

Gujarat Fluorochem.

12 August 2026

Operator: Ladies and gentlemen, good day and welcome to Gujarat Fluorochemicals Ltd. Q1 FY27 earnings conference call, hosted by 361 Capital Market Private Limited. As a reminder, all participants' lines will be in listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal the operator by pressing star and then zero on your touchtone phone. Please note that this conference is being recorded. I now hand over the conference to Mr. Rohit Nagraj from 361 Capital Private Limited. Thank you, and over to you, sir.

Rohit Nagraj – 361 Capital Private Limited: Thanks, Pari. We thank Gujarat Fluorochemicals management for providing us with the opportunity to host their Q1 FY27 conference call. We have with us Dr. Bir Kapoor, CEO and Deputy Managing Director, along with the senior members of the management team from Gujarat Fluorochemicals. I would like to hand over the call now to Dr. Bir for his opening remarks, after which we will have the Q&A session. Thanks, and over to you, sir.

Bir Kapoor – CEO & Deputy Managing Director: Thanks, Rohit. Good afternoon, everyone, and a very warm welcome to all of you to GFL's Q1 FY27 earnings call. For this call, I have with me my colleagues, Mr. Manoj Agarwal, who is CFO of GFL; Mr. Kapil Malhotra, who is the business head of fluoropolymers; and Mr. Rajiv Rao, who is the business head of battery materials.

The company announced its Q1 FY27 results at the board meeting held today. The results, along with the earnings presentations, are already available on the stock exchanges and on our website. I will briefly take you through the key financial highlights, followed by an update on our business performance, the demand environment, and the outlook.

The global business environment remains challenging, with ongoing supply chain disruptions, commodity price volatility, and an increasingly complex operating landscape. At the same time, the businesses are adapting to these evolving conditions, creating both challenges and opportunities across markets for us. Despite these specific, market-specific challenges, GFL has delivered a strong start to FY27. Healthy demand across key product categories, disciplined execution, and improving operating leverage enabled us to deliver broad-based growth across our core chemical businesses.

On a year-on-year basis, revenue from our chemical segment increased 23% to 1,574 crores, compared to 1,281 crores in Q1 FY26. Chemical segment EBITDA grew 29% to 458 crores from 354 crores, while segment PAT increased 33% to 261 crores. This performance was primarily driven by strong growth in the fluoropolymers and fluorochemicals businesses.

At the consolidated level, revenue from operations grew 24% year-on-year to 1,588 crores. EBITDA increased 24% to 428 crores, while consolidated PAT stood at 219 crores, representing 19% growth over the same period last year.

Our performance was even stronger on a sequential basis. Within the chemical segment, revenue grew 16% quarter-on-quarter to 1,574 crores, while EBITDA increased 30% to 458 crores. EBITDA margin improved from 26% in Q4 FY26 to {? 19% ?} in Q1 FY27, reflecting the benefits of higher volumes, improved product mix, and operating leverage. I am sorry, it improved to 29% in Q1 FY27. Segment PAT increased 56% sequentially to 261 crores, with PAT margins expanding from 12% to

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17%.

At the consolidated level, revenue increased 16% quarter-on-quarter to 1,588 crores, while EBITDA grew 39% to 428 crores. EBITDA margin also expanded from 22% to 27%, and consolidated PAT more than doubled to 219 crores, resulting in a PAT margin improvement from 7% to 14%.

We also continue to make progress on key return and efficiency metrics during the quarter. ROCE improved by 258 basis points to 16.6% in Q1 FY27, compared to 14% in FY26, while ROE improved by 301 basis points to 15.18% from 12.17% in FY26.

Our focus on working capital efficiency has also yielded strong results, with working capital days reducing by 43 days to 149 days as of Q1 FY27, compared to 192 days as of Q4 FY26. These improvements reflect not only the strength of our operating performance at the segment level, but also our continued focus on capital efficiency, cash generation, and disciplined execution across the organization.

Let me now take you through the performance and outlook of our key businesses. Starting with fluoropolymers, we continue to see encouraging demand trends across the portfolio, supported by improving volumes across fluoropolymers. The expansion of new-age applications is creating attractive growth opportunities, particularly in areas such as semiconductors, data centers, electronics, automotive, green hydrogen, and advanced industrial applications. We are also seeing a gradual improvement in product mix, supported by increasing contributions from higher-value grades. Reflecting these trends, fluoropolymer revenue grew 15% year-on-year and 8% sequentially during the quarter. This growth was achieved despite a challenging global environment.

Moving to fluorochemicals, the business delivered an exceptionally strong quarter. Revenue increased 52% year-on-year and 44% quarter-on-quarter, driven primarily by R-32 refrigerant sales, along with healthy growth across our refrigerant portfolio. As previously communicated, we are expanding our R-32 capacity, which is expected to be commissioned in Q2 FY27. With existing capacity utilization already at peak levels, this expansion will enhance our ability to participate in the growing global R-32 market and support future demand growth.

In parallel, we continue to expand our refrigerant portfolio. Our R-134a project remains on track and is expected to be commissioned in this financial year. Combined with our integrated manufacturing capabilities, established global marketing network, and long-standing customer relationships, this will further strengthen our ability to serve growing refrigerant demand across both domestic and international markets. A more complete bouquet of products will enable us to leverage the strong brands that we have built globally over the last 3 decades.

Turning to bulk chemicals, the segment delivered a steady performance during the quarter, with revenue increasing 11% year-on-year and 1% sequentially, primarily driven by improved realizations.

Moving on to battery materials, we continue to make steady progress in building a differentiated and integrated platform. In LiPF₆ salt, we are advancing both capacity expansion and customer commercialization efforts with leading global electrolyte manufacturers. In electrolytes, qualification activities and sample development with Indian cell manufacturers are also progressing well, supported by customer audits and plant visits. Across LFP cathode active materials and PVDF

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binders, our focus remains on product consistency, customer qualification, and commercial scale-up. While these businesses are at different stages of qualification and commercialization, we remain encouraged by the long-term opportunity driven by growing EV adoption, increasing deployment of battery energy storage systems, and the ongoing localization of the battery supply chain.

As we look ahead, FY27 is shaping up to be an important year in GFL's growth journey. Our established fluorochemical and fluoropolymer businesses continue to generate healthy growth and strong cash—

Management: —while battery materials provide multiple avenues for the next phase of growth for GFL. Our priorities remain clear: executing our capacity expansion projects, deepening customer engagement, accelerating qualification and commercialization of new products, and scaling our emerging platforms in line with market demand. At the same time, we remain committed to disciplined capital allocation and a strong focus on returns.

While the external environment remains dynamic, we are confident in the underlying fundamentals of our business, with a diversified portfolio, integrated manufacturing capabilities, strong customer relationships, and exposure to multiple long-term growth themes. We believe GFL is well-positioned to deliver sustainable growth and create long-term value for all stakeholders.

With that, I would like to thank all our stakeholders, customers, employees, and partners for their continued support. We will now open the floor for questions. Thank you.

Operator: Thank you. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking a question. Ladies and gentlemen, we will wait for a moment while the question queue assembles.

Operator: The first question is from the line of Sanjesh from ICICI Securities. Please proceed with your question.

Sanjesh – ICICI Securities: Thank you. Good evening, sir. I have a couple of questions. First, on fluoropolymers, 15% growth is good, but I think there was also a price increase in the segment by some of our Chinese peers. Have we seen those price increases being taken by GFL as well? What would be the blended price increase, if at all we had taken one?

Management: Yes, Sanjesh, thank you for your question. I am requesting Kapil to answer this question. Kapil, please.

Kapil: Sanjesh, thanks for your question. First of all, as you know, we have also been saying for the last few quarters that we are trying to move up the value-added chain into fluoropolymer products. Hence, we do not have much competition with Chinese players. Our move to the high-value chain has given us the additional revenues and profits that we are discussing. Chinese players were operating at a very different price level, so we do not compete with them in those segments.

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Sanjesh – ICICI Securities: So, essentially, the price increase that has gone into commodity equivalents does not show up in specialty products because the margins, or probably the prices, are already better in those segments. Is that the way to look at it?

Kapil: Yes.

Management: Sanjesh, this is going to reflect in the subsequent quarters.

Sanjesh – ICICI Securities: No, I am not understanding. Is there a price increase, or is there no price increase?

Management: No, there has been a marginal price increase to offset the input price increases that have taken place. However, whatever small price increase we have taken is going to reflect in subsequent quarters. The value-added products that we have taken up, where we are moving into newer applications, will also start reflecting in subsequent quarters.

Sanjesh – ICICI Securities: Got it. The second question is on the capacity expansion that we also discussed in the previous quarter on the fluoropolymer side. Where are we seeing opportunities within fluoropolymers, and what capacities are we looking at, probably product-wise, in this new phase of growth on the fluoropolymer side?

Management: Sanjesh, coming back to the opportunities, if you recall, we have always been saying that there are emerging opportunities from sunrise sectors. These include batteries and semiconductors. We will be adding capacities going forward, mostly in the new set of fluoropolymers that we categorized earlier.

We will continue to add capacity, but I would like to keep the specific areas we will focus on confidential from our standpoint. However, there are tremendous growth opportunities here, Sanjesh. As I said earlier, the capacities we had put in place for new fluoropolymers are now almost fully utilized. Therefore, we will be investing in additional capacities in these fluoropolymers, which will cater to these new opportunities.

Clearly, wherever we add capacity, it will all be in a very high-end product range.

Sanjesh – ICICI Securities: Earlier, we were targeting approximately 20% growth. Is that now visible for this year and the year after?

Management: It is absolutely visible.

Sanjesh – ICICI Securities: Got it. The second question is on the refrigerant gas side. When is R-134a expected to be commercialized? What revenue size are we looking at with this expanded refrigerant gas capacity?

Management: Sanjesh, we are expecting to have this capacity by the end of this financial year. In fact, we are targeting an earlier completion than that. We have not yet announced the capacities because, as you know, we have multiple refrigerant products; it is a bouquet. Depending on the product mix, we will probably go to the market.

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We have not announced the capacities yet, and we will probably share them over the next few quarters.

Sanjesh – ICICI Securities: Got it. One last question on the battery chemicals side. Where exactly are we in the cycle of commercial supplies? Right now, what we see is 20–30 crores of revenue, while the capacity we have put in place appears to be much larger. When are we expecting a step-up in revenue from the battery chemicals side? What segments will contribute to this growth?

Management: Let me take this step by step. What we have always stated is that we initially build certain capacities for qualification, and then capacity addition is subsequently undertaken for growth.

If we talk about significant growth, we would probably see it towards the end of this financial year and in FY28. We will see a significant ramp-up. The capacity that we have added, if you look at the gross block that has been capitalized, is still not very large.

While we have been making investments in building capacities, the capacity that has come on the ground and is actually being commercialized is still limited because there is a long gestation period involved in building and setting up capacities.

To answer your question, we will see a significant ramp-up. In fact, we had dispatches this quarter as well, but some of them are not reflected in our revenue numbers because they are all on CIF terms. They will probably be reflected in the next quarter. The journey will continue, and you will see significant quarter-by-quarter growth in revenue as we go along.

Clearly, the first and foremost product in this growth is {? LiPF₆ ?}, which we started very early, if you recall. It has now almost completed qualification and is going through its growth phase. The second is {? LFP and PVDF ?}. PVDF is very close to finalizing its qualification, and we will see revenue coming from it. Finally, there is the cathode active material, where we will probably see revenue towards the end of this financial year.

However, the full potential of the investment that we are making will start reflecting from FY28 onwards because there is almost a 1.5-year period involved in stabilization and completing the qualification process. This is the nature of this industry.

Sanjesh – ICICI Securities: Will the same apply to the incremental 2,300 crores of capex, or will the ramp-up be much faster because the qualification round is over?

Management: That is expected to be faster, Sanjesh, because once we have qualified, the initial plant is used for qualification, stabilization, establishing our supply chain, and establishing our credibility with the customer. The next phase is faster because the battery market itself has strong growth potential.

Initially, we were talking globally about reaching almost 1,800 gigawatt-hours by 2030. However, when we look at our domestic market, the domestic market is also, driven primarily by ESS, looking at 220–250 gigawatt-hours by 2030.

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We are seeing huge market potential, which I think we will capture as we go along, primarily in 2028 and 2029. Of course, that ramp-up would be much faster than the rate we have seen so far.

Sanjesh – ICICI Securities: Got it. Clear, sir. Thanks for answering all those questions, and best of luck for the coming quarters.

Management: Thanks, Sanjesh. Thank you.

Operator: Thank you. Ladies and gentlemen, in order to ensure that management is able to address questions from the participants in this conference, please restrict your questions to 2 per participant. Should you have a follow-up question, please rejoin the queue. Thank you. The next question is from the line of Arun from Avendus Spark. Please proceed with your question.

Arun – Avendus Spark: Thank you for the opportunity. Good evening to everyone. My first question is on the R-134a plant announcement. Earlier in the call, you said that the capacity has not been announced, but in our late-June filing, we indicated that we are going to add R-134a capacity. Can you please clarify this point?

Management: Arun, we have not announced the capacity yet. However, whatever our plans are, we will have this capacity by this financial year. That is what we have stated, and that is what I think we said in the press release as well.

We are setting up the R-134a capacity. Just to reiterate what we said last time, with these products we will probably be utilizing our entire entitlement quota for R-32, R-134a, R-22, and R-125. Therefore, by the end of this financial year, we will have a very large bouquet of products to offer our customers.

Arun – Avendus Spark: What is the reason for entering R-134a so late in our journey into refrigerant gases? Is there any indication that the quota will be allocated on a pro-rata basis based on the capacity held by the players? Is that the basic reason?

Management: No. The decision is based on the strong market opportunity that we see. As you know, towards the end of this year, refrigerants become a valuable business proposition. We see an opportunity in entering R-134a for multiple reasons, including certain strategic reasons that I cannot share.

We think it is a wonderful opportunity to be present in this market. It is a space where future supply would be restricted. We do not see several other suppliers entering the market, while demand will continue to be there. It is robust demand, and the alternatives to R-134a are HFOs, which are available at a very high price point.

Therefore, we see strong market potential and an opportunity for us to be present in this market.

Arun – Avendus Spark: Understood. Secondly, on the fluoropolymer business, now that we are very close to our utilization levels—

Management: Until we get our new capacities in place, probably in a year or so, our growth in this segment will be largely dependent only on pricing-related actions. Therefore, we should not expect

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any volume growth or mix-related growth. I will request Kapil to take this question. Kapil, please.

Kapil: Arun, it is a combination of both price realizations and the debottlenecking that we continue to undertake to enhance our capacities and match market requirements. This keeps happening in these products, and it is happening now as well.

Arun – Avendus Spark: Is there any timeline for further capacity debottlenecking?

Kapil: It keeps happening. Every second quarter, we undertake debottlenecking whenever we see that we are reaching our capacity utilization levels. We then balance our capacities according to market requirements. It is a continuous process.

Arun – Avendus Spark: Understood. One bookkeeping question for Manoj. We have seen the difference between standalone and consolidated results increase on a sequential basis. Is my question purely about segment top-line growth?

Management: Arun, could you repeat that? Your voice is breaking. Could you come again? Manoj is here to take the question. Manoj, please take the question.

Arun – Avendus Spark: The difference between standalone and consolidated results is increasing much more than the EV segment top-line growth. Is there anything else contributing to this increase?

Manoj: Standalone and consolidated results also reflect GFL EV, GFL USA LLC, and GFL Germany, where we conduct our polymer business. That business is routed through the Germany subsidiary and the US subsidiary. It does not reflect in the standalone results, whereas it is included in the consolidated results. That is also the reason, not only the EV segment.

Arun – Avendus Spark: Why has the difference increased over the last 2 quarters, especially when it is coming only from the fluoropolymer business?

Manoj: In the last quarter and this quarter, some CIF consignments were in goods in transit earlier and were booked in Germany and the LLC. Instead, we have booked them in the standalone results themselves. That is why the gap between standalone and consolidated results is higher.

Arun – Avendus Spark: Understood. Thank you very much. I will get back in the queue.

Management: Thanks, Arun. Thank you.

Operator: Thank you. The next question is from the line of Prijesh Gumber from Spark Capital Advisors. Please proceed with your question.

Prijesh Gumber – Spark Capital Advisors: Hello. Congratulations on the good numbers. I wanted to understand your R-32 expansion plans. Are you planning any additional HF expansion or AHF expansion? R-32 has immense global demand, and your competitors are also increasing their R-32 capacities. Are you planning any additional R-32 capacity or an additional backward-integrated HF plant?

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Management: We mentioned this last time as well: we will be adding AHF capacity. As we add capacity in R-32 as well as R-134a, it will require substantial, or significant, AHF for these refrigerants. AHF is also required for our other products. Therefore, we will be adding capacity, and we have already announced this. I believe that capacity addition is underway.

Prijesh Gumber – Spark Capital Advisors: By what time will that be operational?

Management: It will be completed in different phases. The first set of capacities will probably be available by the end of this year, in the third quarter, and subsequently, some capacity will be added every quarter because it will be matched with the addition of our refrigerant capacity.

Prijesh Gumber – Spark Capital Advisors: You will not sell HF or AHF externally; you will use it only for internal purposes, correct?

Management: Right now, our aim is to use it captively. That is our purpose at the moment.

Prijesh Gumber – Spark Capital Advisors: One more question on the quota side. The existing players will definitely get quota, but will new players get quota as well? Can you provide some clarity? Will the existing players that have produced R-22 get quota, or will new players also be able to obtain quota and participate, given that R-32 has massive demand and supply is currently limited? If new players are not given quota, new capacity will not be added.

Management: I cannot comment on who will or will not get quota because that decision does not rest with us. However, all we can say is that past precedent indicates that it is given based on the baseline. There is a formula in place.

From our side, we know what our entitlement is, and our expansion plan is based on that. We will utilize at least whatever our entitlement is based on the {? GWP ?} that we have. You are already aware of the formula; it has 2 components.

Therefore, I cannot really comment on whether a new player will get quota because that decision rests elsewhere. However, from our side, we are already adding capacity based on what we believe is our entitlement, based on past precedent.

Prijesh Gumber – Spark Capital Advisors: Thank you for answering my questions.

Operator: Thank you. The next question is from the line of Omkar from Motilal Oswal Financial Services Limited. Please proceed with your question.

Omkar – Motilal Oswal: I had a question on capex. Out of the CWIP of 1,900 crores, how much is expected to be capitalized in FY27?

Management: We currently expect the gross block to be around 856 crores. Capitalization happens based on 2 triggers. The first trigger is when we start the plant, and the second is when the plant starts giving the products it is intended to produce, which means that it achieves the required quality and specifications.

While mechanical completion of the plant is in our hands, quality stabilization often varies from plant to plant. However, we expect these numbers to be around 1,200 crores by the end of this year.

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Omkar – Motilal Oswal: You are talking about the total amount?

Management: Which amount? I am sorry.

Omkar – Motilal Oswal: The 1,200 crores of capital work in progress.

Management: Correct.

Omkar – Motilal Oswal: This will include the 3,000 crores of capex that will also be incurred in FY27, correct?

Management: That will be added further, Omkar. We have a plan to add a total of 6,000 crores, as announced. Today, there is certain capex that we have already capitalized, which is reflected in our gross block. Then we have CWIP, and we also have a plan to add more capex, as I announced in the last quarterly call, over the next 2 years.

This year, our capex spending plan is 2,300 crores in EV and approximately 800 crores in our chemical business. That is what we said earlier, and we are maintaining that capex plan as of now.

Omkar – Motilal Oswal: What will be the capitalization for these 2 capex programs?

Management: Capitalization for these 2 will come later because we also have CWIP from earlier years that will be capitalized going forward during this year. There is a lag between capex spending and capitalization, as I indicated earlier.

Omkar – Motilal Oswal: Thank you.

Operator: Thank you. The next question is from the line of Tejas from Emkay Global Financial Services Limited. Please proceed with your question.

Tejas – Emkay: Good evening. Thank you for the opportunity. Firstly, we had indicated capex of close to 216 million in Oman for setting up a battery materials project. I wanted to understand the status of this project.

Management: The Oman project is currently on hold. What we are doing is bringing that capex into India and planning to add those capacities in India. There are multiple reasons for this. Certain geopolitical reasons were causing delays in our project, and in view of that, we decided to move those capacities to India so that we can move faster and meet the customer commitments we have given.

The Oman project may be revisited, but as of now, we have put it on hold.

Tejas – Emkay: There was also funding of close to 1,200 crores related to the Oman project, which was expected to come from OIA. With the project now shifting to India, is this funding also effectively cancelled?

Management: At least the funding from the sovereign fund that we mentioned earlier was specific to the Oman project. It was approved for that particular project. When we bring the project to India, we will have to look at separate funding, and we have those arrangements in place.

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We do not see funding as a constraint to setting up the project or adding capacity. However, that funding will not be used for the Oman project. The funding that was approved for the Oman project will not be available for the India project because we have relocated the project to India.

Tejas – Emkay: Does shifting the Oman capex to India also relate to the battery component PLI, which is expected to come through for these battery chemicals?

Management: There are multiple reasons. The overall environment for the battery industry in India is looking much better now than it was last year or the year before. Part of the reason is the domestic market opportunity, which, as I said earlier, is driven by the projection for the domestic market and by {? BESS ?}. Other policy-related support is also making this market opportunity very attractive for us to pursue in India.

Tejas – Emkay: Understood. One last question on the US fluoropolymer side. Last quarter, we indicated capex of close to 250 crores for these debottlenecking activities. Within the US fluoropolymer space, could you highlight which products are seeing higher traction and where we are planning to expand capacity?

Management: I will request Kapil to address the fluoropolymer capacity question. He can provide more details on that side.

Kapil: In fluoropolymers, our growth opportunities are primarily in the new fluoropolymers, as I have said earlier as well. We will continue to focus on these opportunities. When we refer to debottlenecking, it relates to some very specific grades and products where we see greater growth opportunities. However, our focus going forward will continue to be the new fluoropolymers.

Tejas – Emkay: Within the new fluoropolymers, among PVDF, FEP, and PFA, which of these products are seeing the highest traction, and where are we expanding capacity? I wanted to understand this at the product-specific level.

Management: PVDF is obviously driven by battery requirements. PFA and FEP are driven by the requirements we are seeing from the semiconductor industry. Kapil, would you like to add anything?

Kapil: As we have mentioned, some of the new sunrise sectors are developing well. We are talking about expansions coming up in semiconductors in India and also in parts of the world. We are also seeing green hydrogen developing very well. Pilot projects have started coming up, with commercial projects to follow.

In data centers, we are also seeing some of our fluoropolymers being approved, and some commercial business is now coming through. Future business will also come as the projects are approved. We are focused on those products that will be aligned with these sunrise sectors, as Dr. Kapoor has mentioned.

Our products will continue to be added as we gain traction from these sunrise sectors. Based on that, we undertake our capex and debottlenecking.

Management: Fantastic. That is all from my side. Thank you very much.

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Management: Thank you. Thank you.

Operator: Thank you. The next question is from the line of Naushad Chaudhary from Aditya Birla MF. Please proceed with your question.

Naushad Chaudhary – Aditya Birla MF: Thank you for the opportunity, and congratulations to the team on the decent set of numbers. A follow-up on Oman: as we have now shifted the plant from Oman to India and that funding will not come, will this trigger fundraising, or can we manage this investment internally?

Management: Thanks, Naushad. Our fundraising process is already underway, and we are raising funds as we go along based on our funding requirements. Clearly, the Oman funding was raised specifically for the Oman project.

Coming back to India, we will continue to raise funding for these projects. However, as of now, we do not see funding as a constraint to setting up the project or adding capacity.

Naushad Chaudhary – Aditya Birla MF: For the additional deployment of approximately 4,000 crores in battery chemicals, how much land will be required, how much do we have, and how much more do we need to acquire?

Management: While moving the Oman project, we found that land for the first phase of the project is available at our existing Dahej B plant, which we call the Jolva plant. All the elements are in place. We have the required approvals and clearances to execute these projects, as well as land availability, infrastructure, and site infrastructure support to execute them.

We are also adding one more site, again in the Dahej area, which will probably be utilized. We do not see land as a constraint going forward, Naushad, because our immediate expansions will be undertaken at the Dahej B site. Subsequently, we will add one more site in the Dahej area to support our expansion, which should take place toward the end of FY27 and in FY28.

Naushad Chaudhary – Aditya Birla MF: Finally, on the anode active material that we announced last quarter, I wanted to understand the capex size for this particular product and the synergies we have with our base business.

Management: Naushad, we have not provided product-specific capex, for valid reasons. We have not announced the capex, or the specific capex, for anode active material because I believe it is confidential information for us.

Naushad Chaudhary – Aditya Birla MF: Thank you very much. All the best to the team.

Operator: Thank you. The next question is from the line of Siddhant from Comet Moles. Please proceed with your question.

Operator: The next question is from the line of Arun Prasath from Avendus Spark. Please proceed with your question.

Arun Prasath – Avendus Spark: Thank you for the follow-up opportunity. My question is about R-32. Now that we have the plant, are we selling primarily in the domestic market or in the export market?

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Going forward, what will be the combination of spot and contract sales? Any color on this?

Management: Arun, could you repeat the question? We lost part of it again. Is your question specific to refrigerants or battery materials?

Arun Prasath – Avendus Spark: Sorry. For some reason, the connectivity is not very good today. My primary question was about R-32. Now that we have started the plant, are we selling it primarily in the domestic market, or are we also exporting? Second, what is the nature of the sale? Is it spot or contract, and how do you think this will shape up as the new plant also comes up?

Management: R-32 is for the global market because we have a long legacy and significant experience in marketing these refrigerant products across the globe. When we look at R-32 as a product, we are looking at both the domestic and international markets.

Coming back to the type of arrangement, it is a combination of long-term contracts and spot sales. It would be difficult for me to give the exact percentage, but roughly, probably 40-50% should be under long-term contracts, with the remaining sales being on a spot or contract-to-contract basis.

Arun Prasath – Avendus Spark: Since it is primarily for the global market and domestic sales will be limited, does that also mean we will not gain any consumption quota from the 2,000 or whatever we are selling in 2026?

Management: The quota is based on production capacity, which we already discussed earlier. There are 2 components. One is based on the baseline, and the other is based on actual production during 2024, 2025, and 2026. I do not understand your question regarding the consumption quota; it is all based on production. That quota applies to us whether we sell in the domestic market or export.

Arun Prasath – Avendus Spark: Our understanding is that producers are entitled to production quota, and whatever you sell in the domestic market gives you consumption quota. Is it different in this case?

Management: I am not entirely clear about it, Arun. Let me check and come back to you on this. You can connect with Shalini on this, and we will clarify. I am still somewhat confused about the consumption quota. My understanding is related to the manufacturing and production quota, which is normally based on a certain formula and on the GWP basis.

Arun Prasath – Avendus Spark: Understood, sir. We will connect later. Thank you very much. All the best.

Management: Thanks, Arun. Thank you.

Operator: Thank you. The next question is from the line of Dhruv from HDFC AMC. Please proceed with your question.

Dhruv – HDFC AMC: Thank you very much. Can you say what your R-32 utilization was this quarter?

Management: Our current capacity was almost fully utilized, Dhruv.

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Dhruv – HDFC AMC: So, approximately 10,000 tons were fully utilized for the quarter? And—

Management: As we are adding capacities, this will change. However, whatever capacity we currently have is fully utilized.

Dhruv – HDFC AMC: Given that you are primarily exporting, is there a significant difference between domestic pricing and export pricing? I am trying to understand how I should think about the numbers.

Management: We normally do not comment on pricing, but in this particular case, I can say that the prices are very close.

Dhruv – HDFC AMC: Your polymer business has grown by approximately 15%. There was an earlier question on this, but is it possible to split the year-on-year growth between volume, pricing, and mix?

Management: It is difficult to provide that split, Dhruv. I do not think we can share it in that specific manner. However, it is primarily driven by 2 things.

The first is higher rates, which relate to new fluoropolymer volumes. In some cases, within the existing products that we have, we are moving toward higher and higher grades to obtain better value. I would not call it a price increase; I would call it an increase in value as we move up the value chain in terms of the product mix.

Dhruv – HDFC AMC: So it is more about mix, along with some volume growth.

Management: Correct.

Dhruv – HDFC AMC: Thank you very much, and all the best.

Operator: Thank you. The next question is from the line of Meet from JM Financial. Please proceed with your question.

Meet – JM Financial: Thank you for the opportunity. My first question was on R-134a. Are we setting up this plant as a greenfield or brownfield expansion? Also, how are we planning to source trichloroethylene? I believe it is a fairly restricted product globally. Are we planning to backward-integrate into that as well?

Management: R-134a is a brownfield expansion. It is at one of our existing sites that is producing refrigerants. As far as TCE is concerned, we are not planning backward integration at this point. We will import it from outside India. We have identified the suppliers, and we do not see this as a constraint going forward.

Meet – JM Financial: Is TCE import from China currently being freely carried out into India?

Management: It will be imported from outside India.

Meet – JM Financial: My second question is about how we structure our fluoropolymer contracts. In Q1, despite TFE prices increasing by approximately 3–4 times and fluorspar prices also increasing,

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we have not taken price hikes in our core fluoropolymer portfolio. Does that mean margins in Q1 for fluoropolymers would be lower than what we have seen previously, and that the improvement has come only from the mix?

Kapil: Meet, whenever such changes occur, we have formula-based arrangements with our prime customers. These formulas protect us in such situations. That is why you must have seen in the results for the last quarter that we have been able to protect our margins.

Meet – JM Financial: So, we would have taken a formula-based price increase to address the raw material price increase?

Kapil: We have been able to manage the price increases related to the cost increases through formula-based pricing or through an understanding with the customers to mitigate our risk accordingly.

Meet – JM Financial: Understood. Thank you. That is all from my side.

Management: Thank you.

Operator: Thank you. The next question is from the line of Ankur Periwal from Axis Capital. Please proceed with your question.

Ankur Periwal – Axis Capital: Thank you for the opportunity. I joined the call a little late, so please excuse me if there is any repetition. First, on fluoropolymer growth, was there any price increase that we took? I am not asking for the magnitude, but did we take a price increase, or will the impact come more from Q2 onwards?

Ankur Periwal – Axis Capital: Hello?

Kapil: Hello. Kapil here. Yes.

Management: I can hear you, Ankur. Typically, when there is volatility in certain prices, as Kapil was explaining, we tend to pass on that price increase to our customers. These actions are essentially intended to address increases in input costs.

For example, when oil prices went up, certain raw materials that we use, such as methanol and sulfur, also increased in price. We normally take price corrections for such increases. These are small corrections, and it is a common practice that we continue to follow.

There was volatility from March 2026 onwards, and we took those corrections. However, I would like to emphasize that these corrections are typically undertaken to ensure that we maintain our margins and achieve our target margins.

A significant part of the growth we are currently seeing in fluoropolymers, which we have indicated could be 15–20% annually, is driven by 2 things. First is the product mix, where we move toward higher and higher-grade products. The second is the addition of volume from our—

Management: —existing new fluoropolymers, which we expect to be fully utilized very soon.

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However, a significant part of the growth is also coming from regular growth. When we manufacture a particular grade, it gets qualified, and then the volume gradually ramps up. What you see today is a combination of these 2 factors.

The price increase related to inputs is marginal because it is only intended to cover input cost increases. The products we manufacture are high-end materials. Although input costs are involved, a significant component of the value comes from the know-how that goes into these high-end products. Kapil, would you like to add anything?

Management {? Kapil ?}: One additional point is that, as we have been mentioning, the approval process for these high-end grades and products is slightly longer from the initial application. We are now in a cycle where we are constantly receiving approvals from customers globally.

Every quarter, we continue to add approvals, and every quarter we continue to add commercial volumes as we receive those approvals. That is how we balance our capacities, and that is also how we balance our margins as we grow.

Ankur Periwal – Axis Capital: That is very clear. From an approval perspective, as you said, a large part of these approvals should be in place within this financial year, so that when the new capacity comes in, there can be a quicker ramp-up. Would that be the right understanding?

Management {? Kapil ?}: Yes, you are absolutely correct. We are in the midst of obtaining approvals, and by the end of this financial year, most of the approvals will be in place. Commercially, we will also be taking the volumes further up in the second half of this financial year.

Ankur Periwal – Axis Capital: Since there is no follow-up approval because it is a newer site or a new production facility, we do not need a follow-up approval for these products. Is that correct?

Management: No. It is simply a follow-up to the approvals that we have already obtained, followed by capacity addition. We will take the volumes further up as demand continues to ramp up.

Ankur Periwal – Axis Capital: Great. My second question is on R-32. I know you answered this partially. We are currently using a combination of long-term and spot sales, probably more on the export side. For the incremental capacity that will be commissioned, will the sales also be largely contractual, or how are you looking at it? Among the global markets, which geographies are we focusing on?

Management: It will be a combination of both. As we receive more material, we will market it across the globe. It will go into different geographies. We are not focusing R-32 on any one specific geography.

I would also like to add that, from our perspective, R-32 is used in combination with R-410 because we are one of the few players that has both R-125 and R-32 available. We are in a very unique position, Ankur, to sell not only R-32 as it is, but also as an R-410 blend. Therefore, it will be a combination of the two.

Ankur Periwal – Axis Capital: That helps. That is all from my side. Thank you.

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Management: Thank you.

Operator: Thank you. The next question is from the line of Rohit Nagraj from 361 Capital. Please proceed with your question, sir.

Rohit Nagraj – 361 Capital: Thanks for the opportunity, and congratulations on the good set of numbers. My first question is on battery chemicals. Given the scale-up that we are expecting, are we on track to achieve a 3-digit revenue number in Q4 and a significant scale-up in FY28?

Management: Yes, Rohit. We are on track to meet the target you mentioned: 3-digit revenue in Q4 and a significant ramp-up in the following financial year. Thank you, Rohit.

Rohit Nagraj – 361 Capital: My second question is on R-32. Once the additional capacity is commissioned, based on our domestic and export contracts, do we expect full utilization during calendar year 2027 for the incremental 20,000 tons, meaning total R-32 capacity of 20,000 tons?

Management: Yes, we expect full utilization. Based on our understanding of the market, as and when we have the capacities, we believe we will be able to market the material. Therefore, we expect full utilization on top of that.

Rohit Nagraj – 361 Capital: My last question is on fluoropolymers. Given that 3M exited last year and AGC has also indicated that it wants to shut down its UK facility, are we experiencing the impact of 3M now? If the AGC facility goes off-stream, will we see additional demand for our products, given that the space created by them should be taken up by the incumbents?

Management: Yes, Kapil, please.

Management {? Kapil ?}: Rohit, 3M is now an event of the past. In the last 2 years, we have more or less absorbed the full impact of the 3M exit.

The growth we are seeing today in higher-value-added grades in fluoropolymers, and what we anticipate going forward, is partly due to that as well. Since 3M vacated the high-end market, we are entering that high-end market and filling the space they vacated.

Coming to AGC, that announcement has only just been made. We have started receiving queries and inquiries from customers who were using their material. The good part is that, more or less, we have the grades that they were making available with us.

Our qualification process has also started with the customers who were their customers. We will see traction from this, but not immediately; it will probably come 1 or 2 quarters down the line.

Rohit Nagraj – 361 Capital: Perfect. Thanks a lot, and all the best.

Management: Thanks. Thank you.

Operator: Thank you. Ladies and gentlemen, that was the last question from the participants. I now hand over the conference to management for the closing remarks. Over to you, sir. Thank you.

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Management: Thank you very much. I would like to thank you all for your continued patronage. As we have guided in the past, the capex we have incurred over the past couple of years has now started to contribute meaningfully to our financials, and we expect to grow further from here.

Fluoropolymers has performed well and is expected to grow, as we said earlier, by 17–20% annually going forward, primarily through volume growth as well as high-value products.

The fluorochemical segment has emerged as a very strong contributor to our financials and is expected to contribute meaningfully to our profitability going forward.

The advanced battery materials segment, after a very rigorous qualification and approval process, will now start contributing to our financials and growth. This segment will see steady growth over the next few years, driven by the explosion in demand and our global positioning in this segment.

I can say with confidence that we are very well placed to witness strong growth going forward. With this, I would like to thank you all for your interest in GFL. Thank you, everyone.

Operator: Thank you. On behalf of 361 Capital Market Private Limited, that concludes this conference. Thank you for joining us, and you may now disconnect your lines. Thank you.

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