrade triggers:** an adverse final outcome or enforcement action on the Kleros award; a further, unrelated DISCOM cost-pass-through dispute disrupting another major generation asset; or confirmation that the lower end of the disclosed PAT range is the accurate one.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY23	FY24	FY25	FY26
Revenue	55,109	61,542	64,502	62,429
EBITDA	—	12,701	14,468	11,041
Net profit (PAT)	3,810	4,280	4,775*	6,636**

*FY25 PAT shown per Screener.in (₹4,775cr), the conservative figure used in this report's valuation; Tata Power's own Q4FY25 release separately states ₹5,197cr for the same year. **FY26 PAT of ₹6,636cr is per PSU Connect's coverage of the company's own FY26 results release, which in turn cites FY25 PAT as ₹6,320cr for its YoY comparison — a third, higher figure for FY25 that does not match either figure above. All three FY25 figures are shown per this report's data-honesty standard rather than silently reconciled; see Notes.

Selected ratios	FY26
ROE	10.2%
ROCE	10.5%
Debt/equity	~1.4-1.5x
Dividend yield	0.70%

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: Screener.in (29 Sep 2026), Tata Power investor releases and PSU Connect coverage of FY26 results (12 May 2026) — see the PAT footnote above and the Notes section for the specific figures that could not be reconciled.



DISCLAIMER

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HOLD

Waaree Energies Ltd

WAAREEENER

The biggest battery bet in this report has no named chemistry, no named partner, and two capacity stories that don't add up

Summary

Waaree Energies is the world's largest non-Chinese solar module manufacturer, with 12 GW+ of installed module capacity and a stated ambition to reach 29 GW by FY27. Chairman Hitesh Doshi has framed the company's strategy explicitly as full value-chain diversification — "not only in solar, but batteries, transmission, transformers" — and the flagship of that pivot is a board-approved ₹8,175 crore, 16 GWh cell-to-BESS gigafactory at Rambilli, Andhra Pradesh, spanning cell manufacturing, packs and systems-level storage. At ₹68,461 crore market cap against FY26 PAT of ₹3,884 crore (17.0x trailing P/E, cheap for a company compounding profit at a 143% five-year CAGR), the valuation does not obviously assume the battery bet succeeds — the stock is currently trading at its 52-week low.

That cheapness has reasons behind it beyond the battery story. Waaree carries an active, not-yet-finally- resolved US Customs (CBP) tariff-evasion proceeding over Vietnam/Malaysia-routed solar-module imports — CBP's own finding was substantially exculpatory, rejecting the broader evasion claim and confirming Waaree's cooperation, but it is explicitly limited to a narrow subset of historical entries, not a final adjudication, and the stock still fell ~5% on the news with JM Financial cutting its target. An Income Tax Department search at Waaree's offices (November 2025) remains unresolved in outcome. UBS downgraded in July 2026, cutting its target multiple from 28x to 21x on "near-to-medium-term challenges for the solar industry."

On the battery business specifically, the research for this report could not resolve a basic question: how the ₹8,175 crore/16 GWh Rambilli gigafactory relates to a separately-reported subsidiary, "Waaree Energy Storage Solutions," which has already commissioned a 5.15 GWh pack/container line (funded by a ₹1,003 crore raise from family offices and HNIs) on a stated path to 20 GWh. The capacity figures, capex figures and investor bases across the two threads do not obviously reconcile in any public source found. Separately, no cell chemistry and no named technology-licensing partner have been disclosed for Rambilli at all — a larger information gap than peers in this report with a named partner (Exide/SVOLT, Premier Energies/RCT Solutions).

TARGET PRICE

12-month target	₹2,550
CMP (29 Sep 2026)	₹2,380
Implied upside	+7.1%
Rating	HOLD

KEY STOCK DATA

Market cap	₹68,461 cr
P/E (TTM)	17.0x
52-week range	₹2,380 - ₹3,720
ROE / ROCE	32.5% / 38.4%
Rambilli gigafactory	₹8,175 cr, 16 GWh — no chemistry/partner disclosed
US CBP tariff proceeding	Active, largely exculpatory, unresolved

SHAREHOLDING (JUN 2026)

Promoter (Doshi family)	64.12%
FII	8.57%
DII	4.08%
Public	23.23%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	11,398	14,444	26,537
Net profit	1,274	1,928	3,884
EPS (₹)	62.76	65.00	129.02



Net: HOLD. Waaree's core solar business is compounding fast and cheaply priced; its battery ambition is real and well-capitalised in aggregate, but is currently the least legible of any battery story in this report — two potentially overlapping capacity announcements, no named chemistry, and no construction update. We do not think the current multiple is expensive enough to warrant a SELL, but the disclosure gaps are too large, and too central to the stated growth story, to support a BUY.

Investment rationale

- **World's largest non-Chinese solar module manufacturer, cheaply priced.** 17.0x trailing P/E against a 143% five-year profit CAGR and 32.5% ROE is inexpensive for the growth on offer, and the stock trades at its 52-week low despite that growth continuing through FY26.
- **A full-value-chain diversification strategy, not a single bolt-on bet.** Management is simultaneously entering batteries, transformers, transmission and ultra-high-purity specialty gases — positioning Waaree as an integrated energy-infrastructure platform rather than a pure solar-module maker.
- **The largest single disclosed battery capex commitment in this report.** ₹8,175 crore for 16 GWh at Rambilli, Andhra Pradesh, explicitly scoped to cover cell manufacturing, packs and systems-level BESS — larger in rupee terms than any other company's disclosed battery capex covered in this primer.
- **A second battery vehicle is already operating, not just announced.** Subsidiary "Waaree Energy Storage Solutions" has commissioned a 5.15 GWh pack/container line (uprated from an initial 3.5 GWh) using Industry 4.0 automation, funded by a ₹1,003 crore raise from family offices and HNIs, on a stated path to 20 GWh.
- **Management states the capex programme is already funded.** Chairman Hitesh Doshi described the company as "currently fully funded," with a shareholder-approved ₹10,000 crore QIP held as a standby facility rather than a near-term dilutive raise.
- **The US CBP tariff-evasion finding, while unresolved, was largely exculpatory.** CBP confirmed Waaree did not export US-bound modules made with Chinese-origin cells, found the company fully cooperated, and made no adverse inferences — a materially better outcome than an evasion finding would have been.

What gives us pause

- **Two battery capacity stories that do not reconcile.** The ₹8,175cr/16 GWh Rambilli gigafactory and the separately-reported "Waaree Energy Storage Solutions" (20 GWh roadmap, ₹1,003cr raise, already-operating 5.15 GWh line) carry different capacity figures, different capex figures and different investor bases with no public source explaining how — or whether — the two map onto each other. This is a genuine information gap, not an accusation of wrongdoing, but it is large enough that this report cannot yet describe Waaree's battery business as a single, sized bet.
- **No cell chemistry and no named technology partner for Rambilli.** Unlike Exide (SVOLT) or Premier Energies (RCT Solutions, covered elsewhere in this report), no source found names an LFP-vs-NMC choice or any licensor — Chinese or otherwise — for the larger of Waaree's two battery projects, nor any construction- progress update.
- **An active, unresolved US trade-compliance proceeding.** The CBP finding was favourable on the specific allegations reviewed, but is explicitly confined to "a narrow subset of certain historical import entries," not a final adjudication, and Waaree itself says it is still evaluating further legal remedies. JM Financial cut its target on the news despite the largely exculpatory finding.
- **An unresolved Income Tax Department search.** The November 2025 search caused a >6% single-day share-price fall; no outcome was found in this research.



- **Sell-side sentiment has turned more cautious, not less, through 2026.** UBS downgraded in July 2026 (target multiple cut from 28x to 21x); DAM Capital and UBS both sit at Neutral following a Q1 result the company itself called strong but that still triggered a share-price fall — the specific reason for that disconnect was not found in this research.
- **A promoter succession transfer that, while procedurally clean, adds a governance item to track.** A SEBI-approved transfer of a combined ~63% (44.88% direct + 18.34% indirect) promoter stake into a family trust was exempted from a mandatory open-offer requirement as an internal succession — reported as such, but not independently verified against the underlying exemption order in this research.

Corporate governance assessment

1. Which rules actually apply

Waaree Energies Ltd is a mainboard NSE/BSE-listed company, fully subject to SEBI LODR Regulations 17-27. The Rambilli battery gigafactory and the Waaree Energy Storage Solutions subsidiary both fall within the same group disclosure perimeter, though this research could not establish the precise corporate structure linking the two to the parent, or to each other.

2. What the company does well

The 36th AGM (24 September 2026) passed all six resolutions, including the appointment of Mona Bhide as an Independent Director, by special resolution. The CBP proceeding, while unresolved, shows a company that by the regulator's own account "fully cooperated" with a foreign customs investigation. The promoter succession arrangement was routed through, and approved by, SEBI rather than executed informally, and was structured to avoid a change of control that would otherwise trigger a mandatory open offer.

3. Grey areas

The Indosolar Ltd merger (1 Waaree share for every 11 Indosolar shares, ~US\$99-100 million) was approved at the same late-September 2026 board cycle as several other announcements; this appears to be an internal restructuring of an already-controlled subsidiary rather than a new acquisition, but the pre-merger ownership percentage was not confirmed in this research. The unreconciled Rambilli/Waaree-ESS battery-capacity disclosure (see above) is itself a grey area: not evidence of misstatement, but a genuine gap in the clarity an investor should expect for the single largest capital commitment in the company's diversification strategy.

4. Red flags

None found that rise to the level of a governance red flag, though two live regulatory/tax matters remain open. The US CBP proceeding and the November 2025 Income Tax Department search are both unresolved as of this research date. Neither has produced an adverse finding against Waaree to date — the CBP outcome to date is explicitly favourable on the merits reviewed — but both remain open items, and we flag explicitly that absence of an adverse finding so far is not the same as confirmed closure.

5. Items to watch

Resolution of the US CBP legal-remedy process; the outcome of the Income Tax Department search; any company disclosure reconciling the Rambilli gigafactory with Waaree Energy Storage Solutions into a single consolidated battery-capacity and capex figure; confirmation of a named cell-technology partner and chemistry for Rambilli; and whether the ₹10,000 crore standby QIP is ever actually executed.



GOVERNANCE CONCLUSION

Adequate, with two live unresolved matters and one significant disclosure gap. Nothing found in this research points to proven misconduct, and the CBP outcome so far is favourable. But the combination of an unresolved tax-authority search, an unresolved (if largely exculpatory) US trade proceeding, and an unreconciled battery-capacity story across two corporate vehicles is enough open information risk that we hold our target multiple in line with, not above, Waaree's current trading multiple.

SWOT analysis

STRENGTHS

- World's largest non-Chinese solar module manufacturer; 12 GW+ capacity, targeting 29 GW by FY27
- Cheap valuation for the growth on offer: 17.0x P/E against a 143% 5-yr profit CAGR
- Largest single disclosed battery capex commitment in this report (₹8,175cr/16 GWh)
- A second battery line already commissioned and operating (5.15 GWh, Waaree ESS)
- Management states the capex programme is currently fully funded, no near-term dilution planned

WEAKNESSES

- Rambilli gigafactory and Waaree Energy Storage Solutions are not reconciled into one consolidated story
- No cell chemistry or technology partner named for the larger (Rambilli) battery project
- No construction-progress update found for Rambilli
- Exact current CRISIL/CARE credit-rating letter grade could not be confirmed in this research

OPPORTUNITIES

- Full value-chain diversification (batteries, transformers, transmission, specialty gases) broadens the growth base beyond solar modules
- PLI-ACC Tranche 2 (10 GWh, grid-scale-specific) is a fresh policy on-ramp Waaree could pursue for Rambilli
- A ₹1 lakh crore FY31 revenue ambition (per PL Capital's citation of management commentary) signals continued aggressive scale-up intent
- Favourable resolution of the CBP matter would remove a current valuation overhang

THREATS

- Sector-wide solar oversupply/margin-compression risk flagged by UBS and Geojit could constrain capital available for the battery pivot
- Competitive risk from Exide, Amara Raja, Reliance, Tata/Agratas, JSW and Premier Energies, all racing for the same nascent India cell-manufacturing capacity
- An adverse outcome in the still-open CBP legal-remedy process or Income Tax search
- Continued sell-side de-rating (UBS's multiple cut from 28x to 21x) if sector sentiment does not improve

Key developments to watch

- **Any disclosure reconciling Rambilli and Waaree Energy Storage Solutions** into a single battery capacity, capex and technology-partner story — the single highest-value disclosure this report is waiting on for Waaree.
- **A named cell-technology partner or chemistry for Rambilli**, which would close the largest information gap versus peers like Exide and Premier Energies.
- **Resolution of the US CBP legal-remedy process** and the outcome of the November 2025 Income Tax Department search.
- **Whether the ₹10,000 crore standby QIP is executed**, which would signal capital needs have grown beyond the "currently fully funded" position management describes today.

Key risks to be aware of

- **Disclosure risk (dominant).** The unreconciled battery-capacity story and the absence of a named technology partner make Waaree's battery bet the hardest in this report to size with confidence.



- **Regulatory/tax overhang.** Two open matters (CBP, Income Tax) could still produce adverse findings, even though the CBP outcome to date is favourable.
- **Sector-cyclicality risk.** Sell-side caution on solar-sector oversupply and margin compression could constrain the capital available for the battery diversification even if the core module business remains large.
- **Competitive risk.** A crowded field of well-capitalised entrants is chasing the same nascent India cell-manufacturing opportunity.

Valuation

₹ per share unless stated

FY26 PAT of ₹3,884cr on EPS of ₹129.02 gives a base for an indicative FY27E EPS of ~₹141.9, using a 10% growth assumption — moderated well below FY26's hypergrowth rate to reflect the sector oversupply/margin-compression risk UBS and Geojit have both flagged, not management guidance. We apply a target multiple range around, not above, Waaree's own post-downgrade multiple (UBS cut its own multiple assumption to 21x), reflecting the disclosure gaps on the battery business discussed above:

Scenario	Target P/E (FY27E)	FY27E EPS (~)	Target price	Upside/(downside)
Bear (5% EPS growth)	15.0x	130	1,950	(18.1)%
Base (10% EPS growth)	18.0x	141.9	2,554	+7.3%
Bull (16% EPS growth)	21.0x	150	3,150	+32.4%

Base case rounded to ₹2,550. EV/EBITDA cross-check not performed — a specific net-debt figure for Waaree was not independently confirmed in this research pass. Third-party targets found in this research span a wide range and mostly predate the September 2026 disclosures: Emkay Global (Buy, ₹4,260, ~Dec 2025), Prabhudas Lilladher (Buy, ₹3,600, ~Jan 2026), UBS (cut to ~21x multiple, 14 Jul 2026), and PL Capital (reiterated Buy, citing a ₹1 lakh crore FY31 revenue ambition). Given the currency and dispersion of these targets, we set our own base case conservatively rather than anchoring to the more bullish, older figures.

RECOMMENDATION: HOLD, TARGET ₹2,550 (+7.1% FROM ₹2,380, 29 SEP 2026)

Upgrade triggers: a company disclosure reconciling the Rambilli and Waaree Energy Storage Solutions battery businesses into one consolidated capacity/capex figure with a named technology partner; favourable, final resolution of the CBP matter; confirmed construction progress at Rambilli. **Downgrade triggers:** an adverse outcome in the CBP legal-remedy process or the Income Tax search; further sell-side de-rating on sector oversupply; execution of the ₹10,000cr QIP at a price implying the "fully funded" position has changed materially.

Financial summary — selected disclosed metrics (₹ crore)

	FY22	FY23	FY24	FY25	FY26
Revenue	2,854	6,751	11,398	14,444	26,537
Net profit (PAT)	80	500	1,274	1,928	3,884
EPS (₹)	3.84	24.49	62.76	65.00	129.02

Operating-profit/EBITDA and debt-schedule figures were not independently confirmed to the same standard as revenue/PAT in this research pass and are not reproduced here rather than estimated. Exact current CRISIL/CARE letter-grade credit ratings could not be confirmed — only rating-update event dates were found (CARE: 5 Feb 2026, 19 Mar 2025, 3 Apr 2024; CRISIL: 17 Feb 2023, 13 Feb 2023).



Selected ratios		FY26
ROE / ROCE		32.5% / 38.4%
5-yr sales / profit CAGR		69% / 143%
TTM sales growth		94%
Dividend yield		0.17%
Rambilli battery capex approved		₹8,175 cr (16 GWh)

Balance sheet and cash-flow statements are not reproduced here at full granularity — a specific net-debt figure was not independently confirmed in this research pass. Source: screener.in, 29 Sep 2026.

DISCLAIMER

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HOLD

Premier Energies Ltd

PREMIERENE

This report's only named, Western, non-Chinese battery-technology partner — undercut by an unresolved US export-concentration question

Summary

Premier Energies is an integrated solar cell and module manufacturer accounting for approximately 100% of India's solar-cell exports to the US, and among the top 13 global module manufacturers. It recently commissioned a 7 GW N-type TOPCon solar-cell facility at Naidupeta, Andhra Pradesh (₹3,293 crore, described as India's largest solar-cell facility), taking total cell capacity to 10.6 GW. Financially, this is the strongest operating story of any newly-added company in this report: FY26 revenue of ₹7,824 crore and PAT of ₹1,510 crore, a 131% five-year profit CAGR, 365% three-year profit CAGR, 41.0% ROE and 32.7% ROCE.

On 11 September 2026, Premier signed a binding term sheet with Germany's RCT Solutions — a firm with over 10 GW of global BESS project-engineering experience — to form a joint venture targeting a 12 GWh BESS manufacturing facility, structured through wholly-owned subsidiary Premier Battery Technologies Pvt Ltd (85% Premier, 15% RCT Energy India, with an option for RCT to move to 20%). Phase 1 (6 GWh) is targeted for June 2027 commissioning in Telangana. This makes Premier Energies the only company in this entire report — across both the original eight and the seven companies added in this completeness review — with a named, Western, non-Chinese battery-technology partner, a genuine differentiator against peers whose Chinese licensing relationships have stalled (Amara Raja/Gotion) or never closed (Reliance/Hithium, JSW/unnamed).

What keeps this at HOLD rather than BUY is not the battery story itself but the business it sits on top of. Despite Premier's ~100% concentration in US-bound solar-cell exports, this research could not locate any specific, dated Section 201/301 tariff action or antidumping/countervailing-duty proceeding naming Premier Energies — an absence that should be read as "not found in this research," not as "confirmed clean," and which is a materially more opaque position than peer Waaree Energies (also covered in this report), which does have a confirmed, largely-exculpatory US Customs proceeding that at least clarifies where it stands. The RCT

TARGET PRICE

12-month target	₹1,000
CMP (29 Sep 2026)	₹870
Implied upside	+14.9%
Rating	HOLD

KEY STOCK DATA

Market cap	₹39,407 cr
P/E (TTM)	23.7x
52-week range	₹660 - ₹1,134
ROE / ROCE	41.0% / 32.7%
BESS JV partner	RCT Solutions (Germany) — non-Chinese
US cell-export concentration	~100% of India's US solar-cell exports

SHAREHOLDING (JUN 2026)

Promoter (Saluja family)	58.48%
DII	17.97%
Public	15.07%
FII	7.92%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	3,144	6,519	7,824
Operating profit (margin)	478 (15%)	1,781 (27%)	2,378 (30%)
Net profit	231	937	1,510



Solutions JV itself is also only a binding term sheet, not a definitive agreement, with no disclosed capex, chemistry, or exact site for the Telangana facility.

Net: HOLD. The base-case valuation arithmetic below lands within a point of our own BUY threshold, and we would not be surprised if a confirmation of clean US trade-policy standing, or a definitive RCT Solutions agreement, moved this to BUY. Until then, the single largest unquantified risk in Premier's business — US export exposure — sits directly upstream of its ability to fund the very battery pivot that makes this stock interesting.

Investment rationale

- **The only named, non-Chinese battery-technology partner in this entire report.** The RCT Solutions (Germany) JV, via wholly-owned subsidiary Premier Battery Technologies Pvt Ltd (85% Premier / 15% RCT, option to 20%), is a credible answer to the China-technology-access question that has stalled or complicated nearly every other cell/BESS ambition covered in this primer.
- **The strongest underlying operating momentum of any newly-added company here.** 131% five-year and 365% three-year profit CAGR, 41.0% ROE, 30% FY26 operating margin (up from 15% in FY24) — this is a business scaling profitably, not just growing revenue.
- **India's largest single solar-cell facility, just commissioned.** The 7 GW Naidupeta TOPCon plant (₹3,293cr) takes total cell capacity to 10.6 GW, reinforcing the core solar franchise the battery pivot is being funded from.
- **A ₹14,000 crore order book** (per Jefferies) underpins near-term revenue visibility independent of the battery story's timeline.
- **Capital already being lined up.** A ₹5,000 crore capital-raise authorization was approved at the same AGM week as the RCT Solutions JV announcement (21 September 2026) — plausibly, though not confirmed, linked to funding the battery pivot.
- **Broadly constructive sell-side coverage.** Trendlyne's 18-analyst consensus target of ₹1,136 (+31% from CMP), Jefferies (Buy, ₹1,135, citing the order book) and Nuvama (Buy) all sit well above the current price, even after accounting for one recent, more bearish call (see below).

What gives us pause

- **An extreme, effectively undocumented US export-concentration risk.** Despite Premier accounting for ~100% of India's solar-cell exports to the US by its own business description, this research found no specific Section 201/301 action or antidumping/countervailing-duty case naming Premier Energies — a gap that should be read as a research limitation, not a clean bill of health, and one that is more concerning here than for Waaree Energies (also in this report), which at least has a confirmed, largely-favourable CBP outcome clarifying its position.
- **The RCT Solutions JV is a binding term sheet, not a definitive agreement.** The specific technology scope (upstream cell chemistry vs. downstream systems/pack integration), the cell chemistry itself, capex, and the exact Telangana site are all undisclosed.
- **The ₹5,000 crore capital raise's link to the battery JV is inferred from timing, not confirmed.** It was authorized in the same AGM week as the RCT Solutions announcement but could equally, or additionally, fund the solar ingot-wafer/cell capacity build-out referenced at the same meeting.
- **The most recent analyst call found is the most bearish.** Ambit Capital downgraded to Sell (target ₹825, implying downside from the then-current price) in the days immediately preceding this report's research — the freshest data point in an otherwise largely-bullish trail, and worth weighting accordingly.



- **A cited comparative-ROE figure for Premier (8.3%, per a Goodreturns article contrasting Waaree and Premier) conflicts sharply with screener.in's reported 41.0% ROE.** We use the screener.in figure throughout this report and flag the discrepancy explicitly rather than silently picking one.
- **Detailed board/independent-director composition was not found** in this research, limiting how precisely this report can assess board independence.

Corporate governance assessment

1. Which rules actually apply

Premier Energies Ltd is a mainboard NSE/BSE-listed company (listed ~September 2024), fully subject to SEBI LODR Regulations 17-27. The RCT Solutions JV runs through Premier Battery Technologies Pvt Ltd, a wholly-owned subsidiary in which Premier retains 85% control, keeping the battery business within the same consolidated disclosure perimeter as the parent.

2. What the company does well

All eight resolutions at the 31st AGM (21 September 2026) passed with high majority, including the ₹5,000 crore capital-raise authorization and a ₹1.00/share dividend confirmation, alongside two prior interim dividends during the year — a company returning cash to shareholders even while funding an aggressive capex programme. The promoter-holding decline from 64.25% (September 2024) to 58.48% (June 2026) is fully explained by a disclosed, arm's-length block-deal sale to institutional investors (Quant Mutual Fund, Nomura, SmallCap World Fund among 22 investors, ₹2,291 crore) rather than an unexplained reduction.

3. Grey areas

No stated rationale was found for why the promoter group chose to sell down 5.29% of its stake to institutions in May 2026 — the transaction itself is transparent, but the motivation is not disclosed. Corporate-structure activity around the same period (dissolution of Bangladesh subsidiary IBD Solar Powertech; incorporation of a new Singapore subsidiary, PE Horizon Pte Ltd, with its purpose undisclosed) adds mild complexity without a clear public rationale. Detailed board composition beyond the Chairman and Managing Director was not confirmed in this research.

4. Red flags

None found in the sources reached for this report — no litigation, regulatory action, or auditor change was identified for Premier Energies, in contrast to peer Waaree Energies' active US CBP proceeding and Income Tax search. We flag explicitly that this is an absence of findings within the research channels available, not a confirmed clean record — and it should be read alongside the export-concentration disclosure gap above, which is itself the more material open question for this company.

5. Items to watch

Any US trade-policy action specifically naming Premier Energies; conversion of the RCT Solutions binding term sheet into a definitive, capex-disclosed agreement; confirmation of the ₹5,000cr raise's actual use of proceeds; and a fuller board-composition disclosure in the next annual report.

GOVERNANCE CONCLUSION

Adequate, with one significant, unquantified external risk rather than an internal governance concern. Nothing found in this research points to internal misconduct, and disclosed capital-markets activity (the AGM resolutions, the block-deal explanation for the promoter-holding decline) is transparent. The open question is external: US trade-policy exposure this research could not document either way. That uncertainty belongs in the valuation, which is why our target sits close to, rather than meaningfully above, the current price despite the strong operating numbers.



SWOT analysis

STRENGTHS

- Only named, Western, non-Chinese battery-technology partner in this report (RCT Solutions, Germany)
- Strongest profit growth of any newly-added company: 131% 5-yr / 365% 3-yr profit CAGR
- 41.0% ROE, 32.7% ROCE, FY26 operating margin expanded to 30% from 15% in FY24
- India's largest single solar-cell facility just commissioned (7GW Naidupeta, ₹3,293cr)
- ₹14,000cr order book (Jefferies) provides near-term revenue visibility

WEAKNESSES

- ~100% US solar-cell export concentration with no documented trade-policy exposure assessment found
- RCT Solutions JV is a binding term sheet only, not a definitive agreement
- No disclosed capex, chemistry, or exact site for the 6 GWh Telangana Phase 1 facility
- Detailed board composition beyond Chairman/MD not confirmed

OPPORTUNITIES

- Conversion of the RCT Solutions term sheet into a definitive agreement with disclosed capex/chemistry
- The ₹5,000cr capital raise, if confirmed battery-earmarked, would materially de-risk the Telangana build-out
- Export-oriented BESS platform positioning could capture both Indian and overseas demand
- Continued order-book conversion (₹14,000cr) supports near-term earnings regardless of the battery timeline

THREATS

- Any US Section 201/301 or AD/CVD action specifically naming Premier Energies, given its export concentration
- Ambit Capital's recent Sell downgrade (₹825 target) is the freshest, most bearish data point found
- Competitive risk from Exide, Amara Raja, Reliance, Tata/Agratas, JSW and Waaree Energies, all pursuing the same nascent capacity
- Sector-wide solar oversupply/margin-compression risk flagged by Geojit across both Premier and Waaree

Key developments to watch

- **Conversion of the RCT Solutions binding term sheet into a definitive agreement**, with disclosed capex, chemistry, and exact Telangana site — the clearest de-risking event available.
- **Any confirmation, positive or negative, of Premier's US trade-policy standing** given its export concentration — currently the single largest unquantified risk in this report's coverage of the company.
- **Confirmed use of proceeds for the ₹5,000cr capital raise.**
- **Further sell-side re-rating** in either direction, given the recent divergence between Trendlyne's bullish consensus and Ambit Capital's fresh Sell call.

Key risks to be aware of

- **US trade-policy risk (dominant).** Extreme export concentration to a single market with no documented current trade-action status is the largest, least-quantified risk in this report's coverage of Premier Energies.
- **Execution risk on the battery JV.** A binding term sheet is not a definitive agreement, and Phase 1's June 2027 target leaves a relatively tight window once (if) construction begins.
- **Capital-allocation ambiguity.** The ₹5,000cr raise's actual purpose is inferred, not confirmed.
- **Competitive risk.** A crowded field of large, well-capitalised entrants is pursuing the same nascent India battery-manufacturing opportunity.

Valuation

₹ per share unless stated

FY26 PAT of ₹1,510cr on EPS of ₹33.33 gives a base for an indicative FY27E EPS of ~₹41.66, using a 25% growth assumption reflecting the Q1 FY27 (₹10.20 EPS) run-rate acceleration — not management guidance. We apply a target multiple modestly below Premier's own trailing 23.7x, reflecting the unresolved US export- concentration question:



Scenario	Target P/E (FY27E)	FY27E EPS (~)	Target price	Upside/(downside)
Bear (8% EPS growth)	18.0x	36	648	(25.5)%
Base (25% EPS growth)	24.0x	41.66	1,000	+14.9%
Bull (35% EPS growth)	27.0x	45	1,215	+39.7%

Base case rounded to ₹1,000, deliberately just inside the HOLD band despite Premier's own operating momentum — the US export-concentration gap is the specific reason this is not a BUY. Third-party targets found in this research span from Ambit Capital's Sell (₹825, most recent, ~24-25 Sep 2026) to Trendlyne's 18-analyst consensus (₹1,136) and Jefferies' Buy (₹1,135, raised from ₹865, citing the ₹14,000cr order book); Motilal Oswal separately projected a possible 28% rally. Given the freshness of the Ambit downgrade relative to the other, slightly older bullish calls, we set our own base case below the bullish consensus rather than in line with it.

RECOMMENDATION: HOLD, TARGET ₹1,000 (+14.9% FROM ₹870, 29 SEP 2026)

Upgrade triggers: documented confirmation of clean (or immaterial) US trade-policy exposure; the RCT Solutions term sheet converting to a definitive, capex-disclosed agreement; confirmed battery-earmarked use of the ₹5,000cr raise.

Downgrade triggers: any US Section 201/301 or AD/CVD action naming Premier Energies specifically; the RCT Solutions JV stalling or being abandoned; further sell-side downgrades echoing Ambit Capital's Sell call.

Financial summary — selected disclosed metrics (₹ crore)

	FY24	FY25	FY26
Revenue	3,144	6,519	7,824
Operating profit (margin)	478 (15%)	1,781 (27%)	2,378 (30%)
Net profit (PAT)	231	937	1,510
EPS (₹)	8.78	20.79	33.33

FY22-FY23 figures not independently confirmed to the same standard and are not reproduced here rather than estimated. Total borrowings ₹3,707cr, equity capital ₹45cr, reserves ₹4,262cr, total assets ₹10,840cr, all as of Mar-2026. Exact current CRISIL/CARE letter-grade rating could not be confirmed — only rating-update event dates were found.

Selected ratios	FY26
ROE / ROCE	41.0% / 32.7%
5-yr sales / profit CAGR	62% / 131%
3-yr sales / profit CAGR	76% / 365%
Order book (Jefferies)	₹14,000 cr
1-yr stock price return	(15)%

Balance sheet and cash-flow statements are not reproduced here at full granularity beyond the figures above. Source: screener.in / groww.in, 29 Sep 2026.



DISCLAIMER

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SELL

Adani Green Energy Ltd

ADANIGREEN

India's largest renewable IPP, with a genuinely record-setting battery — priced as if the battery were the business

Summary

Adani Green Energy is the largest renewable power producer in India by operating capacity — past 20 GW as of July 2026, on a stated path to 50 GW by 2030, and the first Indian renewable company to cross the 10 GW mark (April 2024). In May 2026 it commissioned a 3.37 GWh battery energy storage system at its Khavda, Gujarat mega-park, built in roughly ten months and widely reported as the world's largest single-location BESS deployment outside China. A further 10-15 GWh (sources disagree on the precise figure) is targeted by FY27, scaling to a stated 50 GWh over five years.

None of that changes what the stock is actually pricing. At a trailing P/E of 107x against FY26 profit growth that was effectively flat (₹1,987 crore versus ₹2,001 crore in FY25, despite 15% revenue growth), the multiple already assumes a great deal of future execution that the current numbers do not yet show. Screener.in's own data flags a low interest-coverage ratio and a modest 7.39% ROCE — unusual red flags for a stock trading at this multiple. No BESS-specific revenue, EBITDA, or profit contribution has been disclosed anywhere in this company's public reporting; the storage story, however genuinely impressive in engineering terms, remains an unmonetised capability layered onto a core generation business that is itself growing capacity faster than its bottom line.

A widely-circulated market claim of "15 GWh / ₹25,000 crore" of incremental storage capex could not be traced to any primary source in our research and appears to be an inaccurate conflation; the best-sourced figures are 10-15 GWh additional by FY27 (company and trade-press sources disagree on the exact number) and roughly ₹15,000 crore, an Emkay estimate rather than a disclosed AGEL capex figure. Separately, Adani Green was one of five Adani Group companies that reached a SEBI consent settlement in September 2026 (₹1.50-1.51 crore collectively, covering Hindenburg-era related-party-disclosure allegations, reached without any admission of wrongdoing) — a settled matter, not an ongoing one, but part of a broader governance-scrutiny legacy that any Adani equity thesis has to carry.

TARGET PRICE

12-month target	₹1,125
CMP (29 Sep 2026)	₹1,260
Implied downside	(10.7)%
Rating	SELL

KEY STOCK DATA

Market cap	₹2,07,083 cr
P/E (TTM)	107x
52-week range	₹765 – ₹1,632
ROCE	7.39%
Dividend yield	0.00%
Khavda BESS commissioned	3.37 GWh

SHAREHOLDING (JUN 2026)

Promoter (Adani family)	62.43%
FII	11.84%
DII	4.82%
Public	20.90%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	9,220	11,212	12,928
PAT	1,260	2,001	1,987
EPS (₹)	6.94	9.12	10.03



Net: SELL. This is a genuinely excellent business executing a genuinely impressive storage build-out — the problem is entirely the price being asked for it today, not the underlying engineering or strategy.

Investment rationale

- **India's largest and fastest-growing renewable IPP, by a wide margin.** Past 20 GW operational capacity (July 2026), first Indian renewable company past 10 GW (Apr 2024), a record 5.1 GW added in FY26 alone, and a stated 50 GW-by-2030 target that the current build rate makes credible, not aspirational.
- **The Khavda BESS is a genuine, verifiable engineering achievement.** 3.37 GWh commissioned in roughly ten months, widely reported as the largest single-location battery storage deployment outside China — built to firm Khavda's 9.9 GW (of a planned 30 GW) renewable output against curtailment and transmission congestion.
- **The storage roadmap is real, even if the exact numbers in circulation are not.** Company and trade-press sources converge on 10-15 GWh of further storage capacity targeted by FY27 and 50 GWh over five years — smaller than the "15 GWh/₹25,000cr" figure some market commentary cites, but a genuine, multi-gigawatt-hour forward commitment nonetheless.
- **The promoter has been a net buyer, not a seller.** Promoter holding has risen from 56.26% (Sep 2023) to 62.43% (Jun 2026), and no share pledge is currently disclosed — a meaningfully different signal from the pledge scrutiny that followed the Adani Group in early 2023.
- **Credit access is improving, not deteriorating.** Adani Green was among the first Indian companies to receive a Japan Credit Rating Agency (JCR) rating, explicitly framed as opening access to Japanese debt markets, alongside a CareEdge-ESG "1+" rating (score 87.3) — the highest ESG score of any Indian company found in this research.
- **At least one credible sell-side house is already re-rating the stock specifically on the storage story.** Emkay raised its target to ₹1,500 (21.4% implied upside at the time) explicitly citing the "Khavda storage play" — the clearest evidence found that the BESS narrative can move the multiple, even if this report's own base case does not yet extend that far.

What gives us pause

- **BESS is, today, a cost centre with a good press release, not a profit centre.** No BESS-specific revenue, EBITDA or profit contribution has been disclosed in any source found — the entire storage story currently sits as unmonetised capability layered onto the core generation business it was built to serve.
- **A 107x trailing multiple is being asked to do a lot of work.** FY26 PAT grew effectively 0% (₹1,987cr vs ₹2,001cr) despite 15% revenue growth — a sign that rising interest and depreciation from the aggressive capacity build are already eating into the benefit of that growth, at a multiple that presumes the opposite trend.
- **The market's own favourite storage statistic doesn't check out.** A dedicated search for the widely-cited "₹25,000 crore" battery-capex figure returned zero results anywhere; the best-sourced figures are 10-15 GWh (not a single settled number) and ~₹15,000 crore (an Emkay estimate, not company-disclosed capex) — a gap between market narrative and company disclosure worth pricing conservatively, not generously.
- **Screeners' own flags argue against, not for, further multiple expansion.** A "low interest coverage ratio" and 7.39% ROCE are unusual companions to a 107x P/E; specific net-debt or debt-to-equity figures could not be confirmed in this research despite active financial-press scrutiny of "rising debt" at Adani Green.
- **No cell or technology supplier has been named for Khavda.** Unlike several peers in this report (Exide/SVOLT, Premier Energies/RCT Solutions), Adani Green has disclosed no external technology partner for its BESS build-out — plausibly imported cells given the company has no captive cell-manufacturing arm, but this is inference, not disclosure.
- **A settled but real governance-scrutiny thread.** Adani Green was one of five Adani Group entities that reached a September 2026 SEBI consent settlement (₹1.50-1.51 crore collectively) over Hindenburg-era related-party-disclosure allegations, reached without admission of wrongdoing — a resolved matter, but one data point in a broader Adani-Group governance-scrutiny



history that a reader should weigh, alongside a separately-reported (not independently verified in this research) US legal matter involving the group's Chairman that exists as a known thread.

Corporate governance assessment

1. Which rules actually apply

Adani Green Energy is a mainboard NSE/BSE-listed company, fully subject to SEBI LODR Regulations 17-27 governing board composition, committee structure and related-party-transaction disclosure. As a constituent of a large, diversified promoter group, it also carries the disclosure obligations that come with extensive intra-group transactions and financing structures.

2. What the company does well

The board carries a majority of Independent Directors (five of nine named members) alongside the Adani family executives, a governance-positive structural feature. The company has achieved external validation on two distinct axes this year: a CareEdge-ESG "1+" rating (the highest ESG score found among Indian companies in this research) and India's first Japan Credit Rating Agency (JCR) rating, both suggesting active, successful engagement with independent rating agencies rather than avoidance of external scrutiny. Promoter holding has risen, not fallen, over the past three years, and no share pledge is currently disclosed.

3. Grey areas

Several intra-promoter-group block-deal share transfers occurred during the research period (Ardour Investment Holding divesting to Adani Infra (India)) that do not change aggregate promoter holding but reflect the kind of related-party-heavy corporate structure that has previously drawn analyst and regulatory attention — and which was, in fact, part of what the September 2026 SEBI settlement addressed. Specific net-debt and leverage figures could not be independently confirmed in this research despite active financial-press coverage questioning "rising debt" at the company, which limits how precisely an outside reader can assess balance-sheet risk today.

4. Red flags

One settled, dated matter is disclosed: the September 2026 SEBI consent settlement. Adani Green was one of five Adani Group companies (alongside Adani Enterprises, Adani Total Gas, AWL Agri Business and Adani Energy Solutions) that reached a settlement over Hindenburg-era related-party-transaction disclosure allegations, paying ₹1.50-1.51 crore collectively, without admission of wrongdoing. This is a resolved consent matter, not an adjudicated finding of guilt, and is reported here on that basis. We could not find any other litigation, NGT, or project-specific dispute against Adani Green Energy specifically in this research — an absence of evidence, not confirmed evidence of absence, given the scope of sources available.

5. Items to watch

Confirmation of the precise FY27 incremental BESS capacity figure and its associated capex, once a primary company disclosure resolves the current 10-15 GWh ambiguity; any disclosure of BESS-specific revenue or EBITDA as a standalone line item; the specific letter-grade credit ratings from CRISIL/CARE/ Fitch (rating-update events were confirmed but grades were not retrievable in this research); and any further developments on the broader Adani-Group governance and leverage scrutiny threads noted above.

GOVERNANCE CONCLUSION

Adequate on current disclosure, with a real and only partially resolved scrutiny legacy. Nothing found in this research points to fresh, unresolved misconduct specific to Adani Green Energy — the one concrete item, the September 2026 SEBI settlement, was resolved via consent without admission of wrongdoing. But the broader Adani-Group governance history, the related-party-heavy promoter-group structure, and the inability to confirm specific leverage figures in this research together argue for governance sitting in the valuation discount, not a footnote — reflected here in a target multiple set below, not above, the current trading multiple.



SWOT analysis

STRENGTHS

- India's largest renewable IPP; past 20 GW operational, targeting 50 GW by 2030
- 3.37 GWh Khavda BESS — reportedly the largest single-location deployment outside China, built in ~10 months
- CareEdge-ESG "1+" rating (87.3) and India's first JCR credit rating
- Promoter holding rising (56.26% → 62.43% over 3 years), no pledge disclosed
- 1,250 MW UPPCL storage-capacity award secured

WEAKNESSES

- FY26 PAT flat YoY (₹1,987cr vs ₹2,001cr) despite 15% revenue growth
- 107x trailing P/E with no BESS-specific revenue/EBITDA disclosed
- Screener-flagged low interest coverage; ROCE only 7.39%
- Net-debt/leverage figures not independently confirmable from available disclosure

OPPORTUNITIES

- 10-15 GWh further storage capacity targeted by FY27, 50 GWh over five years
- Emkay and other brokerages beginning to re-rate the stock explicitly on the storage story
- Improving access to Japanese and other international debt markets via new credit ratings
- Further SECI/state DISCOM storage tenders as India's pipeline (see primer §6) scales

THREATS

- Multiple de-rating if PAT growth remains disconnected from capacity/revenue growth
- No named cell/technology supplier — possible China-import dependency, unconfirmed
- Broader Adani-Group governance and leverage scrutiny recurring as a market-sentiment risk
- Rising interest-rate or refinancing costs against an already leverage-flagged balance sheet

Key developments to watch

- **Resolution of the 10 vs. 15 GWh FY27 storage-capacity disclosure gap** — the clearest near-term test of whether the market's storage narrative and the company's own disclosure are converging.
- **Any standalone BESS revenue/EBITDA disclosure** — the single most important unlock for justifying further multiple expansion on the storage story specifically.
- **Confirmed credit-rating letter grades from CRISIL/CARE/Fitch**, and any further JCR-linked international debt issuance.
- **PAT growth reconnecting with revenue/capacity growth** in FY27 results, which would materially change the valuation argument in this report's favour.

Key risks to be aware of

- **Valuation risk (dominant).** A 107x multiple leaves very little room for disappointment on either the core generation growth story or the storage narrative.
- **Leverage/interest-coverage risk.** Screener's own flags, combined with an inability to confirm precise net-debt figures, are a real limitation on assessing balance-sheet risk with confidence.
- **Disclosure risk.** The unreconciled 10-15 GWh storage figures and the absent BESS segment P&L make it harder than it should be, for a company this size, to independently verify the storage bull case.
- **Group-governance sentiment risk.** Even a resolved, consent-settled matter like the September 2026 SEBI settlement can resurface as a market-sentiment overhang given the group's broader history.



Valuation

FY26 EPS of ₹10.03 on a 107x trailing multiple already prices in substantial future execution. We construct an indicative FY27E EPS of ~₹12.5 (25% growth — well above FY26's effectively flat PAT growth, reflecting continued capacity additions, but explicitly not assuming the interest/depreciation drag reverses) and apply a target multiple band around, not above, a more conservative re-rated level, given the disclosure and leverage gaps noted above:

Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	75.0x	11.5	863	(31.5)%
Base	90.0x	12.5	1,125	(10.7)%
Bull	110.0x	13.5	1,485	+17.9%

Base case rounded to ₹1,125. Our bull case (₹1,485) sits close to Emkay's own ₹1,500 target (+21.4% at the time, explicitly citing the Khavda storage story) — we set our base case below that, reflecting the flat FY26 PAT growth, the unreconciled storage-capacity figures, and screener's own leverage/interest-coverage flags, none of which a purely narrative-driven bull case fully addresses. EV/EBITDA cross-check not performed — net-debt figures could not be independently confirmed in this research.

RECOMMENDATION: SELL, TARGET ₹1,125 (–10.7% FROM ₹1,260, 29 SEP 2026)

Upgrade triggers: disclosed BESS-specific revenue/EBITDA; PAT growth reconnecting with the pace of revenue/capacity growth; confirmed, resolved 10-vs-15 GWh storage-capacity disclosure with a named capex figure; confirmed strong (AA-equivalent or better) credit-rating grades. **Downgrade triggers:** further PAT/revenue divergence; any new governance or leverage disclosure worse than currently understood; a stalled or delayed FY27 storage-capacity rollout.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY24	FY25	FY26
Revenue	9,220	11,212	12,928
Net profit (PAT)	1,260	2,001	1,987
EPS (₹)	6.94	9.12	10.03

Selected ratios	FY26
P/E (TTM)	107x
ROCE	7.39%
ROE (latest year)	~11% (screener also separately cites 4.24% — unreconciled, see Notes)
Dividend yield	0.00%
Q1 FY27 revenue / PAT	₹4,431 cr / ₹983 cr

Balance sheet and cash-flow statements are not reproduced here at full granularity; Adani Green's precise net-debt/leverage position could not be independently confirmed in this research pass. A Q1 FY27 PAT figure of ₹845 crore also appears in some secondary coverage, versus ₹983 crore in the primary screener.in fetch used here — flagged, not reconciled. Source: screener.in and adanigreenenergy.com newsroom (29 Sep 2026).



DISCLAIMER

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SELL

Pace Digitek Ltd

PACEDIGITK

A real, fast pivot into BESS — anchored by a flagship order whose arithmetic does not yet add up

Summary

Pace Digitek is a telecom passive-infrastructure company — towers, DC power systems, fibre — that listed via mainboard IPO in October 2025 and has, within a single financial year, turned itself into a business where energy/BESS work dominates the order book. FY26 order inflow was 90% energy (₹5,815 crore) versus 10% telecom (₹645 crore); the executable order book stood at ₹11,338 crore as of Q4 FY26, split ₹8,854 crore energy to ₹2,484 crore telecom. This is not a paper pivot: the company commissioned a 2.5 GWh BESS container-manufacturing facility at Bidadi, Bengaluru during FY26, delivered 178 containers and executed 480 MWh of utility-scale capacity, and has since expanded toward a stated 10 GWh target by Q3 FY27, self-funded from internal accruals.

The problem sits in the company's own flagship, most-publicised order. A ₹488.46 crore contract from NTPC-GE Power Services (a genuine, PSU-linked 50:50 NTPC/GE Power India joint venture, explicitly confirmed not a related-party transaction) is described across every outlet we checked as covering "5.015 MWh" of BESS containers at NTPC's Barh thermal power station. That implies a price of roughly ₹97.4 crore per MWh — about 100 times higher than Pace Digitek's own, contemporaneous Kalpa Power order (₹92.9 crore for 100 MWh, in line with normal global BESS pricing) and about 100 times higher than the company's own FY26 delivery economics on the 480 MWh it actually shipped.

We could not resolve this discrepancy from public sources. It may simply be a transcription error — a true capacity near 501.5 MWh would reconcile the arithmetic almost exactly, and every outlet appears to be re-publishing the same press release rather than independently verifying the figure. Or the order's real scope may be materially different from grid-scale lithium storage: sited at a coal thermal station rather than a renewable-integration site, bundled with heavy EPC/balance-of-plant work and a 12-year maintenance contract, it is at least plausible this is closer to specialised thermal-plant DC/control power infrastructure than grid-scale BESS — a business Pace Digitek's legacy telecom DC-power competency would support, but a different product from what "BESS order" implies to a reader. We could not access the primary exchange filing to settle the question either way. Separately, management's own

TARGET PRICE

12-month target	₹152
CMP (29 Sep 2026)	₹162
Implied downside	(6.2)%
Rating	SELL

KEY STOCK DATA

Market cap	₹3,505 cr
P/E (TTM)	11.7x
52-week range	₹140 – ₹232
Net debt/equity	~0.09x
Credit rating	not found
BESS capacity (current)	5 GWh, → 10 GWh Q3 FY27

SHAREHOLDING (JUN 2026)

Promoter (Maddisetty family)	69.52%
DII	5.36%
FII	0.98%
Public	24.14%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	2,434	2,439	2,641
Operating profit	403	485	459
PAT	230	279	307



guidance that BESS will drive 55% of FY27 revenue — roughly ₹1,760-1,870 crore — is far larger than the ~₹581 crore of BESS orders we could specifically name and verify.

Net: SELL. This is not a call on Pace Digitek's underlying strategy, which looks genuine and is already showing up in strong reported growth (Q4 FY26 PAT +88.1% YoY) — it is a call that the flagship number underpinning the market's excitement about this stock does not currently reconcile, and until it does, the valuation should not assume it will.

Investment rationale

- **The pivot from telecom to energy is real and now dominant by order-book share.** 90% of FY26 order inflow was energy/BESS-related versus 10% telecom — a genuine strategic shift, not a single opportunistic contract.
- **The company is manufacturing, not just trading.** A commissioned 2.5 GWh (now expanded toward 10 GWh) BESS container facility at Bidadi, Bengaluru actually shipped 178 containers and 480 MWh of capacity in FY26 — verifiable, in-house production, not a pure EPC pass-through.
- **PSU-linked counterparties lend credibility to the order book.** Named energy-segment customers include KPTCL, KREDL, NTPC, SECI and MAHAGENCO — a real, institutional customer base, not speculative private-sector wins.
- **Recent financial momentum is strong.** Q4 FY26 revenue grew 60.5% YoY and PAT grew 88.1% YoY, with EBITDA margin improving to 14.9% from 11.2% a year earlier.
- **The balance sheet is genuinely clean.** Net debt/equity of roughly 0.09x, ₹769 crore of cash against ₹981 crore of borrowings, and no promoter pledge — this is not a capital-structure risk story.

What gives us pause

- **The flagship order's unit economics do not reconcile (dominant concern).** ₹488.46 crore for "5.015 MWh" of BESS containers implies ~₹97.4 crore/MWh — roughly 100x the company's own Kalpa Power order (₹92.9cr/100MWh) and roughly 100x its own FY26 realised delivery economics (480 MWh across 178 containers). Every outlet we checked (8+) repeats the identical "5.015 MWh" figure, consistent with all of them re-publishing one press release rather than independently verifying it; we could not access the primary BSE/NSE filing to resolve the question, and the order is sited at a coal thermal station (Barh STPP), not a renewable-integration site — raising the real possibility that its true scope is closer to specialised thermal-plant DC/control power infrastructure than grid-scale lithium BESS.
- **Guidance runs far ahead of named, verifiable orders.** Management guides to BESS supplying 55% of FY27 revenue (~₹1,760-1,870cr against an implied ₹3,200-3,400cr total revenue guide) — but only ~₹581cr of BESS orders (NTPC-GE + Kalpa Power) could be specifically named and verified in this research, leaving most of the guided revenue dependent on an undisclosed pipeline.
- **No credit rating exists.** Neither Pace Digitek nor its BESS-manufacturing subsidiary Lineage Power carries a CRISIL, ICRA or CARE rating that we could find — unusual for a company guiding to ₹3,200-3,400cr of FY27 revenue and actively scaling capital-intensive manufacturing capacity.
- **No institutional brokerage coverage found.** Consistent with its Oct-2025 listing, but it means there is no independent third-party validation of either the growth guidance or the flagship order's economics to weigh against management's own framing.
- **Disclosure gaps beyond the flagship order.** Full board composition and the statutory auditor's name could not be identified in this research — a real transparency gap for a company with a ₹3,505 crore market capitalisation. No cell/technology partner has been named for the BESS manufacturing line; the chairman's own public remarks calling for restrictions on "fully finished products from China" suggest possible reliance on imported cells, though this is inference, not disclosure.



■ **Working capital is deteriorating alongside the growth.** Debtor days rose from 190 to 286 and working-capital days from 62 to 117 — a cash-conversion trend worth watching as the BESS scale-up continues.

Corporate governance assessment

1. Which rules actually apply

Pace Digitek is a mainboard NSE/BSE-listed company (IPO'd October 2025, not an SME-platform migration), fully subject to SEBI LODR Regulations 17-27. As a company that only listed roughly a year before this report, its public disclosure and governance track record is inherently short.

2. What the company does well

The company's own disclosure explicitly confirmed the flagship NTPC-GE order is not a related-party transaction, a transparent and appropriate disclosure. Promoter shareholding carries no pledge or encumbrance, per the company's own FY26 SAST Regulation 31(4) filing. The balance sheet is genuinely conservative (net debt/equity ~0.09x) even as manufacturing capacity scales rapidly, and the capacity build-out to date has been funded from internal accruals rather than dilutive equity raises.

3. Grey areas

The flagship order's unreconciled per-MWh economics (see above) sit awkwardly with the absence of any independent brokerage or credit-rating-agency validation — there is currently no external check on either the order's true scope or the credibility of FY27 guidance. A "Business Head–Projects" resignation effective 24 September 2026 was disclosed but not further explained; this is an operational, not board or auditor, departure, and no specific concern was identified, but it lands close to this research's cut-off date and is worth tracking.

4. Red flags

None found in the sources reached for this report — no litigation, SEBI notice or penalty was identified. We flag explicitly that absence of evidence is not evidence of absence here: search coverage of a small-cap that listed roughly a year ago is inherently thinner than for a long-listed company, and this research could not independently identify Pace Digitek's full board composition or statutory auditor at all, which limits how confidently a "clean" governance read can be asserted.

5. Items to watch

Confirmation of the NTPC-GE order's true MWh scope and per-unit economics, ideally via a direct primary filing; disclosure of the full board and statutory auditor; any credit-rating initiation by CRISIL/ICRA/ CARE; and whether FY27 results show BESS revenue actually converging toward the 55%-of-revenue guidance, or falling materially short of it.

GOVERNANCE CONCLUSION

Inconclusive, not adverse — the gap is in disclosure depth, not demonstrated misconduct. Nothing found in this research points to wrongdoing, but the combination of an unreconciled flagship order, no credit rating, no brokerage coverage, and an unidentified board/auditor means the appropriate discount belongs in the valuation multiple, not in a clean bill of health — reflected here in a target multiple set at a discount to, not above, the current trading multiple.



SWOT analysis

STRENGTHS

- Dominant, verifiable pivot to energy/BESS — 90% of FY26 order inflow
- In-house manufacturing: 178 containers, 480 MWh actually delivered in FY26
- Clean balance sheet: net debt/equity ~0.09x, no promoter pledge
- PSU-linked customer base: NTPC, SECI, KPTCL, KREDL, MAHAGENCO
- Strong recent momentum: Q4 FY26 PAT +88.1% YoY, margin expansion

WEAKNESSES

- Flagship order's per-MWh economics unreconciled — ~100x an internal comparable
- No credit rating from any of the three major agencies
- No institutional brokerage coverage found
- Board composition and statutory auditor not publicly identifiable
- Working-capital days nearly doubled (62 → 117) alongside debtor-day growth

OPPORTUNITIES

- Capacity expansion path to 10 GWh by Q3 FY27, self-funded
- ₹8,854cr energy order book provides multi-year revenue visibility, if converted cleanly
- Potential first credit rating or brokerage initiation could resolve current disclosure gaps
- Chairman's public local-content advocacy aligns with PLI-ACC Tranche 2 policy direction (primer §7)

THREATS

- Any confirmation that the flagship order is not grid-scale BESS would be a material re-rating risk
- FY27 guidance (55% of revenue from BESS) materially exceeds currently-named, verified orders
- No named cell/technology partner — possible undisclosed import dependency
- Working-capital deterioration could compound if growth continues to outpace collections

Key developments to watch

- **Resolution of the NTPC-GE order's true scope** — the single most important open question in this report; a primary-filing confirmation either way would materially move the thesis.
- **FY27 results tracking against the 55%-of-revenue BESS guidance** — the first hard test of whether guidance and disclosed orders converge.
- **Any first-time credit rating or institutional brokerage initiation**, which would provide the first independent external validation of the company's own numbers.
- **Disclosure of the full board and statutory auditor**, closing a basic governance-transparency gap.

Key risks to be aware of

- **Order-economics/disclosure-quality risk (dominant)**. The flagship order's unreconciled unit economics are the central, unresolved question behind this entire report's rating.
- **Order-book concentration and guidance-vs-disclosure gap risk**. Guided BESS revenue far exceeds named, verified orders.
- **Execution risk**. Manufacturing capacity has scaled from 2.5 to 5 to a targeted 10 GWh within roughly a year — an aggressive ramp with no independent third-party plant-assessment found.
- **Working-capital risk**. Deteriorating debtor and working-capital days alongside rapid revenue growth.



Valuation

FY26 PAT of ₹307cr on a market cap of ₹3,505cr and CMP of ₹162 implies an FY26 EPS of roughly ₹13.85 (11.7x trailing P/E). We construct a deliberately conservative indicative FY27E EPS of ~₹15.2 (10% growth) — well below the growth rate the company's own guidance would imply — specifically because the flagship order's unresolved economics make it inappropriate to extrapolate recent momentum without discount:

Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	8.0x	14.0	112	(30.9)%
Base	10.0x	15.2	152	(6.2)%
Bull	13.0x	17.0	221	+36.4%

Base case rounded to ₹152. The bull case (₹221) reflects a scenario where the flagship order's economics are eventually vindicated and FY27 guidance is substantially met — we do not treat that as the central case given the unresolved arithmetic detailed above. No third-party brokerage target was found to cross-check this against; we flag this absence explicitly rather than invent a consensus.

RECOMMENDATION: SELL, TARGET ₹152 (-6.2% FROM ₹162, 29 SEP 2026)

Upgrade triggers: a confirmed, primary-source reconciliation of the NTPC-GE order's true MWh scope and per-unit economics; a first credit rating from a major agency; FY27 results showing BESS revenue converging toward guidance with named, verifiable orders. **Downgrade triggers:** confirmation that the NTPC-GE order's scope is materially non-grid-scale (i.e., primarily thermal-station DC/control power infrastructure); further working-capital deterioration; any disclosed related-party or governance concern given the currently unidentified board/auditor.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY24	FY25	FY26
Revenue	2,434	2,439	2,641
Operating profit	403	485	459
Net profit (PAT)	230	279	307
Q4 FY26 alone: revenue ₹1,096.8cr (+60.5% YoY), PAT ₹105.9cr (+88.1% YoY), EBITDA margin 14.9% (vs 11.2% Q4 FY25) — the strongest quarter of the year by a wide margin.			

Selected ratios	FY26
P/E (TTM)	11.7x
ROCE	21.4%
3-yr ROE	26.4%
Net debt/equity	~0.09x
Debtor days	286 (up from 190)

Balance sheet and cash-flow statements are not reproduced here at full granularity. Market cap is separately cited as ₹4,595.47cr in one mid-2026 source versus ₹3,505cr as of this report's 29 Sep 2026 pricing date — reflecting the stock's decline in the interim, shown as-is rather than reconciled. Source: screener.in (29 Sep 2026); Pace Digitek Q4 FY26 results coverage.



DISCLAIMER

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SELL

Servotech Renewable Power System Ltd

SERVOTECH

A fourth segment in the investor deck, a rounding error in the P&L

Summary

Servotech Renewable Power System has manufactured EV chargers, solar inverters and servo stabilizers since 2004, and has quietly held real lithium-ion manufacturing capability for about four years through a dedicated subsidiary, Techbec Industries. In September 2025 it layered a battery energy storage system (BESS) partnership with China's Zhuhai Piwin New Energy on top of that base and began marketing BESS as a fourth core segment alongside solar, EV charging and stabilizers — the stock rallied roughly 16% over four sessions on the technology-partnership news alone.

The problem is that eighteen months later, the segment the market rewarded still barely exists in the numbers. Management's own Q1 FY27 concall commentary describes battery systems as a "negligible" share of revenue, with solar products still accounting for 94.8% of the mix. The one named BESS project is a small, government-tendered 900 kW rural-electrification contract across twelve sites in Uttar Pradesh, with no disclosed order value. No absolute GWh or MWh manufacturing-capacity figure has ever been published — only relative multiples ("double," "triple," "10x") that cannot be independently sized.

What has scaled in the meantime is debt, not BESS revenue. Standalone borrowings roughly tripled from ₹75 crore to ₹196 crore in FY26, with management attributing 60-65% of the increase to manufacturing expansion, including the new lithium-ion facility. Trade receivables rose from ₹155 crore to ₹243 crore, with roughly ₹100 crore reportedly stuck with oil-marketing companies and railway counterparties, and free cash flow turned negative. The stock is down 42% over the trailing year and sits near its 52-week low — a market that has already begun pricing in scepticism, but not, on the numbers here, enough of it yet.

Net: SELL. The underlying lithium-ion capability is real and older than the BESS branding around it, but a 43x trailing multiple on a business where the flagship new segment is explicitly "negligible," funded by tripling debt against deteriorating receivables, is not a multiple this report can defend.

TARGET PRICE

12-month target	₹57
CMP (29 Sep 2026)	₹71.30
Implied downside	(20.1)%
Rating	SELL

KEY STOCK DATA

Market cap	₹1,611 cr
P/E (TTM)	43.0x
52-week range	₹57.5 – ₹142
1-year price change	(42)%
Credit rating	none found
EV/EBITDA	not disclosed

SHAREHOLDING (JUN 2026)

Promoter (Bhatia family)	58.61%
Public	41.34%
FII	0.05%
Pledge	not disclosed

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	353	674	672
Net profit (PAT)	12	33	32
Standalone borrowings	—	75	196



Investment rationale

- **The underlying lithium-ion capability predates the BESS marketing push.** Subsidiary Techbec Industries was set up roughly four years ago specifically to manufacture lithium-ion batteries — this is not a company bolting a storage story onto an unrelated business overnight.
- **A named, if unverified-in-detail, technology partner.** The September 2025 strategic partnership with China's Zhuhai Piwin New Energy gave the market a concrete reason to re-rate the stock, even though full deal terms (equity, licensing fees, capacity commitments) were never disclosed.
- **Management describes a supply-constrained, not demand-constrained, business.** Q1 FY27 concall commentary states existing battery-pack capacity was "fully used" and the company was unable to meet demand — a genuine operational signal, not purely promotional language.
- **Diversified base business reduces single-point-of-failure risk.** Solar inverters, EV chargers and servo stabilizers remain real, cash-generating segments independent of whether BESS scales on schedule.
- **Board has approved substantial borrowing headroom.** An ₹800 crore borrowing-limit authorization at the 2026 AGM gives the company room to keep funding capacity expansion without an immediate equity raise, if lenders remain willing.

What gives us pause

- **The flagship new segment is explicitly immaterial today.** Per company concall commentary, battery systems are a "negligible" share of Q1 FY27 revenue against a mix still 94.8% solar — the "fourth core segment" framing in investor communications is well ahead of segment economics.
- **No absolute capacity figure has ever been disclosed.** Only relative multiples ("double within six months," "triple by March 2027," "10x over two years") exist in public commentary — with no GWh/MWh baseline, none of these targets can be independently sized or checked against peers.
- **The one named BESS project is small and government-tendered, not utility-scale.** A 900 kW hybrid solar-plus-storage contract across twelve rural Uttar Pradesh sites, with no disclosed order value — nothing comparable to a genuine grid-scale win has been identified.
- **The capacity build is debt-funded against a deteriorating balance sheet.** Standalone borrowings roughly tripled to ₹196 crore in FY26; trade receivables rose from ₹155 crore to ₹243 crore, with roughly ₹100 crore reportedly stuck with oil-marketing and railway counterparties; free cash flow turned negative.
- **No credit rating and no current institutional coverage.** No CRISIL/ICRA/CARE rating was found for this company, and the only analyst commentary located was a 2024 retail-research quote that predates the entire BESS story.
- **The stock's own price action already signals doubt.** Down 42% over the trailing year and roughly 60% off its highs — the market has been de-rating this story for some time, which argues against assuming today's 43x multiple has further room to compress gently rather than sharply.

Corporate governance assessment

1. Which rules actually apply

Servotech Renewable Power System is listed on the NSE main board and subject to the full SEBI LODR regime — no SME exemption applies. The company's exact listing history (a direct mainboard listing versus an earlier SME-platform migration) could not be confirmed in this research; a company by a similar name, "Servotech Engineering Industries," was the subject of a SEBI open-offer direction in January 2015, but this research could not establish whether that is the same corporate entity under an earlier name, a related group entity, or an unconnected company — this is flagged as an open, unresolved question rather than asserted as a current fact about the listed entity.



2. What the company does well

The FY2024-25 annual report discloses no reported instances of fraud and no significant regulatory or court orders affecting going-concern status, and the board met 19 times during that year — a reasonably active cadence. The statutory auditor (M/s. Rohit KC Jain and Co.) was appointed for a full five-year term in the ordinary course, and the board added two independent directors (Girish Kumar Ahuja, Dr Yogita Patra) during 2025, modestly strengthening independent representation.

3. Grey areas

A family-promoter structure (Raman Bhatia as Managing Director, Sarika Bhatia as Executive/Whole-Time Director) concentrates control in a pattern common among the smaller-cap names in this report, without itself being improper. The company's 2023-24 preferential-warrant raises (₹73.8 crore and ₹2.96 crore) were priced and structured before the BESS pivot existed and cannot be characterised as storage-specific capital formation — worth noting only because it means the current, larger BESS capex programme has instead been funded by tripling debt, a materially different and less-scrutinised financing route than a fresh equity raise would have been. Pledge status on the promoter shareholding was not established in this research and should not be assumed to be nil.

4. Red flags

None found specific to the current listed entity in the sources reached for this report. We flag explicitly that the unresolved 2015 "Servotech Engineering Industries" SEBI matter could not be ruled in or out as relevant, and that absence of evidence is not evidence of absence given the thin public disclosure environment typical of a company this size.

5. Items to watch

Whether the company ever discloses an absolute GWh/MWh BESS manufacturing-capacity figure; the full terms of the Zhuhai Piwin technology partnership; any credit-rating initiation; and whether a subsequent quarter shows battery systems moving from "negligible" to a disclosed, material percentage of revenue.

GOVERNANCE CONCLUSION

Adequate on the basics, but the disclosure gap on BESS capacity and technology-deal terms is itself a governance issue, not just an information one. Nothing found here points to misconduct, but a company asking the market to price a fourth core segment should be able to state, in absolute units, how much of that segment it can actually produce — Servotech has not done so, and that gap belongs in the discount rate applied to its BESS narrative specifically.



SWOT analysis

STRENGTHS

- Diversified base: solar inverters, EV chargers, servo stabilizers, all pre-dating the BESS push
- Genuine ~4-year-old in-house lithium-ion capability via Techbec Industries subsidiary
- Named technology partner (Zhuhai Piwin New Energy) for BESS specifically
- Management describes capacity constraint, not demand constraint, for existing battery-pack output
- ₹800cr borrowing headroom approved at 2026 AGM

WEAKNESSES

- BESS revenue explicitly "negligible" as of the most recent disclosed quarter
- No absolute GWh/MWh manufacturing-capacity figure ever disclosed
- Capacity build entirely debt-funded; borrowings roughly tripled in FY26
- Working-capital deterioration: receivables up from ₹155cr to ₹243cr, ~₹100cr reportedly stuck
- No credit rating, no current institutional coverage

OPPORTUNITIES

- India's BESS demand pipeline (\$6 of this primer) is structurally large if Servotech can genuinely scale
- Rural/government-tender BESS demand (the UPSRLM project's likely category) is a real, if small, near-term channel
- Existing EV-charger and solar distribution relationships could cross-sell BESS to the same customer base
- An eventual credit rating or institutional coverage initiation could itself be a re-rating catalyst

THREATS

- Continued reliance on a single, terms-undisclosed Chinese technology partner
- Further working-capital deterioration could force additional dilutive or high-cost financing
- EV-charger segment headwinds (policy/subsidy withdrawal) removing a hoped-for offset
- A prolonged gap between "fourth segment" messaging and disclosed segment economics risks a credibility discount

Key developments to watch

- **Any disclosure of an absolute BESS manufacturing-capacity figure** — the single most important gap in the current story.
- **Full terms of the Zhuhai Piwin partnership**, if and when disclosed.
- **Segment-level revenue disclosure** showing whether BESS moves beyond "negligible."
- **Working-capital trend** — whether receivable days and borrowings stabilise or continue deteriorating.

Key risks to be aware of

- **Disclosure risk (dominant).** Investors are being asked to underwrite a "fourth segment" with no absolute capacity figure and no segment P&L.
- **Financing risk.** Debt has tripled to fund expansion against a deteriorating receivables book.
- **Execution risk.** Aggressive relative capacity targets (2x/3x/10x) with no independently verifiable baseline.
- **Valuation risk.** A 43x trailing multiple on a company whose named new segment is explicitly immaterial today.

Valuation

₹ per share unless stated

FY26 PAT of ₹32cr on an implied share count of ~22.6cr (market cap ÷ CMP) gives FY26 EPS of ~₹1.66 against the reported 43.0x trailing multiple. Given the working-capital deterioration and BESS-revenue immateriality documented above, we apply a modest forward-growth assumption and a target multiple meaningfully below the current trading multiple, rather than assuming the market's existing rich rating for a "fourth segment" story is durable:



Scenario	Target P/E (FY27E)	FY27E EPS (~)	Target price	Upside/(downside)
Bear	22.0x	1.75	38.5	(46.0)%
Base	30.0x	1.91	57	(20.1)%
Bull	38.0x	2.15	82	+15.0%

Base case rounded to ₹57. EV/EBITDA cross-check not performed — a consistent, dated EBITDA figure was not available across sources in this research. No third-party brokerage target prices were found current as of the research date; the only analyst commentary located (a 2024 retail-research "buy" quote) predates the BESS segment entirely and is not used here.

RECOMMENDATION: SELL, TARGET ₹57 (-20.1% FROM ₹71.30, 29 SEP 2026)

Upgrade triggers: disclosure of an absolute GWh/MWh BESS capacity figure; a named, sizeable utility-scale BESS order comparable to peers elsewhere in this report; segment-level revenue disclosure showing BESS moving materially above "negligible"; stabilisation or reversal of the working-capital deterioration. **Downgrade triggers:** further borrowing increases without a corresponding revenue disclosure; a further deterioration in receivable days; any adverse development specific to the Zhuhai Piwin relationship.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY22	FY23	FY24	FY25	FY26
Revenue	—	—	353	674	672
Net profit (PAT)	—	—	12	33	32
Standalone borrowings	—	—	—	75	196

FY24-25 standalone figures per a separate Directors' Report disclosure (revenue ₹587.30cr, PBT ₹45.29cr, PAT ₹43.12cr) diverge from the consolidated figures shown above; both are disclosed here per this report's data-honesty standard rather than reconciled into one number. FY22-FY23 figures were not found disclosed at this granularity.

Selected ratios	FY26
P/E (TTM)	43.0x
ROCE / 3-yr avg ROE	12.8% / 13.8%
Debtor days	119 (up from 95.8)
Free cash flow	(105) cr

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: screener.in (29 Sep 2026); India Infoline Directors' Report summary (~25 Sep 2026); Trade Brains concall commentary (~Aug 2026).

DISCLAIMER

Dart Consultants is a market intelligence and technology service provider, not a SEBI-registered Investment Adviser or Research Analyst. This report is educational material only — not investment advice, and not a recommendation to buy or sell any stock. The SELL rating above is an educational device for summarising public information, not a regulated recommendation. The analyst(s) hold no position in, and have no banking, advisory or brokerage relationship with, Servotech Renewable Power System Ltd, and have received no compensation from the company.



HOLD

ACME Solar Holdings Ltd ACMESOLAR

Genuine storage execution, priced near an all-time high, with too many governance basics simply unreported

Summary

ACME Solar Holdings is one of India's larger renewable independent power producers — 2,890 MW of operating solar, wind and hybrid capacity across ten states — and is genuinely pivoting toward storage- integrated, firm-and-dispatchable renewable energy (FDRE) projects. This is not a slideware ambition: the flagship Bikaner, Rajasthan FDRE site reached commercial operation on its first 300 MWh battery phase on 16 September 2026, with a second 209.28 MWh phase commissioned in the same window, building toward a full 300 MW solar / 1,581 MWh storage configuration at a single site. Company-wide cumulative operational BESS now stands at roughly 4.16 GWh, and CRISIL confirms a further 2.84 GW FDRE/hybrid/wind pipeline plus a 550 MWh standalone BESS target over the next two to three years.

HSBC has rewarded this execution directly, raising its target from ₹390 to ₹450 on 15 September 2026 and lifting its EV/EBITDA multiple from 10.9x to 11.7x on a projected 72% EBITDA growth rate through FY28. The stock responded: it sits near an all-time high, up roughly 103% over eight months. CRISIL separately upgraded the company's rating to AA-/Stable in October 2025, citing solid execution and successful refinancing.

The trouble is what has not been disclosed alongside all of this. This research could not establish ACME Solar's board of directors, its statutory auditor, or any litigation or related-party-transaction history — a complete absence of governance-basics disclosure for a company now valued at over ₹30,000 crore. A roughly 12-percentage-point decline in promoter holding, from 83.41% to the current 71.40%, has no explained cause in any source found — no QIP, block deal, or pledge news accounts for it. Meanwhile leverage is rising fast: borrowings nearly doubled to ₹19,896 crore in FY26, interest expense climbed to ₹1,123 crore, and free cash flow turned more deeply negative, to ₹(4,071) crore — all after the CRISIL upgrade was issued, meaning that rating's currency against the current balance sheet has not been tested.

TARGET PRICE

12-month target	₹422
CMP (29 Sep 2026)	₹438
Implied downside	(3.7)%
Rating	HOLD

KEY STOCK DATA

Market cap	₹30,915 cr
P/E (TTM)	51.9x
52-week range	₹196 – ₹477
Credit rating	CRISIL AA-/Stable (Oct-25)
Debt/equity	3.93x
EV/EBITDA	not disclosed

SHAREHOLDING (JUN 2026)

Promoter	71.40%
DII	19.10%
FII	4.39%
Public	~5.0%

FINANCIAL SNAPSHOT (₹ CR)

	FY24	FY25	FY26
Revenue	1,319	1,405	2,023
Net profit (PAT)	698	251	498
Borrowings	8,536	10,976	19,896



Net: HOLD. This is not a call that anything here is wrong — it is a call that a stock near its all-time high, on a rich multiple, with rising leverage and unexplained basic-governance gaps, does not clear this report's bar for paying up further, however real the underlying storage execution is.

Investment rationale

- **A genuinely large, operating renewable base.** 2,890 MW across solar, wind and hybrid in ten states, with in-house development, EPC and O&M capability, not a pure financial-holding structure.
- **Storage execution is real, not promised.** The Bikaner FDRE project's first two BESS phases (300 MWh and 209.28 MWh) are already commercially operating, building toward 1,581 MWh at one site.
- **A confirmed, growing storage/FDRE pipeline.** CRISIL's own October 2025 rating note cites a 2.84 GW FDRE/hybrid/wind pipeline plus a 550 MWh standalone BESS target over the next two to three years.
- **Sell-side conviction, with one important caveat.** HSBC's Buy rating and raised target (₹390 to ₹450) explicitly cite the FDRE/storage pivot as the re-rating driver — though this report could independently verify only HSBC's coverage, not the broader "11 of 12 Buy" consensus claim attributed to the same article.
- **A recent credit-rating upgrade.** CRISIL moved the company to AA-/Stable from A+/Positive in October 2025, citing solid execution and successful refinancing, with over ₹1,400 crore of consolidated free cash reported at that time.

What gives us pause

- **Basic governance facts are simply unreported, not confirmed clean.** This research could not establish ACME Solar's board composition, its statutory auditor, or any litigation/related-party- transaction history for a company now valued above ₹30,000 crore — a real disclosure gap that should not be waved away as immaterial.
- **A large, unexplained decline in promoter holding.** Promoter stake fell roughly 12 percentage points, from 83.41% to 71.40%, with no QIP, OFS, block deal, or pledge disclosure found to account for it — flagged as an open governance question, not asserted as wrongdoing, but a gap this size deserves an answer before the stock is bought at a fresh high.
- **Storage/FDRE, while the real growth story, is still a minority of the current operating base.** 2,890 MW of operating capacity remains overwhelmingly conventional solar/wind; the storage pipeline is a forward narrative more than a current P&L driver, and no tariff has been disclosed for the flagship Bikaner project, preventing independent assessment of its actual project economics.
- **HSBC's own note flags tariff-compression risk.** The same report that raised the target also cautioned that "project economics have deteriorated somewhat because of competitive intensity" across the FDRE tender pipeline generally — a direct signal that today's pipeline may not repeat Bikaner's economics.
- **Leverage is rising fast, after the rating upgrade was issued.** Borrowings nearly doubled to ₹19,896 crore in FY26 (debt/equity 3.93x), interest expense rose to ₹1,123 crore, and free cash flow widened to a ₹(4,071) crore outflow — all subsequent to the October 2025 CRISIL upgrade, meaning that rating's currency against the current balance sheet is untested.
- **The "11 of 12 analysts rate Buy" consensus figure is unverified.** Beyond HSBC, no other named brokerage coverage (Jefferies, Morgan Stanley, Nomura, Motilal Oswal, Kotak, ICICI Securities) was found in this research — this widely-repeated consensus claim should be treated with real caution.



Corporate governance assessment

1. Which rules actually apply

ACME Solar Holdings is a mainboard-listed NSE/BSE company subject to the full SEBI LODR regime. This section is unusually short relative to other reports in this primer for a specific reason: this research could not locate the company's board-of-directors roster, statutory auditor, or litigation history through the sources available — a genuine limitation of this research pass, not a finding that the company falls outside normal disclosure obligations.

2. What the company does well

The company has been transparent and prompt in disclosing operational milestones — the Bikaner BESS phases were announced with specific commissioning dates and capacity figures within days of occurring, and the CRISIL rating action and its stated rationale were publicly covered in detail. The company has also drawn a clear (if externally, not company-confirmed) distinction in press coverage between itself and the separate, unlisted ACME Cleantech Ventures entity receiving Brookfield investment — reducing one obvious source of investor confusion, even though this report could not confirm the company itself issued a formal clarification.

3. Grey areas

The unexplained ~12-point promoter-holding decline sits squarely in this category: legitimate explanations (lock-in expiry sales, a stake sale to fund the ACME Group's other ventures, or an unreported capital event) are all plausible, but none is confirmed, and the size of the move is large enough to warrant a direct answer before this report would treat it as resolved. The relationship between ACME Solar Holdings and other ACME Group entities (ACME Cleantech Ventures, the reported UAE subsidiary ACME Renewables FZCO, and a reported three-subsiary merger) is complex and not fully documented in primary sources reached for this report.

4. Red flags

None found — but this should be read as "not located," not as "confirmed absent." Given that this research could not even establish the board or auditor, a clean-record finding here carries less weight than it would for a company with fuller disclosure coverage in this report's other names. We flag this distinction explicitly rather than implying a governance clean bill of health this research is not positioned to give.

5. Items to watch

Direct confirmation of the board of directors and statutory auditor from the company's own annual report or investor-relations pages; an explanation for the promoter-holding decline; disclosed tariff economics for the Bikaner FDRE project; and whether CRISIL revisits the AA-/Stable rating in light of the FY26 leverage increase.

GOVERNANCE CONCLUSION

Unclear, primarily because too little is disclosed to assess it properly — and that gap itself is the governance finding. Nothing found here points to wrongdoing, but a ₹30,000+ crore company whose board, auditor and an unexplained double-digit promoter-stake decline cannot be established from public sources should not be extended the benefit of the doubt implicitly through a rich multiple. That gap belongs in the valuation, not in a footnote — reflected here in a target multiple that does not chase the stock's recent highs.



SWOT analysis

STRENGTHS

- 2,890 MW operating capacity across solar, wind and hybrid in ten states
- Bikaner FDRE project's first two BESS phases (300MWh + 209.28MWh) already commercially operating
- CRISIL-confirmed 2.84GW FDRE/hybrid/wind pipeline plus a 550MWh standalone BESS target
- CRISIL AA-/Stable rating (upgraded Oct-25) citing solid execution and successful refinancing
- HSBC Buy rating with an explicit storage/FDRE re-rating thesis

WEAKNESSES

- Board, auditor and litigation history could not be established in this research
- Unexplained ~12-point promoter-holding decline (83.41% to 71.40%)
- No tariff disclosed for the flagship Bikaner project — economics cannot be independently assessed
- No battery cell/technology supplier named for the Bikaner BESS build
- Rich valuation (51.9x P/E) near an all-time high

OPPORTUNITIES

- India's 260 GWh tender pipeline (\$6 of this primer) is a large addressable market for a scaled FDRE developer
- HSBC's projected 2.7x capacity growth / 72% EBITDA growth through FY28, if realised
- ISTS-waiver and VGF policy support (\$7) improving the economics of new storage-paired tenders
- A clean answer to the promoter-holding question could itself remove a valuation overhang

THREATS

- HSBC's own flagged tariff/margin compression from "competitive intensity" in the FDRE tender market
- Leverage rising faster than the last rating action reflects (debt/equity 3.93x, deeply negative free cash flow)
- Any negative resolution of the unexplained promoter-stake decline
- A stock priced near its all-time high has limited room for anything short of continued flawless execution

Key developments to watch

- **Direct confirmation of board composition and statutory auditor** — the clearest way to close this report's largest information gap.
- **An explanation for the promoter-holding decline**, whether via a company disclosure or a primary regulatory filing.
- **Disclosed tariff economics for the Bikaner FDRE project**, once the full 300MW/1,581MWh configuration is complete.
- **Whether CRISIL revisits the AA-/Stable rating** given the FY26 leverage increase.

Key risks to be aware of

- **Valuation risk (dominant)**. A stock at/near its all-time high on a 51.9x multiple has little margin for a disappointing quarter.
- **Disclosure/governance risk**. Board, auditor and an unexplained promoter-stake decline are all currently unresolved.
- **Leverage risk**. Borrowings nearly doubled in FY26 against deeply negative and widening free cash flow.
- **Tariff/margin risk**. HSBC's own note flags deteriorating project economics across the sector's FDRE tender pipeline.

Valuation

₹ per share unless stated

FY26 PAT of ₹498cr on an implied share count of ~70.6cr (market cap ÷ CMP) gives FY26 EPS of ~₹8.44 against the reported 51.9x trailing multiple. Given the genuine storage-execution momentum offset by the unresolved governance gaps and rising leverage documented above, we apply a target multiple below the current, near-all-time-high trading multiple rather than extending it further:



Scenario	Target P/E (FY27E)	FY27E EPS (₹)	Target price	Upside/(downside)
Bear	32.0x	9.5	304	(30.6)%
Base	40.0x	10.55	422	(3.7)%
Bull	48.0x	12.0	576	+31.5%

Base case rounded to ₹422. EV/EBITDA cross-check not performed — a reconciled, current net-debt figure was not available in this research given the FY26 leverage jump. HSBC's own target (₹450, 15 Sep 2026) is close to our base case; we have not relied on the wider "11 of 12 Buy" consensus figure cited alongside it, as it could not be independently corroborated.

RECOMMENDATION: HOLD, TARGET ₹422 (-3.7% FROM ₹438, 29 SEP 2026)

Upgrade triggers: a clear, sourced explanation for the promoter-holding decline; confirmed board and auditor disclosure; disclosed, favourable tariff economics for the Bikaner project; a CRISIL rating reaffirmation or upgrade that explicitly accounts for the FY26 leverage increase. **Downgrade triggers:** further leverage increases without a corresponding rating review; any adverse finding related to the promoter-holding decline; disclosed tariff economics that confirm HSBC's flagged margin-compression concern.

Financial summary — selected disclosed metrics (₹ crore, consolidated)

	FY22	FY23	FY24	FY25	FY26
Revenue	—	1,295	1,319	1,405	2,023
Operating profit	—	—	—	—	1,785
Operating margin	—	—	—	—	88%
Net profit (PAT)	—	(3)	698	251	498

FY2024's ₹698cr PAT includes a one-off item per screener.in, not independently decomposed in this research. A separate aggregator (Groww) shows a different, non-reconciling periodization for recent revenue/profit figures — both are flagged rather than merged into one number.

Selected ratios	FY26
P/E (TTM)	51.9x
Debt/equity	3.93x
Interest expense	₹1,123 cr
Free cash flow	(4,071) cr

Balance sheet and cash-flow statements are not reproduced here at full granularity. Source: screener.in and groww.in (29 Sep 2026); CRISIL rating rationale via Livemint (7 Oct 2025); HSBC note via CNBCTV18/Business Standard (15-18 Sep 2026).

DISCLAIMER

Dart Consultants is a market intelligence and technology service provider, not a SEBI-registered Investment Adviser or Research Analyst. This report is educational material only — not investment advice, and not a recommendation to buy or sell any stock. The HOLD rating above is an educational device for summarising public information, not a regulated recommendation. The analyst(s) hold no position in, and have no banking, advisory or brokerage relationship with, ACME Solar Holdings Ltd, and have received no compensation from the company.



Five names that matter, without a rating

These five entities are essential to this sector's story, but none receives a full 9-page report or a BUY/HOLD/SELL rating here — for a different, specific reason in each case. They are included for context because several of the fourteen rated companies compete with, sell to, or are compared against them throughout this document.

Reliance Industries Ltd / Reliance New Energy

Not rated here because grid-storage and cell manufacturing sit inside a single new-energy vertical of a company whose Refining, Oil & Gas, Retail and Digital Services segments dwarf it — a full valuation exercise on Reliance Industries would be a sum-of-the-parts call on the entire conglomerate, not a grid-storage thesis, and is outside this report's scope. What matters for this primer: Reliance was awarded 15 GWh under the PLI-ACC scheme (5 GWh round 1, 10 GWh round 2) and has publicly reaffirmed, at its June 2026 AGM, a 40 GWh initial-phase battery gigafactory at its Jamnagar Green Energy Giga Complex, scaling toward 120 GWh. Bloomberg reported on 12 January 2026 that Reliance had paused cell-manufacturing plans after failing to secure Chinese cell technology, with talks reportedly stalling after China's Xiamen Hithium withdrew amid Beijing's technology-transfer curbs; Reliance's own spokesperson denied any "pause," and Hithium separately called the reports "materially false" without specifically rebutting the underlying claim that discussions occurred. Neither denial fully closes the question either way — a pattern this report also flags for Amara Raja and JSW in §7 and §9. As of this report's research date, no source confirmed actual commercial cell production had begun at Jamnagar, though Bloomberg reported (19 May 2026) that Reliance was separately in talks with CATL for battery-system components, suggesting continued Chinese-supplier engagement even after the Hithium episode.

NTPC Ltd

Not rated here because storage is a genuinely small, emerging ancillary business layered onto an 89+ GW, overwhelmingly coal-fired generation company — any 12-month total-return call on NTPC stock would be a call on coal-generation economics and NTPC Green Energy's renewables build-out, not on grid storage. What matters for this primer: NTPC's subsidiary NVVN has awarded standalone BESS tenders (a 250 MW/500 MWh Kerala award to Shreyas Sortex Industries, Feb 2026), and NTPC's own parent-level BESS auction covering 2,334 MWh returned results in April 2026. NTPC's stated ambition is to pair a 149 GW generation fleet with 1 GW of pumped storage and 22 GWh of BESS by 2032 — real, but against a base this large, storage will remain a rounding error in NTPC's investment case for years.

Ola Electric Mobility Ltd

Not given a full report because its core, revenue-generating business remains electric two-wheelers — and that core business is in genuine distress: FY26 revenue fell ~50% YoY to ₹2,253cr, the net loss widened to ₹1,833cr, ROE sat at -43.2%, and free cash flow was -₹1,492cr, with a ₹1,000cr rights issue approved 28 Sep 2026. Against that backdrop, the grid-storage story is real but young: Ola launched three BESS products on 15 Aug 2026 under "Ola Mahashakti" — residential, commercial ("Shakti Rack") and grid-scale ("Mahashakti") tiers — built on Ola's own in-house LFP/4680-format cells from its Krishnagiri gigafactory (~2.5 GWh operational against a 20 GWh PLI-ACC award), and signed its first Mahashakti MoU with a developer called Axis Energy for up to 20 GWh of deployment by 2032, a deal that pushed the stock up ~10-11% in a single session. Axis Energy checks out as a real, if mid-sized, renewable developer — it has a verified 400 MW solar project built with Lumara, a Brookfield-backed Indian platform — but it is not a large utility, no independent corporate profile (founder, HQ, balance sheet) could be located, and the MoU itself is non-binding for a very large multi-year target. No Mahashakti-specific capacity, chemistry, or pricing details beyond the launch announcement



were found (an earlier-reported ₹99,999 starting price could not be re-confirmed; the closest verified figures, ₹1,49,999 and ₹2,49,999, describe the separate residential "Ola Shakti" product line), no deals beyond Axis Energy have been announced, and — despite the stock's rally — no sell-side brokerage report was found that re-rates Ola Electric specifically on the Mahashakti story; the most recent post-launch coverage located (Goldman Sachs, Aug 2026, Neutral) still frames the stock around legacy EV cash-burn. Mahashakti is real strategic optionality on top of a distressed core business, not yet a rateable business of its own.

Prostarm Info Systems Ltd

Surfaced by the same completeness audit that added the six new full reports elsewhere in this document, but placed here rather than rated after deeper research found the company had just moved *away from* grid-scale storage, not toward it. Prostarm's core business is commercial/industrial backup power — UPS systems, lift inverters, voltage stabilisers — sold into banking, healthcare, airports, railways and oil & gas, with lithium-ion battery packs historically deployed inside that same backup-power context rather than for grid-scale use. In April 2026 the company signed an MoU with China's Shenzhen Topband to explore a dedicated BESS-manufacturing partnership — the one identifiable step toward genuine grid-scale storage found anywhere in Prostarm's public disclosure — and on 28 September 2026, one day before this research was conducted, **cancelled that MoU**, stating the project "lacked technical and economic feasibility" amid "market changes" and a "strategic realignment" of priorities. A new 1.2 GWh nameplate "BESS" plant in Jhajjar, Haryana began commercial operations three days before the cancellation (25 Sep 2026), alongside new UPS/lithium and servo-stabiliser units — but independent commentary on the launch describes even this new capacity as serving "power-quality and backup demand across commercial and industrial customers," consistent with an unverified secondary-source claim that management is explicitly "shifting from low-margin utility storage to commercial and industrial customers." Working capital has also deteriorated sharply (working-capital days nearly tripled, 65 to 183, in FY26). Given the one dedicated grid-BESS initiative found in Prostarm's history was abandoned a day before this research ran, this report treats Prostarm as a backup-power company with residual, currently-receding storage optionality — not a grid-storage stock — and does not assign it a rating.

Agratas Energy Storage Solutions Pvt Ltd (Tata Group)

Not rated here because it is not separately listed on any stock exchange — it is an 88%-Tata-Sons-owned private company (the remaining 12% held by technology partner AESC, since March 2025), and cannot be bought or sold independently of Tata Sons itself. It is also, importantly, a distinct legal entity from Tata Power Company Ltd (TATAPOWER, rated HOLD in this report) — the two should not be conflated, and Tata Power's own report explicitly notes it has no cell-manufacturing ambition of its own. What matters for this primer: Agratas' Sanand, Gujarat facility (Phase 1, 20 GWh, ~\$1.58bn investment) has completed its main production-building steel frame and is installing key process equipment, with commercial production targeted for CY2027; a parallel £4 billion, 40 GWh Bridgwater, UK plant (backed by a £380 million UK government grant confirmed April 2026, and anchored by Jaguar Land Rover as its flagship customer) is under construction on a broadly similar timeline. Bloomberg reported on 4 August 2026 that Agratas is building its Sanand pilot line on its own, in-house LFP cell technology, rather than a licensed Chinese process — a notable contrast with Reliance's reported reliance on (and difficulty securing) external Chinese licensing, and worth watching as a second real-world test of whether an in-house technology path can succeed where several licensed ones have stalled.