GUJARAT FLUOROCHEMICALS
VALUE THROUGH GREEN CHEMISTRY
CIN : L24304HP2018PLC011898

Gujarat Fluorochemicals Limited

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GFCL: BRD: 2026

6th November, 2026

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

Scrip Code: 542812

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

Symbol: FLUOROCHEM

Dear Sir/Madam,

Sub: Transcript of conference call with Analysts/Institutional Investors held on 3rd November, 2026

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

This is further to our letter dated 26th October, 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 3rd November, 2026 at 16:30 Hrs. IST to discuss the Q2 and H1 FY27 Financial performance.

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 VIPIN DESAI
Digitally signed by BHAVIN VIPIN DESAI
Date: 2026.11.06 15:56:48 +05'30'

Bhavin Desai
Company Secretary
FCS 7952

Encl.: As above

“Gujarat Fluorochemicals Limited
Q2 and H1 FY '27 Earnings Conference Call”
November 03, 2026

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 HEAD, FLUOROPOLYMERS – GUJARAT FLUOROCHEMICALS LIMITED
MR. RAJIV RAO – BUSINESS HEAD, BATTERY MATERIALS – GUJARAT FLUOROCHEMICALS LIMITED

MODERATOR: **MR. KARAN TALWAR – DAM CAPITAL ADVISORS**

Moderator: Ladies and gentlemen, good day, and welcome to Gujarat Fluorochemicals Limited Q2 and H1 FY '27 Earnings Call hosted by DAM Capital Advisors. As a reminder, all participant lines will be in the lesson 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. Please note that this conference is being recorded.

I now hand the conference over to Mr. Karan Talwar from DAM Capital Advisors. Thank you, and over to you.

Karan Talwar: Thank you, Iqra. Good evening, everyone, and welcome to the Q2 and H1 FY '27 post results earnings call of Gujarat Fluorochemicals Limited. On behalf of DAM Capital Advisors, we thank the management for providing us with this opportunity. Today from the management, we have with us Dr. Bir Kapoor, the Deputy Managing Director and CEO of Gujarat Fluorochemicals; and along with him the other senior members of the management team.

I would like to hand over the call to Dr. Bir Kapoor for his opening remarks, post which we can open the floor for Q&A. Thanks, and over to you, sir.

Bir Kapoor: Thank you, Karan, and good afternoon, ladies and gentlemen. I welcome you all to Gujarat Fluorochemicals Limited's quarter 2 and H1 FY '27 earnings conference call. For this call, I have with me my colleagues, Mr. Akhil Jindal, who is Group CFO; Mr. Manoj Agrawal, CFO of GFL; Mr. Kapil Malhotra, Business Head of Fluoropolymers; and Mr. Rajiv Rao, who is the Business Head of our Battery Materials. Thank you for taking the time to join us today. I hope you had an opportunity to review our financial results and investor's presentation, which are available on the stock exchanges and on our company's website.

Let me begin by briefly touching upon the broader global environment. The world continued to navigate through multiple uncertainties ranging from the ongoing conflict in Europe and developments in the Gulf region to evolving trade policies, tariff, volatility in financial and bond markets and climate-related uncertainties.

Such developments have become an increasingly familiar part of the global operating environment, requiring businesses and economies to continuously adapt. Amid these challenges, it is encouraging to see how India has demonstrated remarkable resilience despite unprecedented external shocks and geopolitical uncertainties, the country has maintained its growth momentum, supported by strong domestic fundamentals, robust demand and a resilient economic framework.

India's ability to navigate this complex global environment while remaining firmly on its growth trajectory is particularly encouraging. Against this backdrop, at GFL, we remain firmly focused on strengthening our position as a globally integrated chlorine chemistry and advanced materials company.

Our strategy continues to be anchored around 3 key pillars: strengthening our core fluoropolymers business, expanding our fluorochemicals portfolio and building a scalable advanced battery materials platform as a future growth engine. During the quarter, we continued

to make progress across all 3 strategic priorities. Our efforts remain focused on expanding manufacturing capacities, strengthening technology and product development, enhancing backward integration and progressing customer qualification across our businesses.

Let me touch upon chemical business first. Chemical segment revenue increased 42% year-on-year to INR1,723 crores, reflecting a healthy demand across the fluoropolymers and fluorochemicals portfolio. EBITDA grew 33% year-on-year to INR505 crores with sequential growth of 10%, demonstrating sustained operating momentum.

Chemical segment's PAT increased 46% year-on-year to INR290 crores, outpacing revenue and EBITDA growth with increased PAT margin. On a consolidated basis, our quarter 2 FY '27 revenue stood at INR1,760 crores, registering a growth of 45% year-on-year and 11% quarter-on-quarter and EBITDA for the quarter stood at INR473 crores, registering a growth of 32% year-on-year and 11% quarter-on-quarter.

The EBITDA margin for the quarter was steady and stood at 27%. The margin reflected the resilience of our operating performance despite the evolving market environment. Profit after tax for quarter 2 FY '27 stood at INR240 crores, representing a growth of 42% year-on-year and 10% quarter-on-quarter. Coming to the segment-wise performance, our fluoropolymers business continued to deliver healthy growth, while fluorochemicals witnessed a particularly strong performance during the quarter. Coming to our fluoropolymers business.

Revenue for quarter 2 FY '27 stood at INR931 crores, registering a growth of 22% year-on-year compared with INR764 crores in quarter 2 FY '26. On a sequential basis, revenue grew by 2% from INR914 crores in quarter 1 FY '27.

As indicated in our previous interactions, we had guided for an annual growth of 17% to 20% in our fluoropolymers business. We are pleased to have delivered 22% year-on-year growth this quarter and we remain confident of sustaining this growth trajectory going forward. We continue to see healthy demand across several application segments, particularly in high-performance and specialty applications such as FKM in automotive sector and PSA and modified PTFE in semiconductors and data centers.

Our strategy remains focused on moving towards higher-value products and specialty grades, which are finding increasing applications across semiconductor manufacturing, electric mobility, electronics, chemical processing, renewable energy, data centers and other advanced industrial applications. During the quarter, our focus remained on capacity debottlenecking with plans to undertake additional growth capex over the next 1 year. We also continue to focus on improving our product mix, enhancing operating efficiencies and progressing with customer approvals for newer grades.

Moving to our fluorochemicals business. Revenue for the quarter stood at INR607 crores, registering a growth of 135% year-on-year compared with INR258 crores in quarter 2 FY '26. On a sequential basis, revenue increased by 33% from INR458 crores in quarter 1 FY '27, largely growth driven by growth in refrigerants, particularly R-32. The full utilization of R-32 capacity will further strengthen our market positions through higher volumes. We are seeing healthy

demand visibility for R-32, supported by the increasing adoption of R-32-based air conditioning systems across major markets, particularly as the industry transitions towards refrigerants with lower global warming potentials.

Refrigerant demand and pricing remain stable in near term, providing a supportive operating environment.

Our R-134A project is progressing as a part of our strategy to expand and diversify our refrigerant portfolio and is expected to commence production by quarter 4 FY '27. The addition of R-134A will further strengthen our presence in the refrigerant market and provide access to additional customer segments and applications. We remain focused on building a comprehensive refrigerant portfolio, including R-22, R-32, R-125, R-410 and R-134A, while utilizing our manufacturing capabilities and regulatory entitlements effectively.

Our Bulk Chemical portfolio reported a revenue of INR151 crores in quarter 2 FY '27 compared with INR158 crores in quarter 2 FY '26, representing a decline of 5% year-on-year. On a sequential basis, revenue declined by 8% from INR164 crores in quarter 1 FY '26, primarily due to lower caustic soda prices and higher captive consumption of Chloromethanes for R-32 production.

One of our key strategic priority is building a globally competitive advanced battery materials platform through our subsidiary, GFCL EV. We believe the global battery materials industry represents a significant long-term opportunity, supported by the growth of electric mobility, energy storage systems and the increasing localization and diversification of battery supply chains. Our objective is to establish an integrated battery materials platform, leveraging our core strength in fluorine chemistry, manufacturing capabilities, process technology and backward integration.

LiPF6 sales is ramping up well with sales to 5 major global electrolyte players. Production is being progressively ramped up along with new plants being added to meet strong customer demand backed by multiyear order visibility. On TAM material, LFP plant samples are progressing through customer qualification programs globally, including India. We are now progressing towards development of higher-end LFP grades. In view of the strong emerging global market demand, further substantial capacity expansions is underway.

Multiple PVDF and PTFE grades are at advanced stages of customer qualifications across both wet and next-generation dry electrode applications. Customer engagement remains strong, particularly in U.S. and Europe. With customer qualification programs progressing, commercial supplies under long-term supply agreements are now expected to commence from quarter 4 FY '27. Electrolyte engagement continues to progress well with domestic cell manufacture across EV and BEV applications. Customer-specific formulations are being developed and supplied from our commercial plant for evaluation and qualification.

We expect domestic electrolyte demand to pick up towards the end of next financial year. As discussed in our previous interactions, the battery material business is transitioning from the development and qualification stage towards commercialization. The business has a significant

growth opportunity over the medium to long term. However, the pace of ramp-up will be linked to the customer qualification time lines, commercial approvals and capacity ramp-up. We believe our integrated chlorine chemistry capabilities, diversified product portfolio and investments in emerging growth areas position us well for sustainable growth. The investments undertaken over the past few years are aimed at creating additional growth engines for the company.

With this, I would like to conclude my opening remarks and open the floor for questions. Thank you once again for your continued interest and confidence in Gujarat Fluorochemicals Limited. I will now hand over the call to the moderator to begin the question-and-answer session. Thank you.

Moderator: Thank you very much sir. The first question is from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

Ketan Gandhi: Sir, 2 questions. One is how adoption of dry process for cathode using PTFE is happening in the world? And what is your view on likely positive impact on our sales on PTFE?

Bir Kapoor: Yes. Thank you. Thank Ketan. Thanks for asking question. The dry electrode has been one of the Holy Grails and various companies are trying to develop it. Some of them have progressed well. Of course, it's at the advanced stage of commercialization. What we believe is that the PTFE grades have a very strong role to play in this. And several of our grades are at the advanced stage of trial in this case. And certainly, it's a very huge upside for the PTFE business as a whole because the demand, as more and more battery manufacturers move towards the dry electrode systems, the demand for PTFE will continue to pick up.

But we're very optimistic about this to happen very soon because this has several advantages from the manufacturing perspective because there's no solvent evaporation, no solvent recovery, and it's environmentally a very positive step.

Ketan Gandhi: Sure. You are seeing a lot of traction, right, sir, in the world?

Bir Kapoor: Yes. At least we are talking to a few of the -- because the research is going on, but there are 1 or 2 who are very close to commercialization.

Ketan Gandhi: Fantastic. And sir, there is a second question on our plant coming up at Janiadara for semiconductor -- I mean, electronic chemical. Do you want to share at this moment something regarding WF6, C4F6, NF3, F2/N2 and PTFE? What are the asset -- I mean, what are the capex, likely capex, asset turn and margin? I'm okay if you don't want to share it at this moment. I mean...

Bir Kapoor: We haven't mentioned any of the chemicals that you mentioned. So -- but let me tell you, I mean, we'll probably share it in the next few quarters, Ketan. We are still -- because it's a very early stage of discussion and conceptualization. And obviously, you must have read it in the news, there's a very strong focus from the government to promote this particular sector. So we believe it's a very strong area to play in and particularly with our expertise in fluorochemicals and fluoro

materials, there are several opportunities. And we will share it in due course of time. I cannot mention the product or the capex at this point of time.

Ketan Gandhi: Sure, sir. No issue. And -- but this sector looks very exciting, sir, because only a handful of players is doing this only 1 or 2 Japanese players. And if India, if we are doing, then it will be a great -- it's good for the company as well as good for the country.

Bir Kapoor: Indeed.

Moderator: Next question is from the line of Sanjesh Jain from ICICI Securities.

Sanjesh Jain: I got a few of them. First, on the fluoropolymer. If I see the export data, it appears that there is a sharp increase in the realization and probably partly the 20% revenue growth, what we have achieved is also because of this. Can you help us understand what is the volume and value growth? And how is the mix changing from PTFE to new fluoropolymer? So on a blended basis, how is the business moving? And this 20% growth, is it sustainable for next 2 to 3 years? Or we are more looking at this year only?

Bir Kapoor: Thanks, Sanjesh. I'll request Kapil to take this question.

Kapil Malhotra: So yes, whatever growth of 22% we have seen from the last year to this corresponding year, it's growth of the volume also. And also, if you remember, I have been also saying that the conversion towards the advanced applications with a higher value, that has also started happening now. In the last 1 or 2 quarters, it has started happening. It is -- the pace is also now developing faster. Every subsequent quarter, we are seeing that the high value addition application where we got the approvals are contributing every quarter.

So that's why you see that one of the reason of the higher value is also due to the higher volume, not also because of higher volume, but also the higher value, which we have achieved for some of the applications which we have been always talking about.

Sanjesh Jain: And this growth momentum, Kapil, do you think we can sustain for next few years?

Kapil Malhotra: Yes, Sanjesh, we are absolutely positive on this. We feel the kind of traction which we are getting from the segments like EV, semiconductor, data centers and probably green hydrogen will follow soon. We feel that the growth momentum, which we have been advocating will continue for the next couple of years.

Sanjesh Jain: That's helpful. Second, on the refrigerant gas, Bir sir, you mentioned in your opening remarks that we are yet to reach the peak utilization in R-32. Can you help us understand in this quarter, what was the utilization rate? And when are we anticipating to hit the peak utilization in the R-32? And some time line on R-134A production will also be helpful.

Bir Kapoor: All I can tell you, Sanjesh, is that in this quarter, the quarter going on, we'll probably reach the full utilization of what we had planned initially. But having said that, we'll -- we haven't really stated the capacity yet, but the initial phase of capacity that we had planned in R-32 will get fully

utilized by the end of this quarter as -- which is quarter 3, okay? Now coming back to R-134A, I think I mentioned that, that by quarter 4 of this financial year, we'll commence the production.

Sanjesh Jain: And we are on track on that?

Bir Kapoor: Yes, we are.

Sanjesh Jain: One on the battery chemical side for Rajiv. Now LiPF6, we have mentioned in our presentation that we have started supplying to the 5 customer and we are also expanding the capacity. How should we see progression here in LiPF6 and probably PVDF, PTFE, which is the first set of revenues we are looking to book from the battery side, how should we see the progress? We expected the second half to be much stronger. Can you help us understand in the magnitude, how big are we looking at in terms of second half being for us?

Bir Kapoor: Rajiv is on the call. Rajiv, can I answer this question?

Rajiv Rao: Yes, sir. Please go ahead.

Bir Kapoor: The way it's happening is that by quarter 1 next financial year, okay, whatever the capacity and what we had planned and solved, we'll see the impact of that in next 2 to 3 quarters. So now you will see the ramp-up is happening very rapidly because, as I have said, that it's happening because of 2 things, as the qualification, the order pipeline is very strong for us. And as we are ramping up the capacity of the existing LiPF6 plant plus we are adding more plants. So I think we'll see the full utilization of this more or less by quarter 1 next year, quarter 1 next financial year. So maybe 3 quarters from now, including this quarter.

Sanjesh Jain: We are saying the expanded capacity, we will run full capacity -- full utilization. Is that the right understanding?

Bir Kapoor: That's what it looks like at the moment, yes.

Sanjesh Jain: And LiPF6 prices in China has significantly now come down in last 1 month from INR150,000 yarn and to now almost INR100,000. Will that have any implication on our pricing formula with the customer?

Bir Kapoor: I think this has to be looked in context of the lithium price as well. So we need to look at the adder, where the adder is moving, Sanjesh.

Sanjesh Jain: So it's all raw material deflation is going to play.

Bir Kapoor: Correct. So if you look at it very closely, it has a lot to do with the lithium because lithium is -- what the LiPF6 is dropping as a result of the lithium pricing falloff. And in most of our cases, it's passed through. And so overall, the margin remains protected, Sanjesh.

Sanjesh Jain: Got it. Got it. One last one from my side. LFP, we have mentioned in the presentation that we are looking to expand capacity significantly. Is the effort on or we will wait for the final approval and then only expand the capacity?

How should we see the time line for it?

Bir Kapoor: No, we are already -- in fact, if you recall last call, I had mentioned that we are planning to set up a large capacity in Oman, which at the moment, we have put in hold. So instead, we are shifting most of those capacities to India. So that we are --start -- I mean, this project is going on at full swing right now. There's no hold. We -- because we have a very good traction.

The current capacity that we have, Sanjesh, is very small. This is the capacity which is essentially to get our hands wet to get -- to learn and a lot of it is also to develop grades and products which we will send for qualifications. So we are utilizing this capacity as of now for various grade developments. And a significant capacity will come up by towards quarter 3 of next financial year or towards the end of next year. And we are -- going forward, we also have quite a few equipments have already reached the site. So we are progressing at full swing.

Sanjesh Jain: Best of luck for the coming quarter and happy Diwali for everybody.

Bir Kapoor: Happy Diwali to you as well.

Moderator: Next 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. So we had guided for around INR3,000-plus crores capex for this full year FY '27, largely on the battery side and plus around INR800-odd crores for the core stand-alone business. And going by your comments that there could be further expansion in terms of new capex getting announced across fluoropolymers and other segments. How should one look at this, number one, more from time lines and execution for the existing INR3,000-odd crores capex? And going ahead, how should we build that number playing out across the battery and the non-battery segments?

Bir Kapoor: So let's talk about the non-battery segment first. We had indicated this year. By the way, this included the investment in fluoropolymers. So fluoropolymer investments are not a separate investment. It's already part of that, okay?

So that INR800 crores capex is progressing well as per the plan, okay? We are almost reaching the half point now after this end of this quarter. Coming back to battery materials. Battery materials, we had indicated around INR2,100 crores roughly. Right now, we are slightly behind on that, but that is because we -- that capex was planned looking at the execution of Oman project with certain time line. Unfortunately, because of putting that project on hold and bringing some of that capacity to India, there has been a delay of a quarter or 1.5 quarters.

So the plan of INR2,100 crores is on, but it will not happen completely in this financial year, okay? So this financial -- because it will probably go push out, I would say, by 1.5 quarters or so -- but -- and the project that I mentioned about LFP adding substantial capacity is the same. It's part of the INR2,100 crores that we had. So we are still targeting what we had indicated earlier on battery materials, which is investment of INR6,000 crores. So it's part of that and we'll continue to do that.

So INR2,100 crores this year probably will spill over to 1.5 quarters. And then obviously, the remaining part of the capex out of that pool will go into FY '28.

Ankur Periwal: Sure. And INR800 crores on fluoropolymers should be executing within this financial year?

Bir Kapoor: INR800 crores is part of the entire GFL capex including fluoropolymer. And fluoropolymer, in fact, I had said earlier also, in fluoropolymer, we have significant capacities of monomer available. So now the capacity being added is through adding polymerization capacity, which is reactors. And that is already on as we speak.

Ankur Periwal: Sure, sir. Second bit on the fluoropolymers, wherein we are seeing a good sort of traction across -- you mentioned both volume and pricing. So from a current gross block perspective, what could be the peak revenue now from fluoropolymers given the higher realizations that we are seeing? And secondly, are we seeing any traction in terms of new client additions or new geographies getting added? Where is the demand uptick coming from?

Bir Kapoor: So Ankur, the thing is that it's an ongoing process, okay? We will not wait for the capex investment to peak out and then plan because we have already indicated and promised that we will achieve growth of 17% to 20%. So typically, based on -- as the -- so our capex are planned according to that, okay? See that results. And as Kapil indicated that there's a strong traction from the market.

So as we see capacity getting utilized and as I said earlier that monomers is already in place. So adding reactors or polymerization capacity is relatively short, okay, downstream. It's a short cycle, 8 months, 8 to 10 months at the most. So we will keep on adding capex and continue to add capex in terms of products and trying to optimize the product mix to achieve that 17% to 20% growth. That, I think, is probably -- if you have taken a model, you can take that growth and capex would follow that.

Ankur Periwal: Wishing you all a very happy Diwali.

Bir Kapoor: Wishing you a happy Diwali as well.

Moderator: Next question is from the line of Archit Joshi from Nuvama.

Archit Joshi: Seasons greetings to the entire team. Firstly sir, just touching upon the capex once again. I can see from the presentation, we have planned out for almost INR4,000-odd crores, including the INR2,100 crores for this year. I just wanted to get a sense of what all is getting covered in this. We know for sure that electrolyte salts, there is a small electrolyte capacity and the existing expansion of LFP.

Is there anything beyond this? And will it be fair to assume that if I do a simple subtraction, INR2,000-odd crores is the balance capex left? Would that be entirely dedicated towards anode, wherein I believe we haven't done much progress on the construction activity. If you can clarify that.

Bir Kapoor: Yes. No, it will not be entirely on anode because I think sometime last call, we had also mentioned very clearly that we had certain capex planned for electrolytes and salts. And India market has been behind in terms of its progress. The battery plant that were announced in India have been behind and a lot of electrolyte and salt catering to that, so will come now, which will probably come in the next financial year going forward, depending upon how the market situation improves, okay? So it's not entirely on anode, okay?

And so still, there is more investment to come in salt and electrolytes going forward.

Archit Joshi: Got it, sir. When do we expect the start of the anode plant and any time lines around that?

Bir Kapoor: One more point to add, Archit, of course, is that there will be some capex that we had allocated for backward integration as well. And that will come as well. Once our downstream product capacity is upstream and utilized, some of the capex will go into the backward integration.

Archit Joshi: Got it. Sir, if you can address the anode part, which I asked in terms of time lines and when do we expect to begin that project?

Bir Kapoor: I think anode project is going on very -- right now, it's slow because we have put some sort of a hold on that, looking at -- because we are putting all our focuses right now on LFP, electrolyte and salt, trying to get these qualifications out of the way. And right now, as I said earlier, that we have significant opportunities available in LFP. So our focus is to get the LFP grade developed and also ramp up the capacities as fast as possible. So I think anode will come subsequent to that. So right now, it's behind the entire set of other products.

Archit Joshi: Got it, sir. Sir, just one last question. You have mentioned in the PPT that we expect domestic electrolyte demand to pick up towards the end of next financial year. And I believe we already have a smaller set of capacity that we have already constructed. The operationalization time lines for this and the capex that we are talking about even for the electrolyte formulations, would that be closer to when we think that demand will pick up? If you can guide something on electrolyte's contribution into our P&L, when do we expect that to start in terms of sales?

Bir Kapoor: See, electrolyte business was particularly meant for domestic market. And if you look at the current battery manufacturing in India, it's quite behind. And overall, in terms of gigawatt hours, the battery production is still at very, very low levels, okay?

And the way typically, what our understanding is based on our interactions with OEMs is that when the battery plant has started in the initial period of stabilization and performance guarantee test runs, these plants are typically run based on the electrolytes, which is supplied from the technology supplier or through one of its directed suppliers. So subsequently, once this plant reach some level of stabilization, the localization effort has taken place.

So we -- looking at the trajectory that we see right now of ramp-up, we expect that the localization efforts and the demand for electrolyte in India will start ramping up towards the middle of next year. And you will see the reflection of that towards the end of the financial year.

Now having said that, at this point of time, we have capacities, which we are using to making samples, develop formulations and also using it for qualifications. So at this point of time, we will -- for next 6 months or so, we are not -- do not have any plan of adding more capacities in electrolyte. But probably towards the end of next financial year, we'll be required as the market picks up, we'll have to have more capacity being added.

Electrolyte is normally a capex light, its asset turnover is very high. And the time line for setting up these plants is much less compared to either LiPF6 or LFP or anode. So coming back to your next question that when should we see the revenue from electrolyte coming in, I think we'll probably see that towards the H2 of next financial year.

Archit Joshi: Got it. So it will be salt LFP, electrolyte and then anode in terms of revenue recognition time lines? That would be a fair understanding, right?

Bir Kapoor: That's correct, Archit. Absolutely.

Moderator: Next question is from the line of Rohit Nagraj from 360 ONE Capital.

Rohit Nagraj: Congrats on strong set of numbers. Sir, first question is for the battery chemicals capex of INR6,000 crores, how is the funding now looking like in terms of equity fund infusion by external investors, by parent and then debt and probably some cash flows from the EV part of the business?

Bir Kapoor: Yes, Rohit. I'll request Akhil, who is our Group CFO, to take this question.

Akhil Jindal: Rohit, basically, we have got external investors like IFC, who have funded close to INR500 crores. We have got additional equity round that we did a couple of years back, almost INR1,000 crores plus the GFL contribution itself, which was around INR800 crores. So if I add up all 3 of them, it was nearly around INR2,300 crores of equity that was being put into the system as of now. Plus there is a loan of almost INR900 crores that we have taken from 2 banks. One is the Sumitomo Bank, the other is ICICI Bank.

Sumitomo, we have taken INR600 crores. ICICI, we have taken another INR300 crores. So if I add up again INR2,300 crores plus INR900 crores, it makes almost INR3,200 crores already raised in the system. But this money is enough to sustain us for, I would say, a good part of this calendar year, a little bit more in the next 2027.

But having said so, there are advanced discussions going on with many investors of similar repute as IFC who are looking at this funding because this is purely green funds and green funding, as you would recognize that we are one of the pioneers into the energy transition zone as a group, not just at the GFL EV but as a group.

And to that extent, there are many climate-oriented funds also, environmental funds, which are keenly looking to support us in this equity round. My estimation is that we will be able to tap another INR500 crores to INR600 crores, INR700 crores over the next 3, 4 months. But we will do it gradually. I mean, obviously, the plan is to reach INR6,000 crores.

But the entire INR6,000 crores will not be funded out of debt or equity, partly it would be through the accruals.

So my estimation is that we will have around INR1,500 crores of loan. We'll have a around INR3,000 crores, INR3,500 crores of total equity. And the balance INR1,000 crores-odd will be through the internal accruals as we will go along. But as I mentioned to you, the equity raise will be gradual after IFC, which is a very, very, I would say, marquee investor and they have given us a lot of visibility in terms of the corporate governance and ESGs and so many other things. There are similar sovereign funds and similar climate funds that we are targeting.

And just to repeat what we have said in the earlier call, we have not provided any put or any backstop from parent or promoters for any such funding. So we'll continue to do so as we go along. There are sovereign funds, there are climate funds that we are talking. And as per the needs of the company, we will -- we'll not be raising all the money at one go, but yes gradually over the period of next 12 to 18 months.

Rohit Nagraj: That is extremely helpful. Second question is on FY '28 revenue scale up from battery chemicals business. So in terms of not the absolute number, but percentage, how much of the revenue is expected from exports of salts, domestic sales of salts and if there is any electrolyte component also from the domestic sales perspective. So just a broader perspective in terms of percentages would be helpful.

Bir Kapoor: Yes. I think as I said earlier, Rohit, is that our currently planned salt capacities will be close to full utilization by quarter 1 or quarter 2 around next financial year. So initially, a big part of our revenue, of course, will come from salt. LFP large capacities -- LFP smaller capacity that we have will, of course, give us certain revenue, but that capacity is small. But the larger capacity of LFP would only get commenced by the -- towards the quarter 3 of next financial year. The impact of that we will only see towards the end of FY '28 or probably beginning of FY '29.

So if I have to say in terms of percentage mix, initially, a lot of our revenue will be from LiPF6 and of course, electrolyte because I expect to see electrolyte coming in towards the end of next financial year. And right around as -- once these 2 gets ramped up, the larger capacity of LFP will kick in, okay? So that's the rough, rough sort of time lines of revenue ramp-up.

Rohit Nagraj: Sir, just one clarification. FY '28, largely the revenue pie will be from the exports? Or will there be some component from the domestic market as well?

Bir Kapoor: There will be some component from domestic market because I expect towards the middle of next calendar year, domestic market to slowly ramp up. But still, it will be driven mostly by export.

Rohit Nagraj: Diwali wishes to the entire team.

Bir Kapoor: Same to you.

Moderator: Next question is from the line of Akash Patel from Akash Securities.

Akash Patel: Sir, previously participants already answered my question. No further questions.

Moderator: Next question is from the line of Moksh Jain from Niveshaay.

Moksh Jain: So actually I have few questions. My first set of question is actually what is our overall thought process on the backward integration in the electric cathode business, especially on the side of iron phosphate. There are now very much specialized players, including in India, which are building at a much larger scale than a captive line in the cathode plant. So would you rather buy from them and stay focused on cathode or integrate into the iron phosphate yourself? And also if you integrate then what cathode volume do you expect and over what time frame would it make sense?

Bir Kapoor: See, as I said earlier, that once our product capacity start getting utilized, we will have the development of the backward integration. So similarly, once we have the large LFP capacities in place, our plan for LFP will commence. So FP, of course, we will get into FP production as well because that's part of our backward integration. So -- but we will time it according to the LFP sales so that we have -- the backward integration is ready when the entire LFP sales speak up or the volumes speak up.

Moksh Jain: Okay. And my second question is like what percentage of cathode cost can you bring down if we do backward integration as compared to buying from an Indian supplier, as a rough estimate?

Bir Kapoor: I don't think we can give you that because each -- even the backward integration part to us is a stand-alone project, which should have its own sort of returns, okay? So I cannot really give you that number.

Moderator: Next question is from the line of Adityapal from MSA Capital Partners.

Adityapal: Great set of results to the team. Congratulations and season greetings. So I have a 2-part question connecting to what Akhil sir was highlighting on the sources of funds to a previous participant on battery material business. So if I see we've invested roughly around INR1,800 crores to INR2,000 crores of -- INR1,800 crores to INR2,000 crores of gross block, creating a gross block. And we have highlighted that we want to take this to INR6,000 crores of gross block.

So how should I look at the trajectory towards the incremental INR4,000 crores in terms of sources of funds and in terms of time line? And sir, the second part of this -- the same question would be that now that we've decided to shift our project to India, can we see that there could be some bit of an upside in terms of asset turns that we had guided for 2x and 25% EBITDA margin that we had guided on this business?

Bir Kapoor: So Aditya, we are still holding on to our earlier guidance, which is 2x and 25%. Now coming back to the funding part, we have INR2,100 crores we had planned this year, and Akhil had given a complete breakup in terms of where this funding is going to come from. Because roughly at this point of time, I would say roughly maybe INR3,600 crores is out of that INR6,000 crores is remaining. And Akhil had already given an indication for the sources of fund with the visibility of next 6 quarters or so, 5 to 6 quarters.

Akhil Jindal: Is there anything specific that you're looking for beyond what...

Adityapal: Sir, I'm looking at the FY '26 balance sheet. We've invested roughly around INR2,000 crores. We have INR600 crores of debt -- INR640 crores of debt, INR640 crores has gone to INR900-odd crores of debt, which you've gotten from Sumitomo and ICICI. So I am still trying to get a handle on how do we go from this INR2,000 crores of gross block that is being funded for towards INR6,000 crores, which you're saying that INR400 crores of capital we've invested of INR3,600 crores. Where does that INR3,600 crores? So that is what I'm trying to understand because...

Akhil Jindal: Will happen gradually. So INR2,000-odd crores that you're seeing as on FY '27 -- '26 will become close to INR4,000 crores as on FY '27 by the end of this financial year. And it will become, say, around INR6,000 crores by, say, FY '28. I'm just making things easier for you to understand. And as I mentioned to you, overall plan is to fund INR6,000 crores, if you minus INR1,000 crores from the entire accrual, INR5,000 crores.

Out of INR5,000 crores, our plan is to raise around INR3,500 crores of equity, of which we already raised INR2,250 crores. So we already have INR800 crores from GFL, INR1,000 crores from investors, INR450 crores from IFC. So close to INR2,300 crores, we've already raised. So another INR1,200 crores need to be raised over the next 18 to 24 months. And the debt will be around INR1,500 crores, of which INR900 crores is already raised.

That is a broad INR6,000 crores investment plan. If you have any further question, I'm happy to receive a separate call from you and explain to you each and everything. You can call me.

Moderator: Next question is from the line of Hansal Thacker from Lalkar Securities.

Hansal Thacker: Festive greetings and congratulations on a lovely set of numbers. I think you set the fireworks for Diwali. Sir, 2 questions from me. First question is on the LiPF6. Sir, you mentioned multiple year order visibility for LiPF6. Could you indicate how much of this is under volume binding long-term contracts and how much is spot purchase?

Bir Kapoor: See, a lot of it is actually is -- when I say volume binding, these are volume binding with a price -- formula-based pricing, okay? And typically, there is very little is spot because a lot of it is ongoing customers who have indicated their projected volumes. And we have -- we are qualified there. So there is a formula in terms of -- based on the lithium, what the price should be. And this is how it is mapped out. Rajiv, do you want to add anything to that?

Hansal Thacker: I see that long-term capacity is pretty much bound with these clients?

Bir Kapoor: Yes. Rajiv, please.

Rajiv Rao: Yes. So generally, we have either annual contracts or longer than that. So our volume is therefore bound for the -- at least for the next financial year with our customer. And for some of them, it is even longer.

Hansal Thacker: Great. That's encouraging to know. And sir, the second question was on the electrolyte. So on the domestic business, I'd just like to know how many cell maker programs have reached the line validation stage and whether they're EV or BESS or both?

Bir Kapoor: See, they are both. Currently, we are engaged with -- the 3 of them have been at a production level in India. And we are engaged with all 3 of them. And this is a sample where we have sent it to them and they are at the early stage of evaluation. So at this point of time, my understanding is there are only 3 battery manufacturers operating at certain capacities.

Moderator: Ladies and gentlemen, we will take that as the last question for today. I now hand the conference back to management for closing comments.

Bir Kapoor: Yes. Thank you very much. And as we have indicated in this call, we continue to move on in the growth journey with a positive bias on the margins. The Advanced Battery Materials segment is a long-term strategic initiative with large capex committed. We believe this segment will lead substantial value in the long run.

While the segment beholds huge opportunity, the long approval cycles and gestation period is a critical entry barrier. We have successfully crossed all the hurdles and are on the cusp of a major growth journey ahead. The nature of the business is such that one has to commit a large capex in commercial plants before start of revenue. Fortunately or unfortunately, our revenues are tied up to the end product ramp-up where we have seen some delays. However, we are most excited about the opportunities from this segment, while our other segments continue to do exceedingly well.

With this, we would like to thank you all for interest in Gujarat Fluorochemicals. And we would like to wish you all a very, very happy Diwali. Thank you.

Moderator: Thank you very much. On behalf of DAM Capital Advisors Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.