

GFCL: BRD: 2026

18th February, 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 12th February, 2026

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

This is further to our letter dated 6th February, 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 12th February, 2026 at 5:00 pm (IST) to discuss the Financial Results for the quarter and nine months ended 31st December, 2025.

The above information will also be made available on the website of the Company at 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 Q3 FY 2026 Earnings Conference Call”

February 12, 2026



MANAGEMENT: **DR. BIR KAPOOR – DEPUTY MANAGING DIRECTOR
AND CHIEF EXECUTIVE OFFICER**
**MR. AKHIL JINDAL – GROUP CHIEF FINANCIAL
OFFICER**
**MR. MANOJ AGRAWAL – CHIEF FINANCIAL OFFICER,
GFL**
**MR. KAPIL MALHOTRA – BUSINESS HEAD,
FLUOROPOLYMERS**
**MR. RAJIV RAO – BUSINESS HEAD, BATTERY
MATERIALS**

MODERATOR: **MR. ARUN PRASATH – AVENDUS SPARK
INSTITUTIONAL EQUITIES**



*Gujarat Fluorochemicals Limited
February 12, 2026*

Moderator: Ladies and gentlemen, good day, and welcome to Gujarat Fluorochemicals Limited Q3 FY 2026 Earnings Conference Call, hosted by Avendus Spark Institutional Equities.

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 this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Arun Prasath from Avendus Spark Institutional Equities. Thank you, and over to you, sir.

Arun Prasath: Thanks, Tanaka. Good evening, everyone. On behalf of Avendus Spark Institutional Equities, I welcome everyone to this Earnings Call to discuss the 3Q FY 2026 Results of Gujarat Fluorochemicals Limited.

The company is represented by its Deputy Managing Director and CEO – Dr. Bir Kapoor, and the other senior members of the Management Team.

I first request Dr. Bir Kapoor for the opening remarks. Over to you, sir.

Bir Kapoor: Thank you. Good afternoon, everyone. A very warm welcome to all of you for GFL's Quarter 3 FY 2026 Earnings Call.

For this call, I have with me my colleagues, Mr. Akhil Jindal, who is Group CFO; Mr. Manoj Agrawal, who is CFO of GFL; Mr. Kapil Malhotra, Business Head of Fluoropolymers; and Mr. Rajiv Rao, who is the Business Head of our Battery Materials.

The company announced its Quarter 3 FY 2026 Results at its Board meeting today. The Results, along with Earnings Presentations are already available on the Stock Exchange and on our website.

I will briefly highlight the key financials and then give you an update on business operations and outlook.

This quarter was undoubtedly one of the most challenging for us. Performance was impacted by seasonal weakness in refrigerant segment, the holiday season in Europe, U.S. and continued uncertainty around the U.S. tariff situation. The elevated U.S. tariffs not only affected the U.S. market directly, but given the complexity of global supply chain, it also had a spillover impact on other regions as well. This impacted on both volumes and realizations during this quarter.

That said, the outlook going forward is meaningfully more constructive. The recent reduction in U.S. tariffs from 50% to 18% provides significant relief and restores competitiveness in one of

the key export markets. We believe this structural improvement will support a recovery in volumes, better pricing stability and margin expansion over the coming quarters.

At the same time, demand in fluoropolymers remain encouraging, particularly from the semicon sectors, where global investments and capacity additions continue to be strong. This is expected to support volume growth and strengthen overall performance. We are also witnessing increasing momentum in the EV ESS segments globally. With improving order inflows and better visibility, we are confident that FY 2027 should see healthy revenue growth from this vertical.

Overall, the combination of tariff rationalization, commencement of R-32 production, faster EV ESS adoption provides a stronger foundation for recovery in both revenue and profitability.

Let me now briefly touch upon the financial performance:

Consolidated Revenue for the quarter stood at Rs. 1,136 crores, a marginal decline of 1% year-on-year. In Q3 FY 2026, EBITDA stood at Rs. 275 crores, reflecting a 6% decline from Rs.294 crores in Quarter 3 FY 2025. This decline was primarily attributable to the refrigerant portfolio, which bore the brunt of multiple headwinds during the quarter.

The most adverse pressure came from R-22, where we faced a dual impact. First, the production quota reduction constrained volumes; second, seasonally subdued demand affected offtake. Also, the delay in R-32 production start-up resulted in lower-than-expected profitability for us. In addition, R-125 prices remained weak during the quarter, further contributing to the softness in performance. Despite these near-term challenges, the underlying fundamentals of the business remain intact. As seasonal demand normalizes and refrigerant volume picks up, we expect improved profitability in coming quarters.

Let me now walk you through the performance of each business segment:

The Fluoropolymer segment delivered healthy growth of 14% year-on-year, though revenue declined 3% sequentially. The quarter-on-quarter moderation was primarily due to uncertainty around U.S. tariff policies, which led to cautious ordering patterns and temporary deferment of demand in key export markets. With the recent tariff reduction, we are seeing improved customer sentiment and better order visibility. We expect strong momentum in this segment going forward, supported by structural demand drivers, particularly from the semicon industry.

In the Fluorochemicals business, revenue declined by 33% year-on-year and 24% sequentially. The decline was largely due to refrigerant business, as explained earlier. The specialty chemical remains subdued, reflecting near-term demand softness.

On a year-on-year basis, revenue in the Bulk Chemicals segment declined mainly due to lower prices in chloromethanes and caustic soda.

Let me now turn to our battery materials business, which is an important strategic focus area for us:

On 5th of December, 2025, the International Finance Corporation, IFC, has approved investment of Rs. 430 crores in our subsidiary, GFCL EV Products Limited. This investment supports the development of India's first integrated battery materials manufacturing facility and strengthens the domestic EV supply chain ecosystem. IFC's participation reflects confidence in our strategy and execution capabilities.

As endorsement of our business strategy and growth prospects in the battery materials space, another sovereign fund has approved investment of \$82 million in battery materials business. The documentation is in process and likely to be executed shortly. When we entered the battery materials space, our approach was focused on building capabilities, securing customer validation and scaling in a disciplined manner. Keeping that in mind, we are setting up a state-of-the-art greenfield advanced battery materials project in Oman to produce battery materials for lithium ion batteries with an estimated investment of \$216 million.

In LiPF₆, we have worked closely with the leading global electrolyte manufacturers and OEMs. Our product has been approved by many OEMs, and our facility has been successfully audited by key customers. Commercial supplies commenced in December 2025, and we have already received repeat orders in Q4 FY 2026. As customer offtake increases, we expect volumes to scale up steadily.

In LFP cathode active material, our plant has stabilized operations. We have begun sample dispatches to prospective customers and qualification process is progressing. We expect approvals over the coming months, following which commercial supply will commence. In fluoropolymer binders, the qualification process is progressing as planned, with commercial operations expected to begin in the first half of FY 2027. This further strengthens our integrated battery materials portfolio.

Stepping back, we are building a comprehensive and integrated battery materials platform with established capacities, ongoing qualifications, early commercial traction, and IFCs and one more sovereign funds strategic investment. We believe we have created a solid foundation for the growth of this new business. The battery materials segment is particularly promising given the recent surge in demand for battery energy storage system in addition to continued growth in EVs. Structural drivers such as data centers, AI and machine learning infrastructure, and the transition towards renewable energy are expected to drive significant growth in energy storage demand over the coming years.

Overall, while the current quarter was challenging, we see improving conditions ahead. We remain focused on execution, cost discipline and scaling our new growth platforms responsibly.

We remain confident in our ability to deliver sustained growth and create long-term value for all our stakeholders.

Thank you. 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 Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Yes. Thank you, sir. Good evening, sir. Thanks for this opportunity. I have got a few questions, first on the refrigerant gas, both on R-32 and R-22. R-32, we said that we have commissioned the plant in month of February. Can you help us with what is the capacity we have started with? And where are we now in the first fortnight of this commissioning? What is the utilization we are looking at? And for the full year, what kind of capacity are we looking at? And what is the final capacity are we intending by December 2026 where the deadline end? With this capacity already getting delayed, are we looking at 30,000 or we are satisfied with whatever capacity we have today? That's number one.

Number two, on the R-22, the prices appear to be further gone down as we speak in the month of Jan and Feb. In this background, how should we look at margin? Because a lot of funds in the margin has come up from the bulk chemical and R-22, which appears to have remained either weak or has only got further weaker. So, this is the first comment.

Bir Kapoor: Yes. Thanks, Sanjesh. I had indicated earlier that our plan was to build capacity in phases in R-32. I had indicated in the last call that target is to go for 20,000 tonnes in the first phase. Of course, there was a setback due to the incident. And because of this, our plan got a little bit delayed. However, that delay is not significant. Our plan is to still commission going to 20,000 tonnes, as I had indicated earlier. Of course, at that time, I had indicated it was going to be March end. Now I expect that to be slightly delayed by a quarter or maybe a quarter and a half, okay?

So, our production has already started now. Of course, it took time because we wanted to be absolutely sure with respect to the safety aspects. We got it audited by multiple agencies and make sure that when we start, we start on a solid foundation of having a very strong safety. So, having said that, so far, everything is looking good. We have started it and going to be ramped up.

And what you said December 2026, I think the number is December 2027. The capacity can be added up to December 2027, okay? Of course, in the previous call also I had indicated that the long-term plan is to go to 30,000 tonnes, or go up to our quota that we have today. So, that plan still remains intact. But however, in the first phase, we will go up to 20,000 tonnes, Sanjesh.

Sanjesh Jain: The capacity we started right now with?

- Bir Kapoor:** It will be ramped up to 20,000 tonnes. It's starting in phases. It's going up right now.
- Sanjesh Jain:** Got it.
- Bir Kapoor:** So, coming back to R-22, of course, the prices have been low, realizations have been low and all, it's a double whammy in a way. However, going forward, we are looking at in this sector, positive because of not only R-32, but also 125, which prices were also subdued and partly because of the U.S. tariff. Once we have an R-32, it takes us to 410 as well. So, I think our outlook on refrigerant section going forward is positive from here, Sanjesh.
- Sanjesh Jain:** Got it, sir. My second question is on the fluoropolymer side of the business. You rightfully said that PFA is picking up for the semicon. How about the other fluoropolymer because after all this effort, there were legacy player who went out and all those factors, we are still at 14% growth. We aspired for 20%, we are still short of it. How should we look at this year and the next year?
- Bir Kapoor:** I will add first part here, and then I will let Kapil take over from there. The first part is, yes, when we have looked at the growth and given you the number, there were multiple factors which we were counting on. Of course, one of them was antidumping duty, where of course as you know, DGTR had recommended antidumping duty, which was eventually not approved by the Finance Ministry. That, of course, has eroded a few percentage points from the growth that we were looking at. And of course, the tariff situation has deferred quite a few of the buying decisions. So, a combined effect of these two, in a way, has taken more than a quarter off from what we were targeting earlier. You want to add, Kapil, please?
- Kapil Malhotra:** Hi, Sanjesh. Kapil this side. So, just continuing with what Dr. Kapoor has mentioned. First was the fact that we were counting some growth coming from the domestic market itself due to the antidumping duty recommendations, which were actually not accepted by Ministry of Finance.
- Now coming to the other fluoropolymers in other parts of the world. So, we have done well in some of the elastomer category. We have grown there, taking some market share from our erstwhile legacy players who are going out.
- Secondly, the other thing which I had also mentioned last time is that in these applications, there are always qualification times also from the customers. So, they always keep some stocks from the legacy players in check and then slowly, slowly start approving. And then once the stock reduces, they start onboarding us. So, that particular process is on. So, we are seeing that very steady growth coming in every quarter from the exit of these legacy players. And in elastomers or in other fluoropolymers, we continue to gain market share as and when we are getting the approval from the customers.
- Sanjesh Jain:** Got it. And particularly, which fluoropolymer are we seeing a better offtake and we may see more capacity coming in, in, say, this year and next year?

Kapil Malhotra: Sanjesh, first of all, rightly mentioned, semiconductor industry. You must have also seen that we were mentioning that semiconductor industry is poised to grow from start of this year, which has started happening. You must have been seeing the news in the media that chip shortage has already started happening, memory chip shortages are going high in prices. So, the first green shoots we already started seeing in terms of increased demand coming from our customers. So, PFA is one product where I am seeing that the demand will keep on increasing as and when we keep on getting a ramp up approval from the customers.

Kapil Malhotra: Yes. And also, we have invested a lot of money in terms of getting to the clean class required by the semicon industry. So, there also our entire investments have been utilized, commissionings have taken place, audit from the customers have taken place. Some of the audits are going on. So, this is one place where we really see the business growing up.

The second business is obviously the fluoroelastomer business. There also we are seeing that the increased vehicle growth sales in India due to GST reduction and also income tax rebate which government gave. So, we are seeing the demand in the market also converting to demands of our products also. Same way, we are also seeing that with the tariff reductions in U.S. further, automobile industry there are also is doing well. So, there also, we expect the demand to keep on growing and giving us more business as we are getting qualifications in some of the other exotic applications.

And then we are also, since it's an engineered product, so we are also getting some requirements of the new applications. That's where we have also developed some of the newer grades which are under qualifications or they have got qualified. So, there also we see a growth coming in next year from these particular products. And they are high value-added products for us.

Sanjesh Jain: Got it. One last on the inventory side. We were aspiring 120 days, and we are exactly on the other side of it at 201 days. What's driving such a sharp increase in inventory? And why are we carrying so much of an inventory? Any particular reason for it?

Bir Kapoor: Yes, Sanjesh, I will let Kapil answer that.

Kapil Malhotra: Yes. So, Sanjesh, here, we were actually building up the markets and we expected some of the stocks or build up in expectation of some of the orders coming in. However, last year we saw that in the last quarter also, as it was a holiday period in U.S.A., Europe, and also some of the slowdowns happened due to tariffs also that we had to hold some inventories with us, either over here or in our stock warehouses in other countries. So, that's how the inventory went up. However, offtake has started, and we are seeing diminishing inventories right from the beginning of the last month.

Sanjesh Jain: So, what is the aspiration on the working capital? Because it appears to be too stretched now eating away all the capital for us. Where do we want to be in the working capital days? Earlier, we used to talk of 120, now at 200. Where we realistically can be, say, in a year's time frame?

Bir Kapoor: So, what we are targeting, Sanjesh, is somewhere around maybe 170 to 180 is what we think is a realistic number going forward because of our business model is based on stock and sell and also shipping material early from here. So, keeping that in mind. So, of course, it's on the higher side at the moment for the reason that has been explained by Kapil.

Sanjesh Jain: Okay. Got it. And on the battery side, one last, sorry, on that. What is the aspiration for FY 2027? Where are we targeting now that we are looking slowly commercialization happening? How does FY 2027 and FY 2028 look for battery chemical, particularly 2027? How does the order book look like? What is the potential? What is the potential revenue we can book?

Bir Kapoor: I mean, see, the way we started, Sanjesh, is we started building our first plant so that we can get it qualified and then slowly ramp up. So, if you look at today, for example, in LiPF₆ case is qualified. So, our supply has started. LFP, the plant is commissioned, we got the right quality level. It's going through the qualifications. The issue is that, unfortunately, in products in EV and ESS space, the qualification times are long, and the more critical the product is, the longer the qualification time.

So, while we expected revenue to trickle in, in this financial year, which is happening. We expect 2027 and 2028 to be a growth year for us. So, it will be difficult for us to give you the exact projection of 2027, but our order books for the capacity that we have built up today looks very healthy. So, for the plant that are already there, we expect to get fully utilized probably by the end of this year.

Sanjesh Jain: We have put around Rs. 1,700 crores of asset for the battery chemical, if I am right. What is the asset turn we are looking at? And when we say full utilization, that means --

Bir Kapoor: Asset turn we had always given, Sanjesh, on the mix.

Sanjesh Jain: It's around 2x.

Bir Kapoor: On the 2x product. And then again, some products are higher, some products are lower. So, it also depends on product. Once the plant gets fully utilized over a period of time, we intend to get that, but I am not so sure whether the same asset-turn would be achieved. It all depends on how the different product lines are getting.

Sanjesh Jain: Even if we talk about 1x kind of an asset turn, we are talking about what potential Rs. 1,700 crores of revenue in FY 2027?

Bir Kapoor: Rs. 1,700 crores is right now commissioned at the moment, but there are plants which are, for example, electrolytes. Electrolyte is for the Indian market, which is a little bit on the slower side, has not picked up. So, we are looking at the global market, Sanjesh. Some of our products are for U.S. market very clearly. Electrolytes are based for Indian market and as the market picks up, these capacity will get utilized over a period of time.

Sanjesh Jain: But to just be more specific, how many orders are commercially approved for us in LiPF₆, in LFP, how many of the customer has commercially approved us?

Bir Kapoor: See, liPF₆, we have several approvals. Let me put it this way. Because multiple electrolyte players have visited us, including OEMs. And typically, the way it happens after qualification, the supply is ramped up in a phased manner. So, that process has started. That's a very good part that there is a confidence of customers on our capability to deliver, and that ordering process has started, okay? And we expect this to continue to grow.

LFP is at very early stage. Plant just got commissioned, we just got the quality, the samples are being sent out. So, while I can say that we have a very clear visibility to order for the capacity that we have right now, the qualification time will take a few quarters and then the revenue stream will start coming up.

Sanjesh Jain: So, will it be fair to assume that only LiPF₆ as a revenue will be booked in FY 2027? FY 2028 is when LFP will start and electrolyte with how the India picks up on the battery side is how one should look at it, right?

Moderator: Ladies and gentlemen, the line for the management has been disconnected. Ladies and gentlemen, the line for the management has been reconnected. Thank you, and over to you, sir.

Bir Kapoor: Sorry, Sanjesh, and my apologies, I think, it got disconnected in between.

Sanjesh Jain: Do you want me to repeat the question?

Bir Kapoor: No, I remember the question. All I can say is that the capacity that we have right now, we expect to get fully utilized by 2027, 2028, okay, because this year will be the ramp-up growth period for us.

Sanjesh Jain: No, it appears that only LiPF₆ can ramp up this year because electrolyte India manufacturing is still a little away. LFP, we said a few quarters away for all the approval process to get, so probably only FY 2028 story. So, what we are left in FY 2027 is only LiPF₆ salt manufacturing?

Bir Kapoor: And possibly some electrolyte will also pick up and the binder as well, which you missed. Because binder is at the final stages. The commercial trials are going on right now in the customer factory. It's going into the commercial cars right now as we speak. So, we expect in

the second half of this financial year, the order book to come, we will start shipping up orders for PVDF.

Sanjesh Jain: That's very clear. Thank you, sir. Thank you for patiently answering all those questions. And best of luck for the coming quarters.

Bir Kapoor: Thank you, Sanjesh. Thank you.

Moderator: Thank you, sir. The next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj: Thanks for the opportunity. Sir, first question is again on R-32. We believe that the deadline for putting up the project was end of 2026. I think in your comment you said end of 2027, so just want a clarity on this. And aligned question to that, in terms of market for selling R-32, which markets are we looking at? Is it domestic, export? And if it is both the markets, what kind of mix at optimal utilization that we are looking at?

Bir Kapoor: My understanding, Rohit, is that it's December 2027. I am confirming it internally here right now. However, for putting the capacity because you already have a quota, of course. And the second part that you asked is R-32, of course, we are looking at it as global market access because we are into a very sweet spot with R-125 also with us, so we are looking at R-32 and R-125, combination 410 plus R-32 alone. So, it's going to be both global as well as local.

Rohit Nagraj: Sure. I got that. Second question is --

Bir Kapoor: So, just a clarification that I have received, Rohit, that the quota has to be confirmed by end of this year, but the plant can be commissioned in December 2027. And we already have a quota, so we can commission the plant by December 2027 of the quota that we already have access to.

Rohit Nagraj: Right. And we are still considering 30,000 tonnes as our capacity in a phased manner till December 2027, right?

Bir Kapoor: Right, absolutely.

Rohit Nagraj: Sure. The second question is on the fluoropolymers. So, I mean, I am slightly flummoxed that nine months back when we started the year, we already had the indication that 3M, I mean, the competitor is out of the picture by end of 2024. And partly, that void will be filled up by incumbents.

And obviously, in anticipation of that, even the customers would have got the validation from the incumbents for their supplies. But today, again, we are seeing that there has been a slowdown in the fluoropolymers and projections that we were anticipating are not likely to materialize at

least for FY 2027. I understand the U.S. part, tariff part attached to it. But again, I think the large part of the market is Europe.

So, what has changed suddenly in terms of last three to six months? And will it be a feature for FY 2027 as well? Or we expect that on this lower base, FY 2027, we will be able to pick up momentum and again go back to that 15%, 20% volume growth?

Bir Kapoor:

Yes. Thanks, Rohit. Let me give one statement upfront that it has not changed significantly, because there are multiple factors which has impacted the few quarters that we looked at. However, the fundamentals remain very strong, and I will let Kapil take this and take you through. But it's not that we are changing the growth pattern here.

Kapil Malhotra:

In fact, Rohit, everything remains the way we had talked about. The first thing which I had mentioned just a couple of minutes back was that, what happens is that once any existing player is exiting, they have some commitments of six months or one year to the existing customers. So, they keep some stocks with them, that's one. So, whatever stocks were kept, they actually got liquidated a bit slow because there was a market which was picking up slowly at that time. Secondly, then the tariff announcements also had confused a lot of customers also.

I will give you one very specific example. One of our very good customers in U.S.A., he had qualified us for a particular replacement from the existing incumbent. But he was withholding it because his end customer was withholding it to change, because there were inventories there. So, now that inventories are going off, so the committing that from March or April he will start shifting to us gradually. So, this is just one example. So, there are a couple of such examples, which we have.

Because, again, remember, do not forget that these are high-performance products going into automobile space or other important applications. The end customer also then qualifies, gives the clearance. Sometimes the inventory stuck up in between also creates a bit of a hurdle. So, all those hurdles are over now. And also, with tariffs also coming down to 18%, the customers also at that time were not actually keeping some inventories with them. Whatever inventories were there, they were trying to liquidate as they did not want to build up any inventories at higher tariff costs. So, now that things are showing up, clarifications are coming. So, we expect that the entire momentum will come back again the way we expect it to come.

Rohit Nagraj:

That explains, sir. Just one last clarification about the Oman project. So, will this be part of the Rs. 6,000 crores CAPEX on the battery materials? Or is it excluding that?

Bir Kapoor:

No, it includes that, Rohit. It's part of that.

- Rohit Nagraj:** Right. And in terms of time lines, I think we were expecting the Rs. 6,000 crores investment will be over sometime by FY 2028. Now with this Oman, will it get spilled over by a few quarters? How is it going?
- Bir Kapoor:** No. The Oman, the time line is around 18 months for us to have the plant gets commissioned. Okay. So, it will probably be mid to end of 2027, yes.
- Rohit Nagraj:** Perfect. Thank you, sir. All the best.
- Moderator:** Thank you, sir. The next question is from the line of Arun Prasath from Spark Institutional Equities Private Limited. Please go ahead.
- Arun Prasath:** Thank you for the opportunity. Sir, my first question is on PTFE. So, within PTFE, our understanding is that the basic grades and, say, value-added grades, I am assuming that there will be a different buying pattern and different demand. But what we are seeing in data is, correct me if I am wrong, the basic grade seems to be a lot lower this quarter. Is there anything significantly affecting this? Or is it just a timing difference?
- Bir Kapoor:** Yes, Arun. Could you repeat your question?
- Kapil Malhotra:** Can you clarify to me, what do you mean by the basic grades so that I can --
- Arun Prasath:** Let's say, suspension grade seems to be at the lower levels in terms of the volume this quarter.
- Kapil Malhotra:** See, suspension grade is not the basic grade. Suspension grade also has a lot of high-performance grades in between. The base grade probably starts, and that's where we are just 10%, 20% of our sale is in that base grade. The rest 80% is into the higher performance grades. So, as we had mentioned around last to last quarter where we had seen that our realizations also had become better. And that time we had mentioned that what target we were having of shifting towards high-performing grades, that process is on and that's why we are converting everything to the high-performance grades. And that is what is reflecting in our business also.
- Arun Prasath:** But we do not see corresponding growth in the volume in the other grades as well, so what am I missing, sir?
- Kapil Malhotra:** See, one thing which we also mentioned was that we were expecting the antidumping duty in the domestic market to come. But unfortunately, it did not come. It was supposed to actually be through by December or something, but Ministry did not accept it, Ministry of Finance. So, in fact, we were expecting some volumes to grow in this quarter also. But that is something where now we will have to relocate ourselves that whatever volumes we were reserving for that, we are now trying to find more lucrative markets so that we can park our material there.

Arun Prasath: Right. Understood. Is there any limitation in your overall capacity if we, say, do more of emulsion and less of suspension? And are we already there in that level?

Kapil Malhotra: No, we do not have any capacity limitations. In fact, we are also doing some debottlenecking wherever we feel that some of the grades which are giving us better realizations. So, we are adding some kind of small balancing equipment to enhance the capacities to even serve those more volumes better. So, as such, there is no capacity constraint, but we are doing our balancing of the equipment to see to it that we go to higher value-added products.

Arun Prasath: Secondly, on our R-22 because we are seeing continuous reduction in the volume that we can place. What are our alternate plans to utilize this excess available, say, TFE going forward?

Bir Kapoor: Right now, I think it's not an issue because the available TFE we have, which is what is required, so which we can expand. And R-22 availability also is there for us. So, as far as the backward supply chain for PTFE or fluoropolymers, we do not have any issue, Arun.

Arun Prasath: So, everything now depends upon the end market recovery. So, till then we need to kind of run at a lower utilization levels.

Bir Kapoor: Correct.

Arun Prasath: Understood, sir. My second question is on the LFP CAPEX announced, this US\$260 million. This is the total CAPEX for the entire site? Or is it phase-wise?

Bir Kapoor: Phase wise, this is the first phase, which we are doing right now because the site has a very large potential to grow further. This is the first phase of investment.

Arun Prasath: And then what kind of demand this site can meet in terms of size --

Bir Kapoor: We have not shared the number yet in terms of the capacity and the product details, which we will probably do it in due course. So, we are holding on to that information, of course, for the obvious reasons because we are now present going to, this is probably for the global market. And we are trying to make sure that we do not lose any competitive advantage by giving some numbers like that.

Arun Prasath: Just make us understand, sir, what kind of competitive advantage we have geographies even versus India? So, I mean how competitive in terms of CAPEX per tonne and Opex against, say, Chinese or other competition in, say, Europe?

Bir Kapoor: Of course, as we had always said earlier also that focus of our market, of course, is the U.S. market. And Oman as a location is on a sweet spot because it has an FTA from U.S. and FTA with India. So, I think from that perspective, I think it has a certain strategic advantage. And

there are other advantages as well, which will be difficult for me to share a lot more details. But definitely, it has a lot more strategic advantage for us to be there.

Arun Prasath: Okay. Is the CAPEX competitive to, say, a Chinese plant? That is what I am trying to understand for the scale that we are putting up there?

Bir Kapoor: Yes, it's in the same line --

Arun Prasath: How better we are?

Bir Kapoor: Of course, the Chinese capex is, of course, right now, the lowest. But however, it's not very far from that. So, it's obviously, Oman being a country where we will have to bring all the equipment and machinery from outside. The capex is expected to be higher. But nevertheless, when we look at the entire Opex and Capex combination, I think it has a strategic advantage for us.

Arun Prasath: Understood. And finally, on the LiPF₆, are we looking to sell mostly in the spot markets because now with the LCE price going up, salt prices also seeing good traction. So, will this be kind of a benefit for us? Or have we locked much of our capacity or whatever in terms of contractual prices?

Bir Kapoor: I will let Rajiv handle that. But just to tell you that a lot of the pricing are sort of a formula-based pricing. So, Rajiv, do you want to answer?

Rajiv Rao: Yes. So, most of our LiPF₆ pricing with our customers is based on a formula with lithium carbonate as a reference. So, as the lithium carbonate fluctuates, so will our LiPF₆ pricing, and our margins will be intact. That's the way we have structured our contracts. And our customers also like it so they do not have the volatility of LiPF₆ pricing going very high or very low. That's the way we are operating.

Bir Kapoor: But having said that, Arun, the Chinese prices were very low. They were swinging. However, I said it in earlier calls as well that our price points, of course, are very different. We are actually a non-PFA supplier, which gives a certain advantage, not only on accessing customer base, but also on the price points.

Arun Prasath: Understood, sir. And this margin is also --

Moderator: Sorry to interrupt, Arun, sir. May we request you to come back in the follow-up question queue?

Arun Prasath: No issues. Thank you.

Moderator: Thank you. The next question is from the line of Archit Joshi from Nuvama. Please go ahead.

Archit Joshi: Good evening, sir. Thanks a lot for the opportunity. I am sorry if I am being repetitive, I joined call a bit late. But I just wanted to get an understanding on all these four elements within the EV product subsidiary and great to see progress over there already. But if I take out, for example, our exposure to the Indian geography in terms of revenues or EBITDA, in all these four product portfolios, LiPF₆, the cathode active material, electrolyte and the fluoropolymer binder, how are we faring on the exports front? And let's say, if one has to hazard a guess for FY 2027 or FY 2028, ex of India, how do we look at scaling up these product portfolios? Any revenue indication that you would like to give or at least on a utilization basis, where would be our aspiration or target to get into the exports market?

Bir Kapoor: Yes, I will just make one statement and I will let Rajiv answer the rest. The first thing is, Archit, as you said, the strategy that we have to set up this business is to create alternate supply chain globally, and this is to cater to the global customer, whether they are in U.S., Europe, India. Having said that, the products that you mentioned, except electrolytes, the remaining three product verticals are all for global market because Indian market is still not ready. So, the entire business plan is around that.

Rajiv Rao: Yes. So, if we look at our various products, for example, LiPF₆, there's hardly much capacity outside of China. And our customer base, which is mostly in U.S. and Europe are looking for non-PFA suppliers to de-risk their supply chain. And this is where we have been able to win customers in all these geographies. Same is the case for LFP CAM and binders where the customers are looking to de-risk their supply chain.

As far as electrolyte is concerned, it will be focusing on Indian markets. Indian market is still to pick up. So, as far as customer mix is concerned, as we start in FY 2027, we will start off with being heavy on the U.S. and European customer base. And over the next year or two, we will start adding Indian customers through electrolyte business.

Archit Joshi: Right, sir. That's exactly the reason why I was focusing on non-India markets because the battery capacity that we got, our capacity is yet to materially come in a big way. And I was trying to understand how should we look at revenues building up in these three portfolios ex of electrolyte, which will definitely, as you rightly said, on the export side. Even if you can give any sort of qualitative understanding with regards to any visibility on customers, quantities, any revenue numbers that we believe that can be achievable in FY 2027 or FY 2028. That's what I was largely looking at.

And in the interest of time, if I can just add another question. The initiative in Oman, what were the thought processes in venturing into Oman? Is it the raw material advantage? Is there availability of phosphate or lithium? Is it the CAPEX advantage? I am sorry if I have been repetitive, but if you can share your thoughts once again, that would be helpful.

Bir Kapoor: Please, Rajiv.

- Rajiv Rao:** Yes. So, the capacities that we have put up right now and the way I would like to answer your question, and we have responded a little bit earlier, the utilization is going to increase in the coming financial year. And coming financial year, our current capacities will get fully utilized by supplying LiPF₆ binders and CAM to the U.S. and European market. And as far as electrolyte is concerned, that will happen by the business is likely to start by the end of coming financial year. Does that answer your question?
- Archit Joshi:** Not really, sir. But would we derive a decent amount of revenues at least from this, even if you do not want to point out a revenue number? What I would like to understand, at least is that we will have some revenues coming into the subsidiary FY 2027 and onwards.
- Rajiv Rao:** Of course, yes. So, like we mentioned earlier, for binders, we are at the final stage of qualification. So, by the second half of Financial Year 2027, we expect that business to get going fully. For LiPF₆, we already started getting orders in December of 2025, and we have got repeat orders for Q4 of FY 2026 because we have approvals from major electrolyte players, global electrolyte players, which serve the U.S. market, and therefore, are consumers of LiPF₆.
- So, that business has already started and is going to pick up steam right from the beginning of FY 2027. So, there is going to be a revenue stream for salt from the beginning of the financial year, binders from the second half of the financial year and LiPF₆ CAM also is going to start somewhere in the second half of Financial Year 2027. So, there is going to be an increasing revenue as we go into FY 2027 and FY 2028, all our capacities will be fully utilized.
- Archit Joshi:** Sure, sir. Sir, one final bit on the Oman bit, if you can address that question as well, that would be my final one.
- Bir Kapoor:** Yes. On Oman front, of course, there are, as I mentioned in earlier question, the certain advantage we have because of the location because that geographical location gives a certain advantage in terms of the supplying from Oman has tariff advantage in certain markets. Also accessing raw materials and skill sets in Oman is easier. So, there's a definitive advantage of setting up a facility in Oman, okay? That's the reason. And looking at, again, at a global market and creating a supply chain, which is at a scale, which is globally competitive.
- Archit Joshi:** Sir, any raw material advantage there, availability of phosphate or lithium or --
- Bir Kapoor:** Not at the moment, but yes, it will eventually happen over a period of time because there's an entire ecosystem, which is being set up in that region. And of course, energy costs and prices, we have certain advantage there with the gas as well as power.
- Archit Joshi:** Right. Sure, that's it from my, sir. Thank you and all the very best.

- Moderator:** Thank you. The next question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.
- Ketan Gandhi:** Sir, it's regarding infusion of capital by Oman government. They have invested in the subsidiary of GFCL EV, the Oman part. And previous all investment happened in GFCL EV India. Is there any valuation difference, if you want to share, it's well and good?
- Kapil Malhotra:** Yes. So, both these investments are coming in convertible form where they are linked to the certain milestones on the IPO that way. So, there's no fixed valuation neither for the IFC investment in India nor for the sovereign fund that is going to invest in the subsidiary in Oman. So, they are more like a convertible instrument, which will have a fixed return is linked to the certain milestones.
- Ketan Gandhi:** Okay. But it's the equity portion only, not the debt?
- Kapil Malhotra:** Yes, it is absolutely an equity with no put being given by the parent or any other company with no buyback commitment, nothing. It's the purest form of equity. We wanted to contain the returns. So, we wanted to just restrict the returns of what they would ultimately make, and that's the reason why it is a convertible instrument.
- Ketan Gandhi:** All right. And another question is, sir, on Slide 7, you mentioned fluoropolymers binder. Can you please elaborate on that? I mean, whether it is PVDF or PTFE binder and whether this cater to the recently technological breakthrough by Tesla in dry process. I am not telling that we will be supplying to Tesla, but just to understand that this will be of that grade, whereby our PTFE binder can be used in the dry process?
- Bir Kapoor:** See, right now, the binder, which is mentioned and which is in the final stages of qualification is PVDF binder. PTFE binder is also being tested as of now. So, we have capability to produce both PTFE as well as PVDF. The business will first start what we have mentioned is from PVDF.
- Ketan Gandhi:** And sir, after the breakthrough done after five years by Tesla in dry process, if that is being adopted by all the other battery players, is it possible that we may see a shoot up in the demand of the PTFE of that grade and whether we are capable to produce that much grade PTFE?
- Bir Kapoor:** Yes, surely. I mean, we are capable to produce, and that's where the outlook of fluoropolymer when we gave a very strong outlook from multiple sectors. One of the factor, of course, is what you are mentioning. So, we have capability to produce. But as you know, because this is a breakthrough now, by the time it converts into volume, there's a process, there's a time line for qualifications and grade development. So, it will happen. Certainly, it's a wonderful opportunity for our PTFE business.
- Moderator:** Thank you, sir. The next question is from the line of Krishan from JM Financial. Please go ahead.

- Krishna:** Hi, sir. Thank you for taking my questions. Just two from my side. First, a clarification. Did you mention that you will be able to put up R-32 capacity by CY 2027 end?
- Bir Kapoor:** We said that the entire capacity that we have quota allocated to us. That's what we have mentioned, not the 20,000 that I had indicated earlier.
- Krishna:** Yes. I mean I was asking like the 32 capacities have to come up before CY 2026 and CY 2027.
- Bir Kapoor:** No. We have already started our first phase of R-32 capacity, which I had mentioned in previous calls. Initial capacity that we are putting up is 20,000 tonnes, okay? And we were supposed to do it by the end of this financial year, which got delayed. And then eventually, so what we will do is we will commission this capacity very early in this calendar year. And then subsequently, the second phase of the capacity will be planned, okay?
- Krishna:** So, the second phase buyback, I think you produced close to --
- Bir Kapoor:** That we have not really indicated any time line for that. But of course, if it has to be done it, we will do it prior to December 2027 as per the requirement.
- Krishna:** That is what I was checking. What is the requirement? The plan has to come up before CY 2027? Is that the requirement?
- Bir Kapoor:** The plant has to come up by CY 2027, correct. The quota, whomsoever has received quota, that will happen by end 2026, but the plant capacity cannot come up by 2027. So, that's what I was saying that we still have not reached our quota limit by 20,000 tonnes. So, we still have a quota available to us. So, in the second phase, we will see what all capacity based on the market requirements and other scenarios, we will take a call. But we have time till December 2027 to add capacity.
- Krishna:** Okay. And just a last bit on this. So, you produced close to 19,000 tonnes of R-22 during CY '19. This is my understanding, correct me if I am wrong. 65% on GWP basis translates to close to 32,000 tonnes of R-32. So, is this the entitlement you intend to use for the Phase 2, which has to come up before CY 2027 end?
- Bir Kapoor:** Yes. That's indeed one of the numbers, yes.
- Krishna:** Understood. Okay, thank you.
- Moderator:** Thank you. The next question is from the line of Rohit Nagraj from 360 ONE Capital. Please go ahead.

Rohit Nagraj: Thanks for the follow-up. Sir, under the fluorochemicals vertical, we also have the fluorospeciality, which goes in for pharma agro applications. We have not heard on this part of the piece since a fairly long time given that we are more focused on the downstream of fluoropolymers as well as the battery chemicals. So, is there any revenue contribution coming in? And whether the margins are in line with our company-wide margins? And whether there is any focus on this or probably this will just stay as it is for the time being? Thank you.

Bir Kapoor: As of now, Rohit, we do not have much focus on that particular segment. So, we have certain products, which are continuing, which we intend to continue, of course. And those have been picked up based on certain margin expectations. So, we are not really investing in that segment as of now because there are so many other opportunities that we have. So, we are, so far, not focusing much on that particular segment. But that, of course, has a revenue contribution, which is included in the vertical that we have shown in our presentation.

Rohit Nagraj: Right. And just one last clarification on the IFC fund front. So, have we received the funds or will be receiving in the near term?

Rajiv Rao: The necessary compliance with respect to that IFC disbursement is all done. There was an AGM, which was to be done for the shareholders of EV plus other statutory requirements. They are all complete. The funding should be done pretty shortly, I mean, maybe in a week's time or so.

Rohit Nagraj: Okay. That's all from my side. Thank you.

Bir Kapoor: Thanks, Rohit. Thank you.

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

Bir Kapoor: Thank you so much. And let me close this call reaffirming our growth plans. Fluoropolymers continue to do well despite some temporary hiccups, be it the U.S. tariff or demand from some of the industries getting pushed forward. Our long-term growth and plans are firmly in place for fluoropolymer business. EV business, as you see, is shaping up very well, and we are on track to achieve our guidance there. There's a huge interest from the customer worldwide, and we are emerging as a credible large alternate supply chain partner for most of our customers outside of China.

The large global marquee investors participation in GFCL EV reemphasizes the deep value in this segment. The biggest dent this quarter has been from the refrigerant segment, mainly from the volume and price dip of both R-22 and R-125, we believe this should recover going forward. Also, the value creator for us this year going forward in this segment will be R-32 sales ramp-up, which we are expecting to start from Quarter 3, which has now been pushed to Quarter 4.



*Gujarat Fluorochemicals Limited
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So, with this, I would like to thank you all for your interest in GFL and GFCL EV, and I appreciate you being part of this call. Thank you very much.

Moderator: Thank you, sir. On behalf of Avendus Spark Institutional Equities, that concludes this conference call. Thank you for joining us. And you may now disconnect your lines. Thank you.