GUJARAT FLUOROCHEMICALS
VALUE THROUGH GREEN CHEMISTRY
CIN : L24304GJ2018PLC105479

Gujarat Fluorochemicals Limited

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GFCL: BRD: 2023

14th August, 2023

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: Intimation under Regulation 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations') – Transcript of Earnings Conference Call with Investors / Analysts held on Monday, 7th August, 2023

With reference to our letter dated 3rd August, 2023 and pursuant to Regulations 30 and 46(2)(oa) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('Listing Obligations'), we are enclosing herewith transcript of the Earnings Conference Call held with Investors / Analysts of the Company on Monday, 7th August, 2023 at 16:00 (IST) to discuss Q1FY24 Financial Performance of the Company.

The above information will also be made available on the website of the Company: 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: 2023.08.14 10:06:04 +05'30'

Bhavin Desai
Company Secretary
FCS: 7952

Encl.: As above

“Gujarat Fluorochemicals Q1 FY-24 Earnings Conference Call”

August 07, 2023

MANAGEMENT: **DR. BIR KAPOOR – CHIEF EXECUTIVE OFFICER.**
MR. V.K. SONI – HEAD (PROJECTS & NEW INITIATIVE).
MR. MANOJ AGRAWAL – CHIEF FINANCIAL OFFICER.
MR. VIBHU AGARWAL – HEAD (INVESTOR RELATIONS).

MODERATOR: **MR. NITIN AGARWAL – DAM CAPITAL ADVISORS LIMITED.**

Moderator: Ladies and gentlemen, good day and welcome to the Gujarat Fluorochemicals Q1 FY24 Conference Call hosted by DAM Capital Advisors Limited.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing "*"then "0" on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Nitin Agarwal from DAM Capital. Thank you and over to you sir.

Nitin Agarwal: Hi, good afternoon everyone and a very warm welcome to Gujarat Fluorochemicals Limited Q1 FY24 Earnings Call hosted by DAM Capital Advisors Limited. On the call today we have representative Gujarat Fluorochem Management**,** Dr. Bir Kapoor – Chief Executive Officer; Mr. V.K. Soni – Head of Projects and new Initiative; Mr. Manoj Agrawal – Chief Financial Officer; and Mr. Vibhu Agarwal – Head of Investor Relations.

I will handle over the call to the Gujarat Fluorochemicals Management Team to make the opening comments and they will open the floor for Q&A. Please go ahead sir.

Dr. Bir Kapoor: Thank you Nitin. This is Bir Kapoor and first of all a good evening and a very warm welcome to all of you on this GFL quarter one FY24 Earnings Call.

As you know the Company announced its quarter one results at its Board meeting held on 5th of August 2023. The results along with the earnings presentations are available on the stock exchanges, as well as on our website. I'll briefly talk about the numbers and then give you an update on the business operations and outlook.

The Company reported a consolidated revenue of 1209 crore for the quarter ended June 23, down by 9% on a year-on-year basis. Consolidated EBITDA for quarter one FY24 was at Rs.328 crores down by 24% on year-on-year basis. The EBITDA margin stood at 29% for this quarter and consolidated PAT for this quarter was 201 crore down by 34% on year-on-year basis. Let me quickly take you through the performance of each business segments for this quarter.

To begin with, let me talk about the bulk chemical vertical. This segment has seen a quarter-on-quarter revenue decline of almost 30% primarily led by drop in prices due to excess supply in the market. This segment is also expected to remain weak for the next few quarters for the additional supply to be absorbed in the market and the demand to pick up. The fluorochemical segments reported a 30% decline in top line on a quarter-on-quarter basis mainly on account of refrigerants. And this has played out more or less as we expected and we had guided earlier. Clearly, the weak summer in domestic as well as overseas market impacted these sales. We, however, expect H2 FY24 performance in the segment to be better. In the fluoropolymer

business the prices remained stable. However, the volumes have corrected marginally on account of destocking. This advanced material segments which is fluoropolymer, will continue to be the growth area for us in the near future. We have developed grades in each of these fluoropolymers and their growing demand in most sunrise and new age sectors augurs well, for our growth going forward.

As you all know, this has been a challenging quarter. While we continue to hold in well in our fluoropolymer business, the macro headwinds impacted our current growth. As stated in our earlier call, we saw the impact of the destocking in our major businesses and geographies. And this is true for all major global companies who have witnessed the impact of these destocking in recent time, and particularly in this quarter. And our thoughts are aligned in terms of outlook for the second half of the financial year, which we expect to be better going forward. While the destocking have depleted inventories, we are closely monitoring the ground situation for things to turn around as things normalize due to restocking. It's early for me to say when this plays out, maybe possibly by the end of this financial year, but definitely the second half looks better. In quarter two, we expect to see things on the similar lines as quarter one. However, as for the feedback that we have received from our customers, we expect the business environment to pick up from quarter three onwards and to become normal by the end of this financial year.

Growth fundamentals for fluoropolymer business are firmly in place. There is no change to the structural story as the end industry segments including semi-conductors, EV, automobiles, among others, continue to be our growth drivers, ensuring overall strong fundamentals for fluoropolymers. This should augur well for the business as we have the capacity, the grades and approvals in place. And we are in a position to capture this growth as soon as there's a turn around. The battery chemical piece is also shaping well, both the salt as well as the electrolyte plants are in advance stage of commissioning. And we expect these to come online by the end of this quarter, which is quarter two FY24. And we expect to start recognizing meaningful revenues from these segments in 25 post approval processes, which we expect to continue to grow and we expect to continue to grow capacity or expand capacity in this segment.

With our commitment to long term sustainable growth, we are progressing well on our PM development for green hydrogen, fuel cells and electrolysers. We have aligned and transitioned our business towards the sunrise sector be it EV, semi-con, telecom, green hydrogen or energy storage. Regarding the CAPEX, we continue to hold on to our CAPEX plans possibly staggering some of the planned CAPEXs as we see this year unfolding. So, maybe some of these CAPEXs may spill over to next year. We are very positive on the opportunity in our core business segments and the fluoropolymer or battery chemicals. And we continue to focus our efforts in developing new and higher value added grades. With this, I would like to open the floor for questions and answers. So, please Nitin you can take Q&A. Thank you.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Sanjesh Jain from ICICI Securities. Please go ahead.

Sanjesh Jain: Couple of questions, first on the new fluoropolymer understand that the destocking is hitting us and you said that H2 and Q4 will be probably the normalized quarter. So, in previous call, we said that we will be hitting a run rate of 1000, 1200 metric ton per month in Q4, do you think it is possible or you think that target may get spillover to FY25. How do you see that volume ramp up in the new fluoropolymer in the context of destocking?

Dr. Bir Kapoor: Sanjesh you have another question, you said two questions?

Sanjesh Jain: No, I have got few questions.

Dr. Bir Kapoor: Okay, so you want me to answer this okay. So, yes, there is a as I stated there is a spend in the overall market. And we are seeing our approval process going forward. However, in order to realize the full certain capacity utilization, this may spill over probably by a quarter or a little bit more around that, there might be a little bit delay but the plan is moving forward and we are seeing a positive response in terms of expected growth in these areas.

Sanjesh Jain: A related question, where are we in terms of getting approval for our battery grade PVDF and semi-conductor grade PFA. Have we seen any feedback from the R&D customer side, are we encouraged, are we seeing some problem taking issue which needs to be fixed, where are we in this entire process?

Dr. Bir Kapoor: Let me take step-by-step the first is PVDF, PVDF as we have indicated earlier we have grades and obviously PVDF is not one single PVDF there are four different types of battery application, there are different PVDF and we have made these grades and our grades are made and they are being tested in the lab scale and lab scale we have received positive feedbacks also, but the approval process is still taking time because eventually these approval processes have to go through the final testing in the battery and this process is on and again slowed down a little because there has been a slight slowdown in the EV segments also. So, we see it progressing but we expect to get it in next one or two quarters.

Sanjesh Jain: Okay. And on PFA?

Dr. Bir Kapoor: In PFA the situation if that, that we have there again I would tell you that some of our PFA is going into semi-conductor application as we speak, but semi-conductor application also there are different purity levels and different grades. While in the basic level we have been supplying and to one of the leading manufacturers, but as we are progressing step by step into higher grades, and as we get into approvals, we may look into expanding our capacities in PFA for semi-conductor grade as well. But we are well into that process Sanjesh. And again, I just want

to remind you that there's not one single grade in semi-conductor there are grades called as 57 and then higher and higher grades depending upon the impurity's profiles.

Sanjesh Jain: So, what I understand is that, you said that you're making base grade which you are already supplying to semi-conductor grade. But higher grade, when you say higher grade what are the application you're looking at the semi-conductor?

Dr. Bir Kapoor: The semi-conductor there are multiple grades which are there and it's like going up the value chain and because as semi-conductor again is a very wide word Sanjesh depending upon the kind of the application of the circuits, whether it's what nanometer, et cetera there is a special requirements. So, we are already into this business of supplying to semi-conductor industry.

Sanjesh Jain: But when we say higher grade are we looking at what have we made some pilot grade or samples to be supplied in the higher grade or we're still waiting for this basic grade to stabilize and then move up in the value chain?

Dr. Bir Kapoor: This is a continuous process Sanjesh, it's a continuous process. And we are continuing to improve our grades and getting into higher-and-higher end application in semi-conductor grades and this is being supplied to one of the leading manufacturer.

Sanjesh Jain: Okay. On the comment, we have made that in the presentation that we expect the fluoropolymer blended realization to improve because of the product mix, when we say this, we mean that more new fluoropolymer will be sold or within the PTFE also we expect the blended realization to go up?

Dr. Bir Kapoor: It's both because now we are not really giving segmented profitability or the value. But, our effort has always been within PTFE as well as new fluoropolymer to go for the higher and higher grades. And as you know very well for example PTFE there is a very lower and there is a granular grade and as you go up, there are fine powders and aqueous, etc., Similarly, so our efforts has always been to upgrade, and go to the higher value added grades. And when we say blended, we mean both that we want to, we are slowly pushing our product mix to the higher end.

Sanjesh Jain: And why are we catering the both as in PTFE commodity grade as well because?

Dr. Bir Kapoor: That's a journey's Sanjesh, you grow up because these are very, very specialized advanced in materials. And, and this is the journey that a manufacturer has to process because we have to go, qualify for the higher grade you need to have a relationship and the capability to reach that.

Sanjesh Jain: On the ref cast, you have commented with one of your peers a very contrasting thing where your peer expects you to be better than Q1. While our expectation is that Q2 will be similar to Q1, can you help us reconcile the position here, what are we missing in this commentary from our side?

Dr. Bir Kapoor: It's again, the future is anybody's guess in this case, what we are aware we are coming from is that obviously this year looking at the weather pattern, the summer has been very, very weak. And so, we are looking and gearing up mostly for the coming year and we expect that starts typically from quarter four onwards or quarter three onward for us. So, again, Sanjesh this depends upon the product mix and the markets in which one is operating, one can have a view on that. I would not like to comment.

Moderator: The next question comes from the line of Ketan Gandhi from Gandhi Securities. Please go ahead.

Ketan Gandhi: There are a lot of negativity around PFAS regulation in EU reach and even after one of the Indian progress report are continuously hammering that in the minds of the investor, even after the news report published by The Guardian Newspaper which is a very reputed that because PFAS regulation is the thing of the past. Do you have anything to say on that?

Dr. Bir Kapoor: See Ketan we have always maintained a position that PFAS regulation is more towards molecules, which has mobility, which are mobile and which are bio-accumulative. Fluoropolymers as a set of compounds are a very long chain compound which and while it was proposed, but I don't see that being part of the any restriction that may come into this because right now and again the PFAS regulation was more towards application of fluorochemical compounds as a fact in which is geared towards a large number of consumer applications, but that's related to upholstery or the carpet or the stain repellants, firefighting foam, etc., etc., Fluoropolymers typically are long chain compounds and what we believe is that eventually the regulation comes out although right now they are going through the consultation phase which are interacting through the application and the manufacturers, but fluoropolymers all said and done are solids and these are not soluble in water, these are long chain compounds and they have no leachable water mobile compounds. So, we still hold the same position and we believe that whenever this regulation comes into place, the fluoropolymer would be carved out of this because they really do not pose any problem per se as a product.

Ketan Gandhi: Thank you. And sir in environment filing as per the latest filing, we have mentioned that we are going to manufacture SPO for that is LFP active cathode material and FSKM also. Can you throw some light color on this, what is the opportunity size and when we will be able to produce this and when we can start sending it commercially?

Dr. Bir Kapoor: Fundamentally, we have said very clearly that we would like to be in the EV battery segments and of course LFP happens to be one the compound which is cathode active material which is used. So, when we apply for environmental clearance approval, et cetera we apply for a longer period. We have a plan for setting up these but at this point of time, it may be premature for me to share any details, we will definitely share with you at least both in case of what you mentioned about the specialized FTM which is FSKM or this LFP, LFP is certainly part of our plan and we will come to you.

Ketan Gandhi: Sure. Sir, can you please throw some light on usage, where do we use, where do industry use FSKM any specific application?

Dr. Bir Kapoor: These are very, very specialized application going into space and semi-conductor applications. These are fluorinated FKMs. They are very, very high-end materials for extreme condition applications.

Moderator: Thank you. The next question comes from the line of Anant Jain, an Individual Investor. Please go ahead.

Anant Jain: Some of my questions have been answered, one question that I have is in the PFA where we are already supplying semi-con grade PFA as you said, some grades of semi-con grade PFA and in some what we have also seen is that we have also seen sampling happening for other fluoropolymer, do you think that we can have contract based supplies, the large dedicated contract base supplies in these fluoropolymer that is my first question, with large companies and the similar question is for the battery manufacturer or battery chemicals that we are planning to do because we also see one of your competitors today coming out with a press release saying that they are having fixed supply kind of arrangement for some of these materials.

Dr. Bir Kapoor: Thanks Anant, thanks for your question. We certainly see that as a possibility as market evolves and let me tell you semi-conductors is coming up going through an expected a high growth phase. So, we certainly look for that both in semi-con as well as in battery, where look at a long term contract with future customers.

Anant Jain: So, are we in talks with Indian players, international players, I know you can't name them. So, if you can give me some idea about the kind of players that you are looking to partner with you?

Dr. Bir Kapoor: All I can say, Yes we are. And there are a lot of discussions going on, our materials are being tested at various stages of discussions and approvals. That's all I can say.

Anant Jain: That's great sir. The second question that I have is, there were few reports where R32 seems to be like in some way the replacement for a lot of gases, like our own 125 gases being used currently. Now, again for us the reference point has always been our EC filing, the environmental filing, and there we have I think stipulated a 10,000 ton capacity or TPA. So, do you think that if required, this capacity can go up?

Dr. Bir Kapoor: Right now, if I look at R32, looking at the situation, the global situation of refrigerants. At this moment we are holding on with our plan and we may look back again maybe a quarter later. But at this point of time we have holding on to our plan of setting up R32.

Anant Jain: So, we are holding on, we are not going ahead with R32 what you are trying to say?

Dr. Bir Kapoor: At this point of time, it's on hold. Yes.

Moderator: Thank you. The next question comes from the line of Archit Joshi from B&K Securities. Please go ahead.

Archit Joshi: Sir, I have a couple. First on this, the ramp up that we are doing in the new fluoropolymers. What was mentioned last time on the call was that, the ramp up with the from the existing 1100 tons per month to almost 1800, 1900 tons per month, within which the new PVDF application for the solar panel grid will be coming in, any color on where we are in terms of the capacity addition on that front and any light that we would want to throw on, any new fluoropolymers that we are adding in the current regime of the expansion. And when are we scheduled to have the entire capacity online?

Dr. Bir Kapoor: Yes, Archit. See, we had said last quarter, last call about the PVDF solar, PVDF solar we expect to come online by quarter two of FY24 and we are still holding on to that plan. Now coming back to other capacity expansion, it's primarily one of the areas as PVDF and as the EV market unfolds, and we see a growth on EV market we will add capacity to reach in stepwise manner. Now, in these things, it comes in two parts one is to have the base monomer plan setup which we are all done and as the market requirement comes up, we can keep on adding reactors to add capacity.

Archit Joshi: So, 1800, 1900 tons per month is what we plan to achieve by the end of the financial year, but that still be a guidance we are holding on to that?

Dr. Bir Kapoor: I cannot comment on the quantities right now, Archit. However, it's probably as we said that our expansion plans some of it may spill over to next year. Current CAPEX says as I said in my opening statement. So, there may be a spillover of a quarter or so. But that's probably, but plans are in place. We have all the building blocks in place and looking at the market, turnaround and market picks up we will add that capacity there is no point in adding capacity if there are headwinds.

Archit Joshi: Got it. Sir one final question on R125, the US market was quite buoyant in the last financial year with respect to a lot of exports happening out of India to the US. How is the scenario there, we also might have benefited quite a lot from the tailwind from this entire rhetoric. Currently, how do we see specifically the outlook for R125?

Dr. Bir Kapoor: In this context, the first half was slow, and we expect at least R125 also to pick up in H2 going forward with the other set of refrigerants, which will primarily be catering to the next year's requirements that's what our position is right now.

Moderator: Thank you. The next question comes from the line of Rohan Gupta from Nuvama. Please go ahead.

Rohan Gupta: Sir, first question is on our fluoropolymer, sir what we have understood so far that in many chemical specially the Chinese dumping which is affecting the prices and slightly lower demand and lower acceptance from US, Europe and all because of the recessionary environment there that is leading to all this destocking in many of the chemicals. As far as the fluoropolymer is concerned sir, what we understand that there is a huge demand still untapped from China itself, because they are catering to batteries and all which are the new emerging sector and the demand scenario is very robust there. What actually driving this negativity then in fluoropolymer, when the world still not have enough capacity in the largest market, China is still having a strong demand coming from EV batteries. So, why your fluoropolymer is also being impacted in a current scenario while following and changing the same thing what we are seeing in net profit chemical?

Dr. Bir Kapoor: Rohan again, let me address this question in two parts. The first is fluoropolymer again has multiple rates, multiple types of fluoropolymers. We are operating in majority fluoropolymer in a very high grade, which are not impacted that much from the China. However, there's a phenomenon of destocking going on which we talked about earlier in my opening statement. Because of the business reality, high interest rates, it's from US. So, there is a destocking phenomenon happening. But in some fluoropolymers and I would specifically would mention PVDF for example, the EV sector has a little bit of slowdown in China and because of that there has been an excess supply of PVDF. So, in PVDF in certain segments yes, we have seen a pressure from Chinese, excess capacity and pressure on pricing. Most of the other we do not see that, the phenomenon is mostly impacted in volume because of destocking.

Rohan Gupta: So, you are saying that destocking is even in the fluoropolymer and even China has already started witnessing the slowdown in EV market, though there was a strong demand from battery chemicals. And there was, what we understand and what in earlier conference calls you had mentioned that, the China itself is producing but the consumption of China is more than what they are consuming. Sorry, consumption is more than what they're producing. So, there is still demand environment very robust but that is also now all looks like changing in a current environment with the inventory destocking taking place across?

Dr. Bir Kapoor: I again thing it's a short term phenomena because the EV market because it's a long value chain there is a little bit of slowdown it is picking up again as we understand in China right now is the largest EV market speaking up now with relatively muted first quarter. Relatively again, it's all relative. So, the growth in the EV in China this year is much less than last year, that is the first calendar year quarter. So, this has some impact because PVDF is one fluoropolymer which is closely linked to the EV side. So, it has its dynamics which gets impacted and other than that, we do not see much of an impact and if you look at the EV as a sector, the both area which is outside China, which is Europe, US, India, the growth is still yet to happen, the buildup is expected to happen in the year 2025 onwards, there's a lot of capacities are, the plans are in place, investments are being planned and this will eventually reflect going forward maybe 25

onwards. So, what we are talking about for example for battery chemicals to some extent would also the similar growth I would see in PVDF as well as because PVDF to some extent is linked to the battery.

Rohan Gupta: So, second question is on our CAPEX plan of 1500 crore for the current year, is there any changes because a lot of investment was planned to go into LIPF and PVDF operations. And you already had mentioned and indicated that probably R32 CAPEX plan right now is on hold given the current scenario. So, any likelihood on the CAPEX plan of 1500 crore how much we had incurred so far?

Dr. Bir Kapoor: Rohan, the CAPEX plan as I said that we will probably be in, quarter one is a little bit too early to talk about it, but what we are foreseeing right now that, plan in terms of whatever we are going to put in, will happen but it may actually spill over to next financial year as well. So, the entire 1500 may not happen this year. And largely, we had also indicated earlier that a large part of our CAPEX is going to be in battery chemical in the future growth. So, as we see our battery chemicals, great approval and the market going up, the CAPEX will be linked to that segmental growth.

Moderator: The next question is from the line of Pratik Jain from Solidarity Investment Managers. Please go ahead.

Pratik Jain: I have one question. On this electrical vehicle battery segment can you just help me understand the economics of this business like what are your internal calculations, what can be the ROCE**.?**

Dr. Bir Kapoor: Pratik it would be very premature for me to share the economics about this. But we already talked about that, we have a plan to get into various battery chemicals, and even going into electrolytes. So, our plan is to make electrolyte as a product, and maybe look at making the all the chemicals and components which goes into electrolytes. So, that's all I can say. And this is a very early stage of development because, if you look at for example Indian battery industries, it is still a little bit away from setting up capacities. So, I would rather wait for some time and then again it's premature for me to talk about the ROCE, et cetera or any of the financial parameters related to battery chemical segment.

Moderator: Thank you. The next question comes from the line of Dhruv Muchhal from HDFC Mutual Funds. Please go ahead.

Dhruv Muchhal: Sir, first question is on, if you can give us some sense on what would be the effective capacity that we would have in our polymers business by the end of the year from the start of the year, because the way your segmental changes, now we have very limited information in terms of how to forecast the business. So, any comment that will be very helpful.

Dr. Bir Kapoor: So, actually we have already indicated our capacity plan earlier. But right now as you have said that, the question is that that how and when this capacity gets full utilized and we had indicated quarter four which probably maybe spill over by one more quarter. That's all I can say and the plan is in place to put the capacity completely. And we have already added capacity so right now our volumes are not constrained by the capacity, it's more by the approval and the market demand and the market requirements.

Dhruv Muchhal: So, we have the capacities in place, just as we get the approvals probably, I believe you're seeing it for PVDF and PFAs, that we have expanded, if I remember right. As you get the approvals, probably the ramp up can happen. Sir we also had expansions in PTFEs if I am not wrong?

Dr. Bir Kapoor: In PTFE, we had said that it's more of a de-bottling not the adding**.** And that's already, again that's a lot of it is market dependent at this point of time, we have whatever the plan we have planned in a phase wise manner, because we already had the TFE in place and this is insight in terms of reactor, de-bottlenecking, etc., that's already in place we have done it. And as the market turnaround happens we are very well positioned to capture that.

Dhruv Muchhal: Okay, sure sir. Sir the other thing was, you mentioned about some weakness in demand in the polymer probably a bit temporary, but also some pressure from Chinese at least in some particular trades. So, volume they are a thing, but are we seeing some pricing pressure too, because some of your peers like Emerson and others have not highlighted too much on pricing. So, I'm just wondering are you seeing also some pricing pressure it's currently only volumes which are causing it and you expect that to improve?

Dr. Bir Kapoor: You're not seeing pricing pressure on them.

Dhruv Muchhal: The Polymer side.

Dr. Bir Kapoor: Not on the higher end grades and the grade which has been unique qualified, because there's a sense of stickiness, et cetera and then these are high end grades. So, I would agree with that statement and we have not seen significant, of course the volume, because of the destocking as I stated earlier, is getting impacted and I hope that whole thing to get sorted out probably by the second half of this financial year.

Dhruv Muchhal: Sir, in terms of mix how much, just to get some sense how much would be the higher end grades for us and probably I'm not sure in terms of volumes or in terms of value of the overall polymer business last year, or some ballpark range in terms of where are we, how much of this business is, I am just trying to understand the mix?

Dr. Bir Kapoor: Most of our new fluoropolymer, et cetera is, I would say in the highest end grade. And if I look at the entire PTFE spectrum, some of the grades which are probably in the granular segment at

a very low level, maybe 10% might be in that area which could possibly get impacted. But other than that most of our grades are in high end grades.

Dhruv Muchhal: Okay. So, what we are currently seeing is this price volume thing because given a higher exposure, got it sir. And sir last question, on the PFA side there was some discussion earlier. So, you mentioned there are multiple grades now, in PTFE we understand you are almost, similar to any of your western peers in terms of the product mix that you have, the grades that you cover. If you can give some similar sense and PFAs or probably how many grades are there, how many we have already cracked, how many are in process of approvals, and how much can you probably track in the next two year or three years, retargeting to convert into two, three years?

Dr. Bir Kapoor: In PFA, again there are multiple applications, when I talked about the grades, et cetera high end and super high-end range that was primarily for the semi-con application where the requirements of impurity profile, et cetera is highly stringent because of the application. Other than that in PFA, which in other way we are I don't see such segmentations. There are mostly another application I don't see such a big difference per se. So, most of it PFA anyway is a fluoropolymer which is a high end fluoropolymer with advanced applications. So, that grade that I talked about in PFA was more focused towards the semi-conductor applications.

Moderator: Thank you. The next question comes from the line of Krunal Shah from Enam Investments. Please go ahead.

Krunal Shah: Sir, one question I had on the PFAS free PTFE, just wanted to understand where we are in the stage of stage of developing PFAS free PTFE?

Dr. Bir Kapoor: See if you look at the PTFE per se, as I said earlier, that fluoropolymer per se are the long chain compounds these are solid not soluble in water. So, they anyway have a very, very low level of PFAS. So, however, there is a fluorosurfactant which is used in the manufacturing of PFAS. And we have been working towards using non-fluorinated surfactant. And as far as PTFE is concerned, we have developed grade with non-fluorinated surfactant grades in most of the PTFE segments, or PTFE grades, and we are in the advanced stages of getting it approval and taking it to the market.

Krunal Shah: Great, so I was having coming through the lines of most of the peers that no one talks about PFAS, PTFE so any reason why they are not working on that, why there's no discussion as such.

Dr. Bir Kapoor: I'm sorry, could you come up again, I missed, it was not clear.

Krunal Shah: Actually if you see a peers commentary most of them talk about PVDF and FKM are being PFAS free, but nothing on the lines of PTFE being PFAS free developing, so any reason why they are not working on this?

Dr. Bir Kapoor: Again, I would not like to comment others, but again if you talk about FKM, FKM anyways, is we don't use any surfactant that is PFAS free. And the same is in PVDF, so PTFE I'm not sure which competition you're referring to however, it's an issue with one of the leading manufacturer who have been using and be the main proponent for the fluorinated surfactant. So, at this point of time we would not like to comment on it, but our effort to move towards non-fluorinated surfactant much before this PFAS issue came what we hear in last six months or so, we have been working on it for last probably for 5 years.

Moderator: Thank you. The next question comes from the line of Rohit Nagraj from Centrum Broking. Please go ahead.

Rohit Nagraj: Sir, my first question is the gestation period between the product approval and the commercial orders. So, we have sent a lot of samples across fluoropolymers. So, if we get the approvals during the next few quarters do we expect substantial commercial orders coming from say FY25 or what is the general timeline between the approval process and the commercial order start. Thank you.

Dr. Bir Kapoor: Rohit typically, the first to answer your question by FY25 certainly look for a lot of approval to be in place by FY25. And in terms of timelines, depending upon the grade, it can take anywhere from six months to one year and there is another process Rohit that once material get approved, the customer doesn't start taking the entire capacity from us and the capacity ramp up further takes time. Okay, so it's probably conservatively I can say one, two and a half year timeframe. So, let's say three to four months, five months from approval, or six months depending upon the grades. And then the small capacity starts and by the time the significant part of customer requirements come into place. Based on our past experience, it takes a long times.

Rohit Nagraj: Sir, the second question is on the wind power project. So, does this 2025 megawatt power project is commercialized? And have we started receiving the benefits of it and on a yearly basis what would be the saving because of the wind power process. Thank you.

Dr. Bir Kapoor: I will request my colleague Manoj to take up that question.

Manoj Agrawal: As we have indicated in the last call, that foreign trade policy has been amended. And now they have included wind power locations in the EOU units as well. In the last quarter, we have applied for the, we have identified eight wind pockets, in and around our Jolva plant out of that we have initially applied for the three location for which we have received approvals, and another five location application is in the pipeline, which we expect to get in this quarter. And as soon as we get all the approval for eight location, we will start commissioning windmills.

Rohit Nagraj: And what is the timeline that we are looking and the savings in terms of power cost?

Manoj Agrawal: So, by Q2 we should get all the approvals and within six months, we should put up all the windmills so the benefits in terms of cost reduction will come in the next financial year.

Rohit Nagraj: Any quantum sir?

Manoj Agrawal: It's around 22, 25 crores depends on the peak power tariff and that other power to conventional power cost spread.

Moderator: Thank you. The next question comes from the line of Ishmohit from Soic Intelligent Research LLP. Please go ahead.

Ishmohit: Just a small question, in terms of full year margin we set to go back about 30% margin?

Dr. Bir Kapoor: We had indicated earlier that we would probably been in the 30s, or maybe 28 to 30, 32, 33 that range so we expect our margins to remain in that range.

Moderator: Thank you. The next question comes from the line of Yash Sha from Investec. Please go ahead.

Yash Shah: Sir it was more of a clarification question. Can you shed some color on it's different on fluorinated or surfactants will be required for different fluoropolymers is the understanding correct?

Dr. Bir Kapoor: Yash, can you come up again, it's not clear. What did you say non-fluorinated surfactant?

Yash Shah: Sir as you mentioned that we'll be using non-fluorinated surfactants for the fluoropolymer. What I wanted to understand is, is different non-fluorinated surfactants will be used for different fluoropolymer. It won't be standard for all the fluoropolymer is what I'm trying to understand.

Dr. Bir Kapoor: That's correct. Yes, because there are different types of surfactant which is used for different application, different grade, different fluoropolymer, it's not one unique molecule.

Yash Shah: Right. So, as per our guidance that will be completely PFAS free across all of our fluoropolymer by the end of FY24. Is it fair to conclude that we have found a non-fluorinated surfactant for all the fluoropolymer?

Dr. Bir Kapoor: We expect to get most of our products moved into NFS probably by the end of this financial year. And again from our side, we probably will be ready with most of the grades and the products and then slowly we have to see how the transition happen but our effort is to make it happen as soon as possible and perhaps by the end of this financial year.

Yash Shah: Okay, got it sir. And sir one more thing which was mentioned in our annual reports that energy surfactants as GX902 and 905 the prices of it had remained extremely volatile in the previous

year. Now moving to the non-fluorinated surfactants, will we still continue to use these or can you help explain this?

Dr. Bir Kapoor: No these will not be used and these will be replaced by surfactant which do not have fluorine, so they will be completely eliminated to some extent.

Moderator: Thank you. Due to time constraints this was the last question. I would now like to hand the conference over to the management for closing comments.

Dr. Bir Kapoor: So, thanks a lot Nitin and thanks to everyone. We really thankful to all of you to have an interest in GFL, as a Company and looking at our growth story as it unfolds. So, with this, I would like to thank you all and look forward to connecting again by the end of next quarter. Thank you so much.

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