

GFCL: BRD: 2026

1<sup>st</sup> June, 2026

The Secretary  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001

The Secretary  
**National Stock Exchange of India Limited**  
Exchange Plaza, Bandra Kurla Complex  
Bandra (E), Mumbai 400 051

**Scrip Code: 542812**

**Symbol: FLUOROCHEM**

Dear Sir/Madam,

**Sub: Transcript of conference call with Analysts/Institutional Investors held on 26<sup>th</sup> May, 2026**

**Ref.: Regulation 30(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

This is further to our letter dated 19<sup>th</sup> May, 2026 and pursuant to Regulation 30(6) read with sub-para 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, we are enclosing herewith the Transcript of conference call held with Analysts/Institutional Investors on 26<sup>th</sup> May, 2026 at 18:00 Hrs. IST to discuss the 4QFY26 Financial performance.

The above information will also be made available on the website of the Company at [www.gfl.co.in](http://www.gfl.co.in).

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
**For Gujarat Fluorochemicals Limited**

**Bhavin Desai**  
**Company Secretary**  
**FCS 7952**

**Encl.: As above**



“Gujarat Fluorochemicals Limited  
Q4 FY26 Earnings Conference Call”

May 26, 2026



360  
ONE



**MANAGEMENT:** **DR. BIR KAPOOR – CHIEF EXECUTIVE OFFICER AND  
DEPUTY MANAGING DIRECTOR – GUJARAT  
FLUOROchemicals LIMITED**  
**MR. AKHIL JINDAL – GROUP CHIEF FINANCIAL  
OFFICER – GUJARAT FLUOROchemicals LIMITED**  
**MR. MANOJ AGRAWAL – CHIEF FINANCIAL OFFICER –  
GUJARAT FLUOROchemicals LIMITED**  
**MR. KAPIL MALHOTRA – BUSINESS UNIT HEAD OF  
FLUOROPOLYMERS – GUJARAT FLUOROchemicals  
LIMITED**  
**MR. RAJIV RAO – BUSINESS HEAD OF BATTERY  
MATERIALS – GFCL EV PRODUCTS LIMITED**

**MODERATOR:** **MR. ROHIT NAGRAJ – 360 ONE CAPITAL**

**Moderator:**

Ladies and gentlemen, good day and welcome to the Q4 FY26 Earnings Conference Call of Gujarat Fluorochemicals Limited hosted by 360 ONE Capital. As a reminder, all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. I would now like to hand the conference over to Mr. Rohit Nagraj from 360 ONE Capital. Thank you, and over to you, sir.

**Rohit Nagraj:**

Thanks, Rutuja. Good evening and welcome everyone for Gujarat Fluorochemicals Limited Q4 FY26 and FY26 Conference Call. We thank the management to provide us the opportunity to host the call. We have the management represented by Dr. Bir Kapoor, CEO and Deputy Managing Director, along with the senior members of the management team.

Now I would like to hand over the call to Dr. Bir Kapoor, sir, for his opening remarks. Over to you, sir. Thank you.

**Bir Kapoor:**

Thank you, Rohit. Good afternoon, everyone. A very warm welcome to all of you for GFL's Q4 FY26 Earnings Call. For this call, I have with me my colleagues, Mr. Akhil Jindal, who is the Group CFO; Mr. Manoj Agrawal, who is the CFO of GFL; Mr. Kapil Malhotra, Business Head of Fluoropolymer; and Mr. Rajiv Rao, who is the Business Head of Battery Materials.

The company announced its Q4 FY '26 and full year results at a Board meeting held today. The results along with earnings presentation are already available on the stock exchange and on our website. I'll briefly highlight the key financials and then give you an update on business operations and outlook. FY '26 was marked by a highly volatile global operating environment.

The first half of the year was impacted by uncertainty surrounding U.S. tariff policies and evolving global trade dynamics, while the latter part witnessed heightened geopolitical tensions amidst the war in the Middle East, dampening the macro and business environment, which continues to disrupt global trade flows, impact logistics and supply chains, and contribute to elevated volatility across commodities and currency markets.

Sharp movement in energy prices have also resulted in higher input and logistic costs across businesses. While we are seeing some signs of stabilization, the conditions continue to be volatile. Despite these headwinds, the company remained focused on disciplined execution, operational excellence, supply chain optimization and stringent cost management across businesses, enabling us to navigate the evolving environment with agility and resilience.

Against this backdrop, our chemicals business delivered a commendable performance during Q4 with revenue growing 11% year-on-year to INR1,358 crores, EBITDA increasing 13% year-on-year to INR353 crores, and PAT rising 5% year-on-year to INR169 crores as compared to Q4 FY '25.

The performance was led by growth in Fluoropolymers segment, and the commencement of R-32 production in March 2026, which marks an important milestone in our fluorochemicals growth journey. Continuing on the growth journey, GFL has earmarked INR3,150 crores of capex for FY '27, of which INR2,300 is for GFCL EV and INR850 crores for GFL.

Of INR850 crores capex, approximately INR150 crores will be spent on expanding our refrigerant gas and related infrastructure capacities. INR222 crores will be spent on new high-purity electronic specialty chemicals for the semiconductor sector; another INR250 crores will be spent on adding new fluoropolymer capacities and the remaining INR230 crores will be spent on increasing capacities for backward integration, including the regular annual maintenance capex.

The EV capex of INR300 crores -- INR2,300 crores will be spent in increasing capacities across existing products, in addition to the capex for natural graphite anode active material. And this capex is part of the overall capex of INR6,000 crores that we have earmarked for GFCL EV.

The Fluoropolymers segment delivered a strong performance with revenues growing 19% year-on-year and 14% quarter-on-quarter to INR848 crores in Q4 FY '26. The growth was primarily driven by value-added products and higher volumes across key product categories. Our focus on high-value specialty grades, deeper customer engagement and expanding global reach continued to support growth momentum during the quarter.

Looking ahead, we remain constructive on the long-term outlook for fluoropolymers, supported by increasing penetration across structurally growing sectors such as semiconductors, EVs, battery energy storage systems and clean energy applications. In addition, global energy transition themes, including hydrogen, fuel cells, electrolyzers and solar are emerging as important long-term demand drivers for fluoropolymers.

Given the increasing complexity and purity requirement in these applications, we believe the specialty fluoropolymers will continue to witness strong demand over the medium to long term. The earlier capex in this segment should achieve its optimum utilization level in the current financial year. We will be incurring further capex starting this year to continue on the growth journey in this segment.

In the Fluorochemicals segment, production and sales of R-32 commenced from March 2026, strengthening our refrigerant portfolio, despite weakness in the Middle East market in the month of March and an overall challenging global environment, this segment delivered a stable performance. We will be incurring INR150 crores of capex on increasing capacities of refrigerant gases in the current financial year.

Increased production of R-32 will provide major growth in this segment in the subsequent quarters. Demand for refrigerants is expected to remain healthy, supported by increasing penetration of residential air conditioning, commercial refrigeration, cold chain infrastructures and surge in demand of cooling infrastructure for AI data centers across the globe. Within bulk chemicals, the demand outlook for caustic soda is expected to remain stable in FY '27.

While pricing is likely to remain range-bound due to domestic capacity additions and balanced supply/demand dynamics. Similarly, the performance in fluoromethane business is expected to remain range-bound in the near term amid moderate demand conditions and competitive market dynamics.

As we look at our battery materials business, we believe the segment is now at an important inflection point. The global energy transition continued to accelerate and the demand environment for advanced battery materials remains highly encouraging. The battery energy storage system opportunity, in particular, has strengthened significantly over the last few quarters.

Increasing investment in AI and machine learning infrastructure coupled with thriving data center capacities are driving the power requirements and creating structural demand for energy storage solutions globally. Against this backdrop, we are pleased to share that all the initial capacities planned under phase one have now been commissioned and contracted for.

We have secured marquee anchor customers across all our battery material products, which provide confidence on utilization ramp-up and commercial scale-up over the coming quarters. The LiPF<sub>6</sub> salt has now received approvals from most of the major global electrolyte players, and commercial sales are scaling up in line with our plans.

We have orders in place for FY '27 and beyond. Accordingly, production will be ramped up quarter-on-quarter. In cathode active material, sample from our plants have received initial approval and final qualification is expected by the end of the third quarter.

Thereafter, commercial supply will commence, for which we have already off-take agreements for the entire capacity. As part of our next phase of growth, we are also setting up natural graphite anode active material facility. With this addition, we will be able to address nearly 70% of the value of an LFP battery cell, positioning us as one of the most integrated battery materials platforms globally.

To support this growth road map, we have planned a capex of approximately INR2,300 crores for FY '27 across the battery materials portfolio, largely focused on growth capex, including the anode active material project. To support this growth road map, we remain committed to our previously outlined guidelines of INR6,000 crores cumulative capex by FY '28 across the battery materials portfolio, with targeted asset turns of nearly 2x and EBITDA margins of over 25% plus.

The full earnings potential of these investments is expected to be realized by FY '29 as the facilities progressively ramp up and achieve an optimum utilization level. While the macroeconomic environment remains challenging, the broader business landscape is gradually showing signs of improvement.

We remain focused on strong execution, prudent cost management and disciplined scaling of our emerging growth platform. We remain confident in our ability to deliver sustained growth and create long-term value for all our stakeholders. Thank you very much. And now I open the floor for questions.

**Moderator:**

Thank you very much. We will now begin the question and answer session. The first question is from the line of Ankur Periwal from Axis Capital.

**Ankur Periwal:** Congratulations on a good set of numbers. First question on the capex announcement, both on the battery side as well as on the standalone side. The fluoropolymer expansion, will this be on PTFE side or the new fluoropolymers? How do you see that? And just commensurate to that, the fluoropolymers growth for the full year that we are seeing around 15%-odd, how will you break this up between PTFE and new fluoropolymers?

**Bir Kapoor:** So the investment will be on new fluoropolymers. And so far, we have not been giving any breakup of growth of respective fluoropolymers. However, all I can say at this point, Ankur, is that the capacities that we have set up a few years back are almost reaching its full capacity -- optimum capacity utilization. And now is the time for us to add capexes in new Fluoropolymers segment right now.

**Ankur Periwal:** Okay. Sure, sir. On the ref gas side, INR150-odd crores expansion there. This is largely for the 20,000 ton capacity that we are looking at or are there any further thoughts to expand that capacity further with respect to the quota that we have?

**Bir Kapoor:** No, as of now, we have announced that we'll be going up to 20,000 tons in R-32. So it's related to that as of now.

**Ankur Periwal:** Okay. And by when are we expecting this 20,000 ton to be commissioned and production starting there?

**Bir Kapoor:** The production has already started. As I said last time that we have achieved over 10,000 ton capacity at the moment. And over a period of time, I think it will be ramped up to 20,000 tons.

**Ankur Periwal:** Sure, sir. And just lastly, on the battery chemical bit. Good to see the capex seeing a ramp up there. When we are saying from a product approvals perspective, a large part of things are already there. These are largely for the salt approval or even the other products, the value chain, etc. How is the progress there? And on the technology side, any tie-up or it is largely homegrown for us there?

**Bir Kapoor:** So Ankur, we started with salt and electrolyte in the beginning, as we had indicated. So initially, obviously, that capacity was in the salt, our capacity commissioning was also in that area. So our approvals are all in the salt at this stage. Secondly, we added was cathode active material. So that plant was commissioned recently.

And we have prepared the sample, and our initial samples have already been qualified. So now it will go through the full qualification, and which we expect to get it by the end of this year, which is the third quarter of this financial year. And then our supply will start after that so we get the full qualification.

So in LiPF<sub>6</sub>, we have achieved the full qualification from a number of players and the supply is being ramped up. LFP at the early stage plant is already commissioned, as I said, and samples are made. We have optimized the product as per the customer need. And once the product is fully qualified, the supply will start and this entire plant is fully contracted.

**Moderator:** The next question is from the line of Sanjesh Jain from ICICI Securities.

**Sanjesh Jain:** I have a couple of questions. First, on the battery side. When we say that we are fully booked for the existing plant, are we talking about LiPF<sub>6</sub>? And how much revenue potential when we say? Because for us, we don't know the capacity, we don't know the capex we have put. So how to think about FY '27, FY '28 revenue? And when you say we have fully sold capacity, is it fair to assume that in FY '27, that entire capacity will be sold to the customer?

**Bir Kapoor:** Okay. Whatever capacity that we have in place now is contracted. This is true for LiPF<sub>6</sub> as well as for LFP, which has been recently commissioned. Now coming back to your question, Sanjesh, regarding revenue potential. That once you put in a capex, there's a certain gestation period in terms of plant getting stabilized, getting the right quality and then qualification.

And subsequently, the revenue starts coming up. And product mix average, I had indicated 2x the asset turnover. So, I would follow the similar approach because it would be difficult for me to give an exact number but if you look at the way our investments are happening and the capexes are being built in, over a period of time after certain gestation period, we would start seeing a 2x revenue coming in.

**Sanjesh Jain:** So will FY '27 be a more, again, a qualification year or we intend to supply a material quantity in this year?

**Bir Kapoor:** So, FY '27 will be a material quantity for salt, which I have already indicated very clearly. Because our initial investment is all in salt plants. See I think that our initial phase of investment is building up that capacity, which is the smallest commercial scale capacity, to achieve the quality level and get those approvals.

And then subsequently, we'll go through the ramp phase. So, initial capacities in the salt have already been built. We are ramping up phase right now continuously. So that salt, we already have a qualification. So, in salt, you will see a consistent growth in supply and the revenue coming in. LFP, this will happen a little later. As I said, that it will probably happen after the third quarter of this year.

**Sanjesh Jain:** No, again, because we have already put 1/3 of the money what we have thought about, which is almost INR2,000 crores has already gone into the battery materials. And we are still left with INR4,000 crores. Even if I just say thumb-rule of 2x, this itself should potentially give us a INR4,000 crores, probably we have utilities and all so probably giving some discount to that. A INR3,000 crores revenue potential itself comes from the investment already done?

**Bir Kapoor:** But there is a gestation period. Again, I must say that this is sort of a relatively long-term play, Sanjesh. It's not quarter-on-quarter kind of business. There is a gestation period for each plant because there's a long qualification period, almost could be 9 months to a year. So once the plants are commissioned, products go for quality and after the qualification, the revenue starts kicking in. And the number that you're talking about will come eventually, yes. But only when the capacity utilization is complete.

**Sanjesh Jain:** Got it. Got it. And on this anode, we never heard about this. Suddenly, why the anode? I don't know because all across, we talked about LiPF<sub>6</sub>, LFP and additives and binders. Anode was a twist?

- Bir Kapoor:** Not a twist. We have been adding products in our battery materials portfolio. And this was kind of one of the last bit, that too, because battery has typically 3 major components: cathode, anode and electrolyte. We are present in cathode, electrolyte, salt, binders, and now anode. And this, we are talking about the natural graphite anode. There are different kinds of anodes, synthetic as well as natural. I'm talking about natural right now. And there's, of course, certain synergy with our capability in natural graphite anode.
- Sanjesh Jain:** What capability? Can you help us understand that?
- Bir Kapoor:** I'll hold on to that for now, but there are definitely synergies with our existing businesses.
- Sanjesh Jain:** Got it. One related question on battery before I go to the core business. In this quarter, we saw a sharp jump in the losses because the revenues are largely same as last quarter. But if I look at the EBITDA loss, it appears to be significantly large. Now, why such a large cost addition in this quarter?
- Bir Kapoor:** See, as we are capitalizing our assets, once we qualify, we reach the point where the assets are qualified, all the costs start coming up right away, as the volumes are being ramped up. So this will eventually ease off. It's a short-term thing because it's kind of a startup business.
- Sanjesh Jain:** Because your depreciation number on the EV segment has really not gone up so just?
- Bir Kapoor:** No, because as we capitalize, the depreciation number starts coming in. So, as the plants and the product get qualified and we commercialize it, this number gets up. And again, I'll request Manoj to answer. Manoj is here with me.
- Manoj Agrawal:** So you're specifically speaking about the segment of EV business?
- Bir Kapoor:** Yes, he's talking about the same
- Manoj Agrawal:** Okay. Essentially, we have capitalized the LiPF<sub>6</sub> plant on 5th of January this quarter, So our operation has started. Before the operations, we are eligible for capitalization of all preoperative expenses and trial production losses, everything. Once we start the operations, the accounting standard doesn't allow you to capitalize the expenses.
- So all the expenses flows through P&L, irrespective whether your sales ramp-up has happened or not or your capitalization has happened or not. So, this has resulted in this. Earlier also, if you have seen some of the expenses which were always charged to P&L with around INR20 crores or so, but this has gone up to from INR20 crores to INR45 crores roughly.
- Out of that one, we have started utilizing the buyer's credit in the foreign currency, and that was unexpectedly onetime loss that will not recur in future because we have M2M, and we have all now covered it 100%. In GFL, we don't have to cover anything because we have got a natural hedge there. Here because sales are ramping up, this were transparent as on the balance sheet date and, unfortunately, the movement of dollar and INR was extreme due to Iran and U.S. war.
- Sanjesh Jain:** Got it. Very clear. Prices going up in the fluoropolymers by one of the large competition. Have we taken the similar price increases? That's number one. Number two, on the volume and

demand itself, generally what happens in an inflationary environment, destocking happen faster, and it also kicks in restocking which we were struggling because BCP quantities of 3M and Solvay were still there in the system. I hope this entire phenomena should help you to get back the demand and approvals. And also in that scenario, how should we see FY27?

**Bir Kapoor:**

Sure. First, let me answer one quickly and then I'll hand it over to Kapil for a detailed answer. There has been a price increase. We have also taken a price increase and because if you look at it, that we have been, in spite of increasing raw materials and the logistics prices, we have been able to maintain our EBITDA margins and continue to show growth in our business. So that, of course, has happened with us also. But for a detailed FY '27 outlook, I'll let Kapil answer. Kapil, please?

**Kapil Malhotra:**

Yes. So as Dr. Kapoor has mentioned, we are also seeing the demand growth in this year mentioned by the sectors, which have been semiconductor and a couple of other growth sectors plus also we have been mentioning in the past calls also that we are totally focusing on the value-added applications and value-added customers.

So this year, we expect to see a growth of around 15% to 20% as compared to the last year in our fluoropolymers products, which we are going ahead. And that is why we are also entailing capex also because we are seeing that whatever capex are made last couple of years, we are almost at the complete utilization cycle of those products in this financial year. So we are seeing a growth outlook for this year as well as for the next couple of years too, growth coming from the sectors which we are mentioning.

**Sanjesh Jain:**

So 15% to 20% when we say it's volume growth, right? Pricing, I think -- pricing itself has gone up by 15%?

**Kapil Malhotra:**

You're right. So obviously, that effects also starts coming in. You will see in the results when they are coming out. So that also starts coming out. But there has also been the cost push from the back end also. So that also gets balanced out. But we are seeing the growth in the prices as well as in the growth and the volumes too.

**Moderator:**

The next question is from the line of Arun Prasath from Avendus Spark.

**Arun Prasath:**

Sir, my first question is on the fluoropolymers business. Generally, chemicals business excluding EV. So in the past, we said our steady-state targets for the existing assets and capacity at a much higher level. But now we are saying that we have not even reached 80 percentage of that, but still we are seeing that we are fully utilized and we would like to add capex. So how should we look at this? Was it any expectation of ours didn't happen because we are not able to ramp up or what's happening around in this fluoropolymers and new fluoropolymer business?

**Bir Kapoor:**

Okay. Arun, first of all, we have never ever given a capacity utilization numbers earlier. All we are saying right now that the initial capacity that we had put up in new fluoropolymers, we are seeing now that it is pretty much reaching an optimal utilization. And the time has come for us to now put a fresh set of investments in fluoropolymers because the growth that we are seeing is consistent.

Now you're asking that why it has taken some time, etc. Because I've said many times that as we go into higher and higher grades of polymers, the qualification time becomes longer, okay? And particularly now, for example, if you talk about some of the fluoropolymers which is getting into an application like semicon, the gestation period or the qualification period is long. But today, I think we are in a much stronger position. And Kapil, do you want to add something?

**Kapil Malhotra:**

Yes, continuing on the same path, obviously, when we are going into the high value-added applications, we're talking about semiconductor, talking about hydrogen fuel cells, talking about the other applications, the approval cycles are definitely a bit longer. But now we are on the end where most of the approvals have come in. Commercial businesses have started doing well. And we are seeing that growth coming in.

That is why we are very confident about the figures, which I told. And going ahead in the new fluoropolymers business, especially PFA, FKM and a couple of other products which we have added, we are seeing that the growth is continuing, and that is why our capex is also being planned. We feel that by this financial year, we'll be almost to the maximum capacity utilization of these products.

**Arun Prasath:**

Actually, what I meant was not with respect to the product approval time lines, but we understand that it's fairly longer gestation period products. But what I am trying to ask is, is this the kind of EBITDA numbers for the fluoropolymers at least in the chemical business, is this a steady state number that we actually envisaged when we put up those plants 2 years ago or is it something like lower than what we envisaged?

**Bir Kapoor:**

No. I think, Arun, this has been in line with what we had thought because we had already given an indication of certain EBITDA margins and which we have been sustaining. So I don't think there is any disconnect with respect to what we have thought through.

**Arun Prasath:**

Understood. And when you're adding capacities, is it across all the new fluoropolymers or is it in some pockets, if you would like to call out a few fluoropolymers where we are adding this proportionately?

**Bir Kapoor:**

Obviously, the margins are different depending upon the different grades. So some of the new polymers, which is very high end, the margins are disproportionately higher, obviously, yes. So when we talk about it, we talk about it as mix.

**Arun Prasath:**

Okay. All right, sir. Second question on the EV. We say that all of our capacities are contracted. Does it mean that is it something like a take or pay, or after you are done with the qualification, is it take or pay, or is it like more like a soft commitment?

**Bir Kapoor:**

I'm not really at liberty to give details of our contracts, Arun. However, there are anchor customers, there are specs agreed on, there are pricing that has been agreed on. And these are some of the contracts which is in writing. So I would not be able to give details of the customer contract or any detail about the customers.

**Moderator:**

The next question is from the line of Hansal Thacker from Lalkar Securities Private Limited.

**Hansal Thacker:** Firstly, accept my hearty congratulations for such a good, resilient performance on the chemical segment, especially from fluoropolymers, against a rather challenging global backdrop. Also very encouraging to see that we are aspiring to be at 70% of the EV battery value. Just one question I had, sir.

Just trying to put the capex figures in perspective. The INR800 crores planned capex of '27, I understand INR150 crores, as you mentioned, is towards the R-32. So is the balance part of any specific polymer expansion or is it part of common infra? Because I'm trying to add the numbers up and taking a cue from your comment that the cumulative capex figure remains at INR6,000 crores.

**Bir Kapoor:** Okay. So Hansal, I think maybe there might be a mismatch in the numbers. The projected number that we have said is around INR800 crores for GFL. Out of that, INR150 crores is for ref gas, INR220 crores for electronic specialty chemicals, which is primarily for semicon. And we have fluoropolymers, we have said INR250 crores. You had some question on the fluoropolymer capex, Hansal?

**Hansal Thacker:** Yes, sir. So I got my answer. I'm just trying to wonder how this totals into INR6,000 crores of the unchanged capex figure. But I guess it has something to do with the bifurcation of the capex of FY '24, I'm guessing?

**Bir Kapoor:** So the INR6,000 crores number that we had said when we started the journey in the new EV vertical or the EV business, at that time, almost a couple of years back, we had said that our plan is to invest INR6,000 crores in EV business over a period of 4 to 5 years. So INR2,300 crores for EV is part of that INR6,000 crores that we had indicated earlier. Is that clear? And the GFL capexes are separate, because GFL capexes are in the chemical part of the mother company investments and EV is now being separated out.

**Moderator:** The next question is from the line of Archit Joshi from Nuvama Wealth.

**Archit Joshi:** Just had one question. Rather a clarification, if you can give on the R-32 capacity, we would be eventually at a 20,000 ton capacity of R-32, if I understand that correctly. Do we -- would we have any plans to add more capacity going into 2027 given that we have a sufficient quota from the baseline of the HCFCs and there's another year for us to make use of the time line to add more capacities. And on the same lines, how do we see the ramp-up of R-32 capacities in F '27? Any elaboration over there?

**Bir Kapoor:** Archit, first of all, we had said that we would be adding 20,000 tons in R-32. So we are going through that process right now, and our capacities will soon reach 20,000. It hasn't reached yet. And regarding the subsequent additions, we have also made it very clear that we will be adding the full capacities and utilizing our quota or our allocated quantities. We have time, and we will take that call as we go along, looking at the market dynamics and opportunities to utilize it and looking at the product mix and what's the right product mix for refrigerants.

**Archit Joshi:** So for that, we will have to wait until a few more quarters to understand how much capacity you might get added and what's the kind of quota that we are targeting maybe in the next year?

- Bir Kapoor:** Yes, our quota numbers are very clear. We have internal estimates because there's a very well-defined guidelines for the quota. So that numbers are very clear to us. And we are clear about adding capacities to reach that number.
- Archit Joshi:** Got it. And this INR220-odd crores capex, if I heard that currently, for R-32, this is for F '27, assuming that we would have that capacity towards the end of the year or we are very close to commissioning that capacity?
- Bir Kapoor:** Sorry, Archit, I think we mentioned INR150 crores for...
- Archit Joshi:** INR150 crores, sorry. Right, right.
- Bir Kapoor:** So it will happen very soon. Very soon.
- Moderator:** The next question is from the line of Tejas Arun Sonawane from Asian Market Securities.
- Tejas Sonawane:** Yes. My first question is on the EV capex. Could you help us with how much has been the total capex so far on the EV side and how much have we capitalized from that capex?
- Bir Kapoor:** So approximately INR1,900 crores to INR2,000 crores is what we have already invested so far, Tejas. The plan is to go for INR2,300 crores next year or this coming year. And so, this is -- actually is our ramp-up phase now. We have done what we have to do for learning, customers, qualifications pretty much. So now this is a time where the serious investments of that are committed capex are going to take place. So with this, I think the remaining -- the subsequent financial year probably would see the similar order of capex to reach the 6,000 number.
- Tejas Sonawane:** Okay. So this INR2,000 crores is the amount which you have already commercialized? Would that be correct?
- Bir Kapoor:** The capex that we have already invested, that cash flow. Some part of it is capitalized, not the entire thing, as we are getting ramped up as the plants are commissioned with the intended -- whatever the intent of that capex is, and that's reached, we are capitalizing it.
- Tejas Sonawane:** Understood. And second, on the Oman capex, which we indicated last quarter, with whatever has happened in the Middle East, what is the status of that project? Are we on track to go ahead with this capex?
- Bir Kapoor:** We will go ahead with the capex, There are no impacts on Oman, if you look at the overall capacity. Oman has been overall one of the safest countries so far in the Middle East. And so there's no change in our capex plan and we are going ahead with it.
- Tejas Sonawane:** Okay. One last question on the gross margin front. This quarter, we have seen that the gross margin has seen some decline. Could you help us understand what could be the reason behind the drop in gross margins?
- Bir Kapoor:** So it's not really decline. It's probably, what, maybe 0.5% point. Very small number, Tejas. It's not a significant change. It's pretty much flat overall.

- Moderator:** The next question is from the line of Arun Prasath from Aventus Spark.
- Arun Prasath:** Follow up, sir. We were discussing about the contracts in the EV business. And you said it's contracted and sold out. Does it mean we should have some kind of revenue visibility for this year? Isn't it at least for those products where we are done with the approvals and qualification cycle?
- Bir Kapoor:** Yes. I'll let Mr. Rajiv answer this. Rajiv, please go ahead.
- Rajiv Rao:** Yes. So we have, as mentioned earlier, our first investment of LiPF6 salt, where the plants are -  
- our product has been fully qualified by most of the major electrolyte players. So the commercial sales for that product has started now and we should be expecting revenue for LiPF6 salt for all of FY '27.
- As far as LFP is concerned, our initial samples have been approved and the final qualification of that product is expected sometime in Q3 of this financial year. And the revenue for LFP CAM should start subsequent to that. Additionally, our binders have been fully qualified at major customers and revenue for that should start in the next couple of quarters.
- Moderator:** The next question is from the line of Darshita Shah from DSP Mutual Fund.
- Darshita Shah:** Just a question on the working capital. Our inventory days have continued to move up. A, how do you think this will pan out? Do we have any plans to bring it back to the 90, 95 days that we used to have in FY '22, '23? First on that. And second, as the battery business scales up, how should we see the working capital panning out?
- Bir Kapoor:** Yes, Darshita. I'm requesting Mr. Manoj to take this. Please, Manoj.
- Manoj Agrawal:** Darshita, first of all, numbers which you are referring to is at the higher base level that year was exceptional outlier year where our turnover INR6,300 crores because of exceptional increase in the chemical prices. That was the first reason. So denominator effect -- base effect was there, which has resulted into abnormally low working capital cycle of 120 days to 150 days.
- So far our distribution model is concerned, we deal in the polymers, we stock at our Germany warehouse, we stock at our U.S. warehouse and that remains so almost we have to keep 30 days inventory- 30 days to 90 days inventory in our plant, 30 to 90 days inventory at warehouses, and the sea transit time also takes 30 to 60 days, depending on whether it's going to Germany or USA.
- So that is the thing. And our average credit period is also a span between 60 to 90 days. Because we are fully integrated, a lot of creditors are not there in our system, so we don't get that credit benefit. And in terms of that, our average working capital cycle remains high. Further, we are now stabilizing and building up our EV business.
- We have to start procuring the inventories for our EV business and that raw material inventory and we have started commercial production of LiPF6 that has also added. So as we go along, we

reach our full capacities and the turnover, automatically, the denominator effect will come back and this will get reduced.

**Darshita Shah:** Sir, if you could just explain as to why would we require a 30 to 90-day kind of an inventory at the warehouse in the U.S. and Germany as well. I mean how does the offtake usually work? I mean why would we require such a high inventory day at the warehouse in the U.S. and Germany like in those stages as well?

**Kapil Malhotra:** Darshita, Kapil Malhotra this side. First of all, the kind of business we are in, we also have to keep the insurance stock for certain marquee customers in both the European as well as the U.S. market because there they have the concept of Just-In-Time. So we have agreements with them where we have to keep the stocks for them for 2 to 3 months as an insurance stock. That's one.

The second important thing is if you understand now currently, if you see the geopolitical scenario, the voyage time has increased from almost 3 to 4 weeks to almost 7 to 8 weeks. So our material in the stocks has actually helped us in converting the sales. And also we have to see to it that there is almost 8 weeks which is taking in transit time to reach to these destinations. So that is why to ensure that our customers receive material, we have enough stock with us to convert into sales. We have to have these working capital days with us with material in stock.

**Moderator:** The next question is from the line of Rohit Nagraj from 360 ONE Capital.

**Rohit Nagraj:** Sir, first question is on R-32. So given that we have commissioned the 10,000 tons of capacity, have we already started operating at optimal levels from March? Or will it be happening in subsequent months?

**Bir Kapoor:** It's already started operating from April onwards. So it's already operating at the optimal capacities. And it will be ramped up as we go along.

**Rohit Nagraj:** Right. And in terms of the customers, how are we looking at it? Is it domestic? Is it exports? And do we have any contracts in place for this 10,000 and the additional 10,000 that is coming in? Any anchor customers where we have at least a part of the volumes which are contracted for medium to long term?

**Bir Kapoor:** Rohit, we have been in refrigerant business for a very long time. We have one of the legacy suppliers in this area with a lot of experience in export market as well. So when we look at R-32, it's both domestic as well as exports. And in some cases, we have contracts as well. So, we are quite confident that when the capacity will be ramped up- and go to 20,000 tons, we'll have no challenge or no issue at all in terms of selling that material. It's contracted as of now.

**Rohit Nagraj:** Got it. And sir, second question is on the fluoropolymers business, what is the kind of potential EBITDA that we are looking at -- whenever we reach the optimal or full utilization for the existing capacities?

**Bir Kapoor:** So the thing is that we have still not reached the full capacity, as I said earlier. So as we are seeing the volume growth in fluoropolymers, the EBITDA will continue to grow. In fact, as we have seen earlier also, as more and more new fluoropolymers are added which are high value

add, we see our overall EBITDA going higher because of the higher margin products. So we will see EBITDA growth as well along with the volume growth.

**Rohit Nagraj:**

Right. And just last bit on the battery chemicals front. So given that this quarter there has been some improvement in the revenues, do we see a significant or exponential improvement in revenues on a Q-o-Q basis? And by Q4 of FY '27, there could be potential 3-digit number from the battery chemicals front, high 3-digit number from the battery chemicals front as an exit rate?

**Bir Kapoor:**

Yes, Rohit, you are right, we would still see a growth going up quarter-on-quarter, and the rise would be significant. And we expect to reach, of course, the 3-digit number by the end of this quarter -- by the end of this financial year in the last quarter, yes.

**Moderator:**

Ladies and gentlemen, that was the last question for today. With that, I now hand the conference over to management for closing comments.

**Bir Kapoor:**

Yes. Thank you very much. And the strong growth driver for short term to long term are all in place, I think. And short to medium-term growth will be driven by the refrigerant and fluoropolymer segment. And the medium to long-term growth journey is equally encouraging for us as advanced battery materials business is scaling up and reaching up to the full potential in coming years. So with this, I would like to thank you all for your interest in GFL, and thank you very much for being part of this call.

**Moderator:**

Thank you. Ladies and gentlemen, on behalf of 360 ONE Capital, that concludes this conference. Thank you for joining us, and you may n