Operator: Ladies and gentlemen, good day and welcome to SRF Limited Q2 and H1 FY27 earnings conference call, hosted by DAM Capital Advisors Limited. As a reminder, all participant lines will be in listen-only mode, and there will be an opportunity to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal the operator by pressing star and zero 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 Advisors Limited. Over to you, sir.

Nitin Agarwal – DAM Capital Advisors Limited: Thank you. Hi, good afternoon, everyone, and thank you for joining us today. We at DAM Capital Advisors Limited are pleased to host SRF Limited's Q2 and H1 FY27 results conference call. We have with us today Mr. Sameer Kashyap, President and Chief Financial Officer, and Ms. Sugandha Singhal, Senior Vice President, Head – Treasury and Investor Relations of SRF Limited. I would now like to invite Ms. Nitika Dhawan, Head of Corporate Communication at SRF, to initiate proceedings for the results call. Please go ahead, ma'am.

Nitika Dhawan – Head of Corporate Communication: Good afternoon, everyone, and thank you for joining us on SRF Limited's Q2 and H1 FY27 results conference call. We will begin this call with brief opening remarks from our President and Chief Financial Officer, Mr. Sameer Kashyap, following which we will open the forum for an interactive question-and-answer session. Before we begin this call, I would like to point out that some statements made in this call may be forward-looking, and a disclaimer to this effect has been included in the earnings presentation shared with you earlier. I would now like to invite Mr. Kashyap to make his opening remarks.

Sameer Kashyap – President & CFO: Thank you, Nitika. Good afternoon, everyone, and welcome to SRF Limited's Q2 and H1 FY27 earnings conference call. Thank you for joining us today. I trust you have had the opportunity to review our financial results and the investor presentation shared earlier.

I will begin with an overview of our performance for the quarter and the first half of the financial year, and then cover key developments and business updates across our segments, after which we will open the floor for questions.

I am pleased to share that SRF delivered a strong performance across its key business segments in Q2 FY27, despite continuing global uncertainties. The operating environment remained volatile. Geopolitical developments, supply chain disruptions, high raw material prices, and elevated freight costs all weighed on the quarter. However, despite these headwinds, our businesses responded effectively to changing market conditions and remained focused on maximizing opportunities.

This was supported by a diversified portfolio, continued focus on operating efficiency, and our strong customer relationships. We continue to make advances on our strategic investments, technology-led cost optimization interventions, and new product development initiatives. Our investments in future growth areas continue to progress well, laying the foundation for sustainable growth and strengthening our market position.

We remain focused on building our capabilities, deepening customer relationships, and growing the share of value-added products to support the company's growth over time.

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For the quarter ended September 30, 2026, consolidated revenues stood at 4,904 crores, registering growth of 35% when compared with the comparable period last year. The company's operating EBIT increased by 26% to 816 crores over the comparable period last year, and profit after tax stood at 509 crores, registering growth of 31% over the corresponding period last year.

For H1 FY27, consolidated revenue increased by 33% to 9,937 crores when compared with the comparable period last year, while operating EBIT grew by 44% to 1,932 crores over the comparable period last year. Profit after tax increased by 55% to 1,268 crores, again when compared with the comparable period last year.

At the start of the year, we had guided to revenue growth of 15-20% in our chemicals business. With the strong H1 performance delivered, we feel confident reiterating that we expect to deliver towards the higher end of the stated guidance for FY27.

I will now take you through the performance of our individual businesses.

Our chemicals business reported a 25% increase in revenue from 1,667 crores to 2,079 crores during Q2 FY27 compared with the corresponding period last year. The specialty chemicals business continued to operate in a challenging market environment.

In agrochemicals, we are witnessing demand recovery across select pockets, underpinned by our strong customer relationships. Progress made by some of our customers on registrations for key active ingredients is further strengthening our future demand visibility.

We continue to expand our pharmaceutical intermediates portfolio through targeted product development and customer engagement. New product approvals and commercialization are progressing effectively and helping us build a broader portfolio and opportunity pipeline.

Together, these developments in agrochemicals and pharmaceuticals are positive for the business. We expect them to ramp up progressively over the coming years. Launching new products and scaling up existing ones remain key priorities for the business.

In an environment shaped by excess capacity, we remain focused on strengthening our cost competitiveness through technology-led process improvements and effective sourcing strategies. Our ability to export select products even to China reflects well on the strength of our technology, operational efficiency, and global cost competitiveness.

The commentary from global innovators on the proposed diversification of their supply chains away from Europe is encouraging. While both China and India are expected to benefit from this shift, many customers continue to value a diversified and resilient supplier base, creating opportunities for trusted Indian manufacturers.

We have witnessed similar trends in the past, where changes in global supply chains translated into incremental business opportunities for Indian producers. Given our technology strength, demonstrated cost competitiveness, and long-standing customer relationships, we believe SRF is well positioned to participate in this evolving opportunity.

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Beyond agrochemicals and pharmaceuticals, we are leveraging our chemistry, process innovation, and scale-up capabilities to expand into new domains beyond our traditional areas of strength. This provides us with an opportunity to enter new segments, such as solutions centered around the environment and sustainability. At an appropriate juncture, we will share more on these opportunities.

R&D remains a key competitive advantage for SRF and an important enabler of our long-term growth strategy. Our team of over 500 scientists, engineers, and scale-up specialists works through dedicated research labs. These include separate teams focusing on agrochemicals, pharmaceuticals, and other specialty applications. This domain-focused approach helps accelerate innovation tailored to specific market requirements.

SRF now holds 160 patents and has filed 539 patent applications in total, reflecting our sustained commitment to technology leadership and value creation.

The fluorochemicals business delivered a strong quarter, demonstrating the strength and operational excellence of the business. Our growth was supported by higher HFC volume, improved realization, and successful expansion into newer markets.

Despite disruption to global trade flows and logistics, given the ongoing geopolitical uncertainty, the business was able to make significant inroads in expanding volumes and revenues even in the Middle East. We have been able to continuously broaden our geographical footprint, gain market share, and leverage our product portfolio to maximize market-specific opportunities.

Additionally, sustained domestic leadership and improving returns from our brand investments further strengthened our competitive position. The HFC capacity expansion at Dahej is progressing well and remains aligned with our long-term growth strategy.

Our immediate priority continues to be maximizing utilization of the existing HFC plants during the baseline period while strengthening our presence in key markets and expanding customer relationships.

Looking ahead, we expect demand and pricing for refrigerants to remain broadly stable, barring normal seasonality, while our diversified geographical footprint and continued expansion into newer geographies are expected to support growth and provide greater resilience across specific market cycles.

We are also preparing for the next generation of refrigerants through our HFO investment at Gopalpur, Odisha, where key regulatory approvals have recently been secured. The HFO project is on track for commissioning in Q4 FY28. On commissioning, we expect to be among the top three to four refrigerant gas manufacturers globally, which will significantly strengthen our competitive position in the industry.

Our in-house HF integration will enable us to address opportunities associated with electronics-grade HF for wafer cleaning in the semiconductor industry.

In fluoropolymers, our focus continues to be on enhancing the grades in our PTFE portfolio. During the quarter, we made further progress in customer qualifications and commercialization of

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higher-value grades, resulting in an improved product mix led by fine-cut grades and the commencement of commercial micropowder sales as well.

As we continue to broaden our presence in specialized applications, the portfolio is becoming increasingly differentiated, positioning the business beyond bulk PTFE and improving the business mix towards higher-value grades over time.

Our PVDF project remains on track for capitalization, with customer engagement underway across multiple end-use applications. PVDF will initially start making inroads into chemical processing, fluid handling, and architectural coating applications, with a goal to gradually move into solar and battery applications as well.

This is an important milestone in expanding our fluoropolymer portfolio to address higher-growth segments.

Our FEP and SCM projects are also progressing well and are on track. This partnership with Chemours creates a unique opportunity to enter applications that require high performance, durability, and advanced functionality.

The growth in our fluoropolymer portfolio over time will not only expand our addressable market but will also strengthen our positioning in emerging value chains across electrical and electronics, semiconductors, and aerospace and defense.

Moving on to our performance films and foil business, the business recorded a 51% increase in revenue from 1,408 crores to 2,122 crores during Q2 FY27 compared to the corresponding period last year.

The performance films and foil business continues to perform well in a challenging operating environment. Even as customer procurement patterns moderated during the quarter following elevated buying activity in Q1, demand remained robust across geographies and asset utilization stayed strong.

While elevated raw material prices in the quarter led to a moderation in inventory-related benefits compared with the previous quarter, the business continued to deliver healthy growth through disciplined execution and a growing contribution from value-added products.

Our focus remains on expanding our portfolio of value-added products and differentiated substrates that align with long-term growth sectors and evolving customer requirements. These continue to gain traction, led by offline-coated BOPP and BOPET products.

Management: We are also seeing traction in metallized products across geographies. Capacitor-grade film has scaled up well, with key customer approvals having been secured and commercial sales progressing well ahead of initially anticipated timelines, enabling us to participate in the fast-growing electrical and electronic sector.

This is complemented by the progress we have made in securing approvals from key customers for aluminum foil used in capacitors, where commercial sales are expected to commence in Q3 FY27.

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On the operational front, the hybrid BOPP-BOPE film line is expected to be commercialized in Q3 FY27.

Sustainability continues to be an important strategic priority for the business. We are actively working with customers and partners to develop solutions that support circularity, including recyclable mono-material structures, advanced coatings, and sustainable packaging formats.

These initiatives respond to changing customer and regulatory requirements while supporting the development of differentiated solutions.

R&D continues to drive our shift towards value-added films and foil. We have commercialized 16 products across BOPET, BOPP, and CPP, including certain offline coatings, and more than 35 products are under development.

We are among the forerunners in the industry in super ultra-high barrier across substrates. We are also building sustainable mono-material solutions using BOPE, BOPP, and BOPET, supported by 17 R&D collaborations with leading global brand owners.

Our aluminum foil business delivered a strong financial performance and is steadily evolving into an important growth area. This has been supported by strengthening export traction and successful advancement to higher-value grades.

We have made considerable progress on high-end aseptic packaging and are now working closely with one of the global leaders in this space. These developments have collectively enabled the business to transition from being a pure packaging films player to a high-end performance films and foil business.

Moving on to our technical textiles business, the business reported a 25% increase in revenue from 474 crores to 594 crores during Q2 FY27 over the comparable period last year.

The technical textiles business maintained healthy momentum during the quarter. In tyre cord fabrics, we continue to make steady progress on the scale-up of N66 and polyester tyre cord fabrics, with customer approvals being positive developments for the business.

The upcoming dipping capacity is expected to further enhance the product mix and capacity utilization in coming quarters.

Belting fabrics delivered another strong quarter, benefiting from export growth and continued customer additions. Alongside this, we expanded our value-added portfolio through new product commercialization and customer qualifications.

We expect the business to remain stable, supported by export markets and a growing contribution from higher-value applications.

Our other businesses, comprising coated fabrics and laminated fabrics, also delivered a stable performance during the quarter. The coated fabrics business maintains its leadership position in the domestic market, supported by a healthy product mix and continued emphasis on value-added products.

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Our focus on operational efficiencies and cost optimization helped us navigate the competitive pressures well. The laminated fabrics business delivered a steady performance, supported by stable demand across its key applications.

Recognizing the immense opportunity presented across a set of identified sunrise sectors, SRF has embarked on a journey to effectively target high-growth areas where our growing product portfolio has wide applications.

These identified high-priority sectors span energy storage, electricals and electronics, semiconductors, next-generation cooling solutions, environmental sustainability and renewables, and aerospace and defense.

A detailed map of how our new product portfolio addresses specific applications in each of these sunrise sectors is part of our investor presentation.

While many of these are already announced investments, I would like to draw your attention to the new capex that was approved around aluminum foil for battery applications to address the growing opportunities in the energy storage and EV sectors.

You would recollect that over a year ago we had rebranded our packaging films business to a performance films and foil business to reflect our growing aspirations in this segment.

In an important step towards realizing these growth aspirations, as we intimated yesterday, our board has approved an investment of approximately Rs 600 crores to set up a new aluminum foil facility at our existing site at Dahej in Madhya Pradesh to cater to battery applications targeted at the growing energy storage and EV sectors.

The facility will have a total capacity of about 12,000 metric tonnes per annum and will serve both lithium-ion and sodium-ion battery applications, along with high-end packaging foil.

The project will be carried out in two phases. Phase 1 has an estimated cost of Rs 300 crores and is expected to be completed within about 23 months of the board approval.

Importantly, the proposed universal foil mill shall be capable of producing both battery-grade and high-end packaging foil. This provides us with operational flexibility, enabling us to address multiple value-added end-use markets even while customer qualifications for battery applications are in progress.

This investment is an important step in expanding our foil business to address battery applications, with growing demand arising from the energy storage and EV sectors.

The government's ACC PLI scheme, which incentivizes domestic battery manufacturing and mandates progressive domestic value addition, is also expected to accelerate localization of the battery supply chain, driving demand for key materials, including battery-grade aluminum foil.

During Q2 FY27, SRF Foundation continued to create meaningful impact across education, digital learning, STEM, skilling, health, and community development.

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From strengthening teacher capabilities and advancing AI, robotics, and digital literacy to promoting student innovation, vocational skills, and community participation, the quarter saw several initiatives translate learning into real-world opportunities.

Recognition for student innovation at sports platforms further reflected the growing impact of these interventions in empowering young people and communities.

During the quarter, I am happy to share that SRF was recognized as the overall winner in the Best Supply Chain Solution category at the Adam Smith Awards Asia 2026, recognizing our work in building financial resilience across our supply chain.

We also received the Supplier Collaboration and Innovation Award at the UBS Forum Procurement Excellence Summit and Awards in 2026, recognizing our focus on innovation and collaboration with our suppliers.

These awards reaffirm SRF's commitment to operational excellence, strategic planning, and innovation across businesses.

In closing, I would like to say that despite the volatile environment, we remain confident of delivering a healthy second half. Our resilient business models are delivering on the outcomes we have envisaged, and with our investments targeting specific sunrise sector opportunities, I am confident that the future of the company is on a strong wicket.

On that note, I conclude my remarks and would be glad to discuss any questions that you may have. I would now like to ask the moderator to open the line for the Q&A session. Thank you very much.

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

Participants, in order to ensure that the management is able to address questions from all participants in the conference, please limit your questions to two per participant. Ladies and gentlemen, we will wait for a moment while the question queue is assembled.

Operator: The first question is from the line of Rohit Nagraj from 361 Capital Market Private Limited. Please go ahead.

Rohit Nagraj – 361 Capital Market Private Limited: Hi, good afternoon. Thank you for the opportunity. My first question is that you just mentioned in your opening remarks that the second half is normally the best for us and that we are confident our growth will be higher in the second half. Is this backed by certain firm commitments, particularly in the chemicals business?

As an allied question, in terms of the AI commercialization, the 6-7 which we have been working on, can you give us the latest update on the same? Thank you.

Management: Thank you for your question, Rohit. What I reiterated was that on our overall guidance for the year on CB revenue, we remain firm that we should be able to land at the higher end of that

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range.

In terms of H2 specifically, we do see a good ramp in specialty from where we are at this point. I think even in the last quarter we talked about the fact that we had started to see volume recovery. So, on the revenue front, I do think we will see a stronger second half for specialty specifically.

In terms of AI, what we called out in the investor presentation as well is that on a couple of the products, two specifically, customers have made progress in terms of their own registrations.

This is in a couple of initial markets, and that should, in due course, start translating into better visibility in terms of our own funnel and our supplies to them.

Rohit Nagraj – 361 Capital Market Private Limited: Thank you very much, sir. My second question is: what would be our marketing strategy for HFOs once we commercialize them at the end of FY28? Is it going to be the domestic market or the export market? Also, do we have certain firm commitments from specific geographies or customers? Thank you.

Management: The HFO, at least for the initial couple of years, is clearly going to be largely Western World-oriented. I think that is certain.

The fact that, as a company, we have operated in those markets for the number of years that we have already positions us very well in terms of being entrenched with the entire distribution system there, as well as the customer base.

There will be some incremental effort from a marketing standpoint, but I think we have already established ourselves very well in those markets, even in the past. Therefore, it should not be a significant transition or require significant incremental investment to start addressing that opportunity area as HFOs come on stream.

Rohit Nagraj – 361 Capital Market Private Limited: Thank you very much, and all the best, sir.

Management: Thank you.

Operator: Thank you. The next question is from the line of Arjun Khanna from Kotak Mahindra Asset Management Company. Please go ahead.

Arjun Khanna – Kotak Mahindra Asset Management Company: Thank you, sir, for taking my question. My first question is on the HFC side of things. What capacity do we envisage by the end of this baseline period? By the end of this quarter, what would be our HFC capacity?

Management: I think we shared in the last call, Arjun, where we desired to land on capacity. We talked about where our HFC capacity would expand to, and, certainly, in my commentary as well, talked about the fact that the incremental portion that has to happen out of Dahej is progressing effectively.

For fairly obvious reasons, as we lead up into the last 2 months of the baseline period, I would rather not be very specific about the number at which we shall land. Suffice it to say that we are progressing very well in terms of the numbers that we called out.

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Arjun Khanna – Kotak Mahindra Asset Management Company: Okay, sure. We had talked about repurposing some facilities and brownfield expansion. Has that been done, or do you expect that to be done by the end of this quarter?

Management: If you are talking about what we were doing in Dahej, as I just said, it is progressing well, and we shall be at the level we need to be well in time.

Arjun Khanna – Kotak Mahindra Asset Management Company: Sure. My second question is on the Chem-II projects. In the previous quarter, we said that there was perhaps a quarter's delay. Would we expect commercialization by the first quarter of FY28? In terms of scale-up, could you help us understand over what period we should see the scale-up of this project?

Management: We had said that the first of the plants would be up for the first product in Q4 of this fiscal and the second one in Q1 of the following fiscal. Those timelines still hold, Arjun.

I think we had also said in the previous call, and I will reiterate the same comment, that for it to reach full-scale ramp-up, it is probably a 10-12-month window in the following year. After that is when I think you should see full-scale revenue associated with the Chem-II projects.

Management: So, in FY29 we should see the full revenue scale-up.

Management: FY29?

Management: Yes, from the start of 2028-29, we should be able to work with that.

Arjun Khanna – Kotak Mahindra Asset Management Company: Sure. Just a quick question on the capex that we have announced. In terms of technology and other aspects, could you help us understand how it is different from our current aluminum foil project, because this project took slightly longer to scale up? What other execution issues do you envisage here? In terms of customers, while we have covered the presentation, could you help us understand the grades and how long qualification would take?

Management: Great question. Rather than immediately diving into answering that, I think it is probably best to talk a little about the scale-up that we have seen in the aluminum foil business. That will give you a better picture of how we find ourselves better positioned than perhaps where we were about a year ago.

You heard me call this out in the previous calls as well: even in the existing plant, we are able to move to significantly higher grades. Conversations have progressed very well with one of the leading aseptic players. That is pretty much the top of the value chain that you are talking about; these are the likes of Tetra Pak.

We are also more or less done with audits at our plant. The scale-up did take some time, but I think we find ourselves in a place where a lot of those learnings are now translating into results.

Sharing this progress on aseptic is a great qualifying benchmark to know that we have, in a way, cracked the code in terms of what we need to do to deliver those higher-end grades. That is where we are drawing a lot of assurance from in terms of our ability to now go further up that chain into

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battery foil.

It is a different plant in terms of the rolling mill compared with what we have today. However, that mill, as I called out in my opening comments, is going to be a universal mill that can address packaging needs as well.

When you think about higher grades such as aseptic, we can use that mill to address a lot of aseptic demand, besides other high grades, even as qualifications around battery applications continue.

In terms of timelines for battery qualification, realistically it is probably close to a 2-year period from the time we are ready. In the interim, the fact that we have taken this decision to go with the universal mill positions us well to use all that we can produce out of that mill in areas such as aseptic and other higher-value-added segments while qualifications continue. We would then be able to switch over into battery foil.

Arjun Khanna – Kotak Mahindra Asset Management Company: Sure. Just for an understanding, would our aluminum foil business possibly be profitable by itself by the end of the year?

Management: Yes, I think it is fair to say that.

Arjun Khanna – Kotak Mahindra Asset Management Company: Sure, fair. Thank you, and I wish you all the best for the future.

Management: Just to clarify, as an exit, yes, absolutely.

Arjun Khanna – Kotak Mahindra Asset Management Company: Sure, sure. Thank you. I wish you all the best. Bye-bye.

Management: Thank you, Arjun.

Operator: Thank you. The next question is from the line of Kumar Soumya from Ambit Capital Private Limited. Please go ahead.

Kumar Soumya – Ambit Capital Private Limited: Hi, sir. Good afternoon. I have a couple of questions. The first one is on specialty chemicals. Could you throw some light on how customer engagements and conversations are shaping up, given that we are looking at inflationary pressures? How are they discussing their recession timelines?

Management: I think I answered that a bit earlier, at least in terms of registration timelines. I shared that two questions ago. Compared to when we spoke last quarter, there has been progress on at least 2 of the products.

As I said, registrations have progressed in markets such as Brazil and a couple of other initial markets. Finally, we seem to be seeing momentum after the long pause that we have had.

We are in a much more positive position, knowing that there is momentum in at least 2 of the products. There is a lag between when those registrations happen and when they start translating into full-blown demand coming through to us.

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In the interim period, I think it is reasonable to expect that intermediate products that would still be needed will continue to be sourced from us, even as demand around the core AI product itself scales up over a period of time.

That is the progress around AI. I am not sure if I answered your question entirely or missed any part.

Kumar Soumya – Ambit Capital Private Limited: No, sir, that was quite clear. Secondly, on the aluminum foil project that you have announced, with 12,000 tonnes of capacity, what is typically the revenue potential of this project?

Management: Rather than talk about revenue potential, let me answer that question in a different way. If you think about the price points at which aluminum foil typically sells, I think you can apply a factor of about 1–1.5 times, if not more, around aluminum foil.

The LME prices are available, so you can extrapolate from there. It is a significant uptick compared with plain foil, or plain rolled aluminum foil, that goes into packaging.

Aseptic is about a 30–40% markup. This goes significantly higher than even that.

Kumar Soumya – Ambit Capital Private Limited: Understood. In terms of margin, would it be fair to assume that a 15% margin should be achievable in this segment?

Management: We do not guide that, as you know. However, if you look at what I just shared with you in terms of pricing, and you look at the existing Ortech business and where we exit for this year, I think you would have a good ability to project what potential margins we could be looking at.

Kumar Soumya – Ambit Capital Private Limited: Understood. Lastly, sir, if you could throw some light on the HFO project. Currently, prices are somewhere between $50 and $60. How do you expect this pricing to settle when the patents expire?

Management: It is only fair to say that, just as we have seen in past versions or generations of refrigerants, there is going to be a decline when these products come off patent.

Having said that, it is also important to understand that the baseline resets in terms of where the price of the product is. We should assume quite reasonably that HFO prices would be at a significant premium versus anything we see on the HFC side.

We are still 2 years away. Giving you a specific range is probably premature at this point, but it is very fair to say that we should expect a drop-off after the product comes off patent, while price points should remain significantly higher than typical HFC pricing.

Kumar Soumya – Ambit Capital Private Limited: Understood. Thank you, sir. That was very helpful. Thank you.

Management: All right, thank you.

Operator: Thank you. The next question is from the line of Arun Prasad from Avendus Spark Private Limited. Please go ahead.

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Arun Prasad – Avendus Spark Private Limited: Thank you for the opportunity. Good afternoon. My first question is on the first half. We have grown roughly 25% year-over-year in the chemicals business. If you could qualify the growth into volume, pricing, and rupee depreciation, that would be helpful.

Management: Arun, we do not split it at that level, so I can only tell you that prices have stayed firm on the refrigerant gas side.

I can also tell you that volumes have looked good in refrigerant gas. Volumes in specialty continue to hold versus where we were in Q1 as well.

As I shared with you in Q1, we were starting to see green shoots. Those continue to look better and greener, and as we move into the second half of the year, I feel reasonably confident that we will see significant growth in specialty revenues driven by better volume between H2 and H1.

That is as much color as I can give you around how pricing and volume are playing out. Refrigerant prices have also stayed strong, in case I did not share that earlier.

Arun Prasad – Avendus Spark Private Limited: Right. One very quick point: how much of this has been influenced by rupee depreciation, which has helped us deliver this first half? Compared with other markets or producing countries, could current movements help us gain market share or pricing benefits? If the rupee were to appreciate again by, say, 3-4%, should we see some kind of reversal in the growth that we have delivered in this first half?

Management: A good way to assess outcomes for H2, Arun, is to consider that there has been a significant move in the currency even between the 2 quarters.

The fact that Q2 volumes continued to hold good and strong is a good sign. Pricing, as I said, is holding. I think both are good benchmarks to give you a sense that, irrespective of currency movement, we expect prices to stay stable. You have heard our commentary on this for some time now.

If you are alluding to whether we could be starting to see softness in price because of competition, imports, and so on, we do not see that at this point in time.

Our view on refrigerant gas through the year continues to be the same as what I shared last quarter: we see it remaining firm, we see strong growth, and we see pricing holding.

You could see some impact from what is happening with freight and certain input costs. However, aside from that, I think we are on a very firm wicket and continue to go from strength to strength.

Arun Prasad – Avendus Spark Private Limited: Understood. My second question is on semiconductor chemicals. You have mentioned that product sampling and optimization for electronics is currently going on. Are these samples from the pilot plant or the commercial plant? Could you also help us understand the timing of the next steps and the milestones that need to be completed before recording significant revenue from this segment?

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Management: These are from the commercial plant. However, to give you a little more color in terms of the sampling, much of it right now is at the lab level and is being externalized, but it is still at the lab level.

Once we are done with the necessary optimization, that is when you should start seeing more commentary from us around the downstream side of the value chain, starting with sampling with customers and qualification.

We are a little way away from that just yet, but the way we called this slide out means you will continue to see more and more color from us as we make progress on this journey.

At present, much of it is around lab sampling and our own product optimization as a consequence of what we are hearing back. We are not too far away from starting to open the doors around customer-side conversations.

A lot of groundwork is happening on that front so that we can trigger those pieces once much of the product optimization cycle is completed in the interim.

Arun Prasad – Avendus Spark Private Limited: Fantastic, understood. Thank you. I will rejoin the queue.

Management: Thank you, Arun.

Operator: Thank you. The next question is from the line of Ankur Periwal from Axis Capital Limited. Please go ahead.

Ankur Periwal – Axis Capital Limited: Hi, sir. Thank you for the opportunity. My first question is on the overall pricing environment. You did allude towards the end that prices are largely stable. Is that true across the spectrum as well as the overall chemicals portfolio, given that there has been a decline in margins quarter-on-quarter? What timeframe are we looking at for full pass-through, if at all, if it is currently a work in progress?

Operator: Ladies and gentlemen, we have lost the connection of the current speaker. Please hold while we reconnect him.

Operator: Thank you for your patience. We have management online again with us. Sir, you may proceed.

Management: Hi. I apologize. We had a connection drop. I am happy to take the next question.

Operator: Thank you. Yes, sir, please proceed.

Ankur Periwal – Axis Capital Limited: Sure, I will repeat my question. Perhaps it was not heard. My first question was on the raw material scenario overall. You did allude towards largely stable pricing across the segment on a quarter-on-quarter basis, while we are still seeing a decline in chemicals margins. I am just trying to understand—

Operator: Sorry to interrupt, Mr. Periwal. Sir, could you try speaking louder?

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Ankur Periwal – Axis Capital Limited: Sorry, am I audible now?

Operator: Yes, sir. Please go ahead.

Ankur Periwal – Axis Capital Limited: On the pricing front, how are we seeing things? You said that raw material pricing is largely stable, but on the margins front we are seeing some decline in our chemicals margins on a quarter-on-quarter basis. Could you share some details?

Management: Just to clarify, we actually said that we are seeing pressure on raw material pricing. I think we have been able to offset large parts of that in the businesses, either through pass-through to customers or through our own cost optimization.

However, there is pressure on raw material pricing. Everything downstream in petrol, as well as in some of the chemicals, is being impacted. That is well known.

What we have additionally been able to do on some specific inputs is secure longer-term contracts with more fixed pricing, so we are not as exposed to the vagaries of price shifts.

However, it would not be accurate to say that there has been no impact. There has been some impact between quarters, both on raw materials and on freight. You are probably well aware that freight numbers are significantly higher and elevated.

All of these factors are having an impact at an overall level in terms of margins.

Ankur Periwal – Axis Capital Limited: Just a clarification: the pass-through here, are we specifically talking about specialty chemicals, or is there also a lag in refrigerant gas?

Management: As I said, on the refrigerant gas side, the ability to pass through is looking better.

On specialty, you all know the commentary from the past. Every quarter in recent times, we have been talking about volume recovery, with pricing just beginning to look better. Therefore, the ability to pass everything through there is not as high.

However, I would balance that comment by saying that much more on the operational efficiency side around the specialty business has offset a reasonably large part of the increases, though not entirely.

Ankur Periwal – Axis Capital Limited: That helps, sir. Secondly, on the packaging films and technical textiles margin profile, there were some inventory-led gains in the first quarter. Will Q2 be a clean quarter in that respect, and how do you see that number sustaining going forward?

Management: I think it is fair to say that in technical textiles there are no such anomalies as those that were present in the Q1 numbers.

On films, for the most part, it has normalized. There were a few situations where pricing moved interestingly, but that is a small part of the overall business. I think it is reasonably fair to say that this is very representative.

Ankur Periwal – Axis Capital Limited: Sure, sir. That is all from my side. Thank you, and all the best.

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Management: Thank you.

Operator: Thank you. The next question is from the line of Saurabh Jain from HSBC Asset Management Company. Please go ahead.

Saurabh Jain – HSBC Asset Management Company: Hi, thank you for the opportunity. Continuing on the same question, Q2 margins have dipped significantly, and you explained some of the reasons as well. How should we look at the second half?

Do you think there will be better pass-through of costs, which are likely to remain elevated as we have already moved into Q3? Or do you see margins improving from what we delivered in Q2, going back to 28-30% margins in the chemicals business in particular?

Management: There are many factors at play here, Saurabh. One is obviously how volumes behave.

Let me split it up and answer it differently. If you split it up, on the refrigerant gas side, pricing for the most part should hold.

Whatever little impact there has been on margins on the refrigerant gas side because of elevated input costs, including logistics and transportation, will probably continue until those costs wear off. However, Q2 is reasonably representative in terms of how we look at things going forward.

On the specialty side, as volume picks up, we will start operating with a much higher level of efficiency as well. We see a strong ramp coming through now in terms of the revenue side.

How much of that starts flowing through to EBITDA and margins remains to be seen. I do not want to declare victory just yet.

At this point, we derive a lot of confidence from the fact that revenue is looking significantly more positive. You have always heard us talk about holding share, and I think that is now starting to come back and show us early signs of recovery.

As we move through the second half, you should expect to see that. How much of it will translate all the way through into margins is difficult to assess and premature to call out at this point, given how uncertain the geopolitical environment and input costs are.

Suffice it to say that we remain optimistic that pricing vis-à-vis customers will reasonably hold and probably get better from here.

On the other hand, if input prices continue to rise sharply, how much of that can be passed through remains a question mark.

Saurabh Jain – HSBC Asset Management Company: That is helpful. Secondly, you also mentioned that volumes in your HSC are continuing to expand. Is that more of a mid- to long-term comment, or do you expect volumes to expand in the near term? Could you also give us some sense of the capacity utilization for the HSC portfolio in particular?

Management: There is absolutely no doubt that at least through December of this year, our plan is to run absolutely flat out. That is imperative to maximize everything that gets locked in during the

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baseline period.

We called that out specifically, and it remains a core focus area. That should give you adequate sense of our capacity utilization. We are very highly utilized at this point in time.

Having said that, we will continue, as I have said in the past, to optimize what we manufacture in the plants. Because we have a whole stack of products already in the refrigerant gas space, there will be times when we need to optimize what we manufacture so that we optimize EBITDA.

At the end of the day, that is what everyone is trying to maximize and achieve as we reach December 31. That will drive a lot of short-term decision-making.

However, you should have enough assurance and confidence that the plants are pretty much maxed out and optimized at this point in time. That should continue to remain the way we run the business through all of next year as well.

There have been interesting demand movements even through the first half of the year, between the Western World, Asia, and the Middle East.

The agility and nimbleness that we have demonstrated in operating across these markets and continuing to maximize our outcomes, even as demand has looked very different across these geographies, speaks volumes about our ability to avoid overdependence on either a specific product or a specific geography.

I think that positions us uniquely and well in terms of how things will look after December of this year.

Saurabh Jain – HSBC Asset Management Company: Understood. If I may squeeze in one last question, could you give us more clarity on the new projects listed in the presentation? You talk about a billion-dollar opportunity. Is it possible to give us some breakdown of how you arrive at that $1 billion across the different segments? That would be useful.

Management: Even if you look at the next slide, where we talk about progress, there is no rocket science in the fact that these projects are clearly at different stages of germination at this point in time.

For instance, in capacitors, as I said, we have already commercialized the product, we are selling it, and it is at a significant premium to vanilla film. That project is way ahead of the curve compared with anything else here.

Foil will come. I have given you an indication of where price points are likely to be compared with classic foil for packaging, so you can do some calculations.

We said we are going to do this in phases, so Phase 1 will be about half of the total capacity that we discussed, given where I think battery demand will be around the time we are ready.

It is fairly safe to say that once you are qualified and have achieved outcomes with customers, you should be in a position where a lot of that capacity will be consumed very quickly, given where storage and EVs are likely to be in the country at that point in time, by any metric or order of

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magnitude.

Many of the others are still, based on some of the earlier questions, at the drawing-board, lab-testing, or similar stages.

What we can conclude, in terms of giving you more visibility, is that as projects reach the stage of commercialization, that is the point in time when we will be able to discuss numbers more effectively with you.

Suffice it to say that we have calculated all of this, and that is where we see the opportunity for ourselves. This only refers to areas where we have already made inroads.

What I can tell you incrementally is that there are at least a couple of other spaces across these sectors where, in the coming quarters, you will continue to hear more announcements from us in terms of progress made.

I cannot be more specific than that for obvious reasons. There are pieces here that I have not even discussed that still add up to that billion-dollar opportunity as we see it.

Therefore, splitting this down at any level at this point in time would be very premature.

Saurabh Jain – HSBC Asset Management Company: Understood. Thank you very much, and all the best.

Management: Thank you very much, Saurabh.

Operator: Thank you. The next question is from the line of Surya Narayan Patra from PhillipCapital India Private Limited. Please go ahead.

Surya Narayan Patra – PhillipCapital India Private Limited: Thank you for the opportunity, sir. My first question is about identifying the sunrise sectors. You have very effectively prioritized increasing capacity for new-age industrial applications.

You have already indicated the individual projects and the capex involved. Going forward, what would be your capital allocation towards these sectors? Are we thinking about such a large investment currently, or could you provide some color on that?

Could you also provide some sense of the timeline, including FY29 and FY30?

Management: Let me talk some more about the transaction possibilities and the kind of capital allocation that we are discussing for some of these sectors.

Just as I answered in the previous question, and as should be fairly obvious from both the slides and my earlier commentary, the timelines for how each of these will scale and develop are going to be quite variable.

As I said, capacity for {? PVB ?} is already in place. We may need to invest more. Given the traction we have already seen in less than 6 months, I am reasonably certain that sooner rather than later we will have to plan a second line.

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We have not approved it yet. I cannot tell you with assurance when that will happen, but I am reasonably certain that it will happen sooner rather than later.

You have already heard us talk about our aspirations for foil. We have taken board approval for the entire aspiration, for all 600 crores. We then plan this on a phased basis, so that indicates the level of confidence with which we are approaching some of these opportunities.

For some of the others, we have already made the investment. For instance, if you look at {? SPEC ?}, specifically, I will use this as one example to explain why I do not think we can give you a definitive number at this point.

If you look at {? PVB/DAB ?}, I think it is going to be a journey for us as we move from more entry-level applications all the way through to high-capacity binders in this space, which would be the highest-end grade.

Would we need to make more investments between now and reaching that end-product grade? I am reasonably certain that we would.

What timeline do we contemplate for that? It will depend on how we start seeing offtake in terms of the earlier grades of product that we produce first and, consequently, how we derive more confidence to make those investments.

You have to view this as a journey. As I said in response to your previous question, you should continue to see more color as we move through the quarters.

Our commitment is to keep sharing proactively as we reach more decisions and become more affirmative on specific steps in terms of incremental capex, if needed.

Surya Narayan Patra – PhillipCapital India Private Limited: Sure, sir. My next point is about the HFO project. We know the timeline for mechanical completion and commissioning of the project. In that process, can you give us some sense of the immediate opportunities we would target? Would it involve contract manufacturing or something similar?

Could you also discuss the challenges you might face once it is open for supply, as well as the pipeline for the ramp-up?

Management: We have always said that, and this is not just related to HFO; we have said this consistently in the past. When anyone sets up a new plant, realistically, our view is that you need a period of somewhere between 8 and 12 months to stabilize and run that plant effectively.

Some volumes may come out before that, but they will not be meaningful. Everything meaningful is about 10-12 months away.

If you work with a February 2028 timeline, which is what we announced for when HFO would be ready, and plan 10-12 months from that, it gives you a window for when you should expect reasonably larger volumes in terms of revenue from HFO.

In terms of the challenges, it should be clear, and if you speak to the CEO of our {? FB business ?}, he would say very simply that, for anything in {? REFGAS ?}, if you imagine a global scenario where

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China is not actively competing with you, and you do not plan cost structures and an ability to compete at that level, you will never be effective.

We called this out when we announced the HFO capex as well. The fact that we have developed our own non-infringing technology, and that we believe it will produce a world-class product in terms of cost competitiveness, should give you a good sense that we have sufficient optimism to compete with anyone in the market.

That is probably the one major question mark, if any, out there.

Apart from that, as I answered earlier today, it is a function of being able to establish ourselves in a new product space with existing sets of customers.

We have already demonstrated that capability and capacity for multiple years in the Western World. Therefore, it is about leveraging many of those relationships.

I think we have done a phenomenal job of maintaining those relationships throughout this entire period. We are a trusted partner with those businesses in the Western World, and there is no reason to believe that any of this should look different merely because we have changed the grade of a product to something better.

The major players in that product are curious to understand how SRF has already cracked the code. All these factors align well in giving us confidence that we are very well positioned not only to compete but also to have access to the right markets when the products come on stream.

Surya Narayan Patra – PhillipCapital India Private Limited: Thank you very much, sir, and I wish you all the best.

Management: Thank you very much.

Operator: Thank you. The next question is from the line of Ranjit from IIFL Capital Services Limited. Please go ahead.

Ranjit – IIFL Capital Services Limited: Thank you for the opportunity. First of all, thank you for sharing the strategic outlook. I think it displays the clear intent of moving beyond agrochemicals.

My first question is on fluorochemicals. In the presentation, you said that aggressive expansion in newer markets helped offset softness in the US market. Did this aggression come at the cost of profitability? Also, what is your outlook on the US market?

Management: No, I do not think the market push came at the cost of profitability. I think we actually generated better prices in some of the newer markets we entered because they have a compelling need, including from a quota standpoint, to ensure that they are in a solid position at the end of December.

There were newer opportunities in areas where we had not previously pushed products. We continue to explore those.

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We see ourselves as a global refrigerant player. Obviously, we want to have a significant share in the key markets, but we also recognize the growing need to expand our global footprint into areas where opportunities remain unaddressed.

A lot of our efforts went into those areas.

The US market is behaving very differently from how it traditionally did. To some extent, it is softer, but it is also buying a very different product mix compared with perhaps the previous year.

We expect that trend to continue. In some ways, it plays out very well for us because other players may struggle to fulfill the demand coming out of the US.

The way I see it, this has positioned SRF uniquely because there are not too many other companies that can fulfill that demand very effectively at a meaningful scale.

The fact that any softness we are seeing in the US represents capacity that we can redirect elsewhere to address and grow newer markets also bodes very well for our future footprint.

Ranjit – IIFL Capital Services Limited: Thank you. My second question is on the pharma pipeline. I think this is the first time we are mentioning encouraging traction in select molecules with key Western customers. Could you shed some light on that and on the potential revenues we can generate?

Management: What I can share is that these engagements are with 2 specific customers, and they are very meaningful names in the pharmaceutical space.

With one of them, I think we should start seeing meaningful volume and revenue come through very quickly. This is a product in the broader oncology space.

Regarding the second one, there is unfortunately much less I can share at this point. Suffice it to say that these are 2 very meaningful interactions that are looking very promising.

If you recall the last call, I had shared with you that we are engaged with more customers and on more molecules. I dislike saying it, but in a positive way, the law of averages is playing out, and that is translating into outcomes.

I am happy to call out that, on 2 of these, we should start seeing positive momentum very quickly.

I hope that in the near term I will be able to give you a more constructive view in terms of the revenue outlook, ramp-up, and path. At this point, it is probably a little premature, Ranjit, but suffice it to say that we are in a very solid position on both engagements, and they look very promising in terms of what the revenue funnel could look like as we move forward.

Ranjit – IIFL Capital Services Limited: Thank you, sir. Lastly, you called out freight cost as one of the key elements dragging margins. If you were to provide a ballpark figure, what could it be in percentage terms?

Management: Not in all cases. In some cases, yes, but not everywhere. If all of it were passed through, you would not call it out as an impact. There are places where it has not all been pushed

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through to the customer because pricing is a little more sensitive.

The increase is significant, depending on where the product is being shipped. Choose a number of 15–20%, depending on where you want to land the product. In some cases, I hear numbers even higher than that.

It is a pretty wide range, depending on where you are shipping and what route you are taking. Some of it is a function of the Middle East issue, and some of it is simply the need to take longer routes.

It is a combination of factors, but there is definitely high inflation on that front. I think that is across the board and is not unique to us. Anyone exporting products from India is witnessing it.

Even in our board meeting today, we heard similar commentary from some of the others who sit on our board regarding what they were seeing in other businesses.

I think you will hear that consistently from anyone operating an export-oriented business in India today.

Ranjit – IIFL Capital Services Limited: Thank you for answering all the questions.

Management: All right, thank you, Ranjit.

Operator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Management: I hope we have been able to address the questions. Should you have any further queries, our team will be more than happy to assist.

We value your continued support and, on behalf of the management team, thank you once again for taking the time to join us today. Bye-bye.

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

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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