Operator: Ladies and gentlemen, good day and welcome to SRF Limited Q1 FY27 earnings conference call. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Kumar Somya from Ambit Capital. Thank you, and over to you, sir.

Kumar Somya – Ambit Capital: Thank you. Good morning, everyone. Thank you for joining us today. We at Ambit Capital are pleased to host SRF Limited's Q1 FY27 results conference call. We have with us today Mr. Sameer Kashyap, President and Chief Financial Officer, and Mr. Sugandha Singhal, Senior Vice President, Head Treasury and Investor Relations of SRF Limited. I would now like to invite Ms. Nikita Dhawan, Head of Corporate Communication at SRF, to initiate proceedings for the results conference call. Thank you. Over to you, ma'am.

Management: Good morning everyone and thank you for joining us on SRF's Q1 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.

Management: Good morning everyone and a warm welcome to SRF Limited Q1 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 by taking you through the key highlights of our performance during the quarter, followed by an update on each of our businesses, and we will be happy to then take your questions.

The operating environment remained volatile during the quarter, steered by ongoing geopolitical developments, evolving trade dynamics, and disruptions across global supply chains. Demand trends also remained uneven across some of our end markets. Despite these challenges, SRF delivered an extremely strong start to the financial year, reflecting the resilience of our diversified business portfolio, the agility of our teams, and our disciplined focus on execution and operational excellence. During the quarter, we strengthened our market position through technology-led innovation, deeper customer relationships, and improved operating efficiencies. We also made steady progress on our strategic investments, aimed at expanding capacities, broadening our product portfolio, and strengthening the capabilities required to drive sustainable long-term growth.

For the quarter ended June 30, 2026, the operating revenue stood at 5,033 crores. The company's operational EBIT increased 61% to 1,116 crores in Q1 FY27, when compared with the comparable period last year, translating into an EBIT margin of 22%. Profit after tax stood at 759 crores, registering a growth of 76% over the corresponding quarter last year. The board also approved an interim dividend of 5 rupees per equity share.

Let me now take you through the performance of our individual businesses. Our Chemicals Business continued to be a key growth driver during the quarter, reporting revenues of 2,315 crores, representing a 26% year-over-year growth. The Specialty Chemicals business delivered a steady performance despite operating in a challenging market environment. Our continued investments in technology, process innovation and cost optimization helped maintain competitiveness across key product categories. During the quarter, we strengthened our innovation pipeline through the development of new AIs and intermediate molecules, while deepening customer engagement across both Agro and Pharmaceutical applications.

In PTP, we are now working on various molecules that are beyond our traditional customer segments, which we believe will bring greater robustness to the future of this business. Our efforts towards operational excellence were also recognized externally during the quarter. SRF received the ET Edge Bronze Award for Supplier Relationship Management and was recognized as the ISCM Supply Chain Champion in the diversified sector. These recognitions reflect the strength of our supply chain capabilities and the quality of our customer relationships.

The Fluorochemicals business delivered another strong quarter, supported by healthy domestic demand and robust export volumes. Higher volumes of refrigerants, industrial chemicals and fluoropolymers, along with improved realizations, helped offset the impact of elevated raw material costs caused by supply chain disruptions. Our HFC facilities continue to operate at high utilization levels. We also made further progress in scaling our PTFE with increasing contribution from higher value-added grades. As communicated earlier, we expect the fluoropolymer portfolio to make a progressively stronger contribution, as customer approvals and higher value-added grades translate into higher commercial volumes.

Our strategic projects, including the proposed investment at a new site in Odisha, are progressing in line with our plans. These investments in next-generation refrigerants, backward integration, and specialty fluoropolymers are central to our ambition of building a globally significant fluorochemicals business. Post the commissioning of our new HFC plant in Odisha, we will be in the top three to four refrigerant gas manufacturers globally, thereby positioning us uniquely. While geopolitical and trade-related developments may continue to create near-term volatility, we remain confident about the outlook for the chemicals business. We are also supported by healthy refrigerant demand, improving contribution from fluoropolymers, a strong innovation pipeline in specialty chemicals, and the progressive commissioning of new capacities.

Moving on to our performance from our Films business. This business reported revenues of 2,710 crores, reflecting a 42% year-on-year growth. The business delivered a strong operation performance across all manufacturing locations. Margins improved across regions, supported by contained supply disruptions arising from geopolitical developments. During the quarter, we capitalized our capacitor grade BOPP film project, following the successful completion of trials undertaken earlier. The project strengthens our presence in the specialized high value segment through Kapila, our brand of capacitor grade BOPP films, offering excellent dielectric stability and self-healing performance, thereby enhancing reliability and extending capacitor life. Customer qualification is progressing well, with approvals already secured from several leading customers. Commercial volumes are expected to ramp up progressively as additional approvals are received.

The aluminum foil business also continued to gain momentum. Exports increased during the quarter, while customer approvals for value-added applications progressed further, especially in the aseptic packaging segment. These developments should support an overall improvement in the product mix. Our board has approved the proposal for setting up of a BOPET film line in India, with a capacity of 25,000 metric tons per annum, at a projected cost of 250 crores. This addition serves a few strategic objectives, including expanding into a new substrate where due to limited domestic capacity, there is lesser volatility versus thin films, as also helping us to provide a wider product offering to our customers, so that we can truly become a one-stop shop for them. We intend to target high-end use cases in the electrical and electronics industry, and are slated to be the only manufacturer of fixed films with a dedicated line, thereby setting us apart from competition. We see a 24-month timeframe for this line to be commissioned.

We are also progressing with our investments in additional metallizers and coating lines. These projects will enhance our value-added product portfolio and strengthen the business's ability to address emerging opportunities in sustainable and specialized packaging applications. We are also encouraged by the improvements in our overseas operations. While there has been some benefit due to geopolitical uncertainties, there has been a sustained effort to enhance product penetration in the local markets which will make the business more resilient. While competitive pressures remain in the segment, we are encouraged by the improvement in operating performance and the progress made in scaling our new product categories. After this exceptional performance in Q1, which was aided by supply constraints and higher prices due to geopolitical uncertainties, we do see the performance of this business stabilizing to more normal levels in Q2. Having said that, we expect the baseline performance to be recalibrated at a higher level from here on.

Our Technical Textiles business reported revenues of 597 crores during the quarter. The Nylon tire cord fabric business continued to generate stable performance, supported by resilient demand across key end-use segments. Optimal plant operations, disciplined manufacturing, and focused cost optimization initiatives helped the business maintain a healthy operating performance. The Belting Fabrics business benefited from improved domestic demand and robust exports to the US. The outlook for the business remains positive, particularly following the rationalization of tariffs in the US. Our focus will remain on expanding volumes and improving operating efficiencies. TPY has performed well in the quarter, supported by improved share in geotextile and seat belt segments. TTB's performance in Q2 is expected to normalize, but yet deliver an improvement versus the comparable period previous year. Our other businesses comprising coated fabrics and laminated fabrics, delivered a stable performance during the quarter. The coated fabrics business maintained its leadership position in the domestic market. Disciplined cost management, operational efficiencies, and a growing focus on value-added products helped sustain profitability. The laminated fabrics business also delivered a steady performance, supported by product mix optimization and continued improvements across manufacturing operations.

During Q1 FY27, our CSR arm, the SRF Foundation, continued to drive meaningful social impact across education, digital inclusion, skill development, healthcare, and community development. The foundation reached thousands of students through learning and STEM programs, expanded access to digital services, supported youth employability initiatives and strengthened community engagement through partnerships and government convergence, reaffirming its commitment to creating sustainable inclusive growth. Furthermore, I am happy to share that the SRF Foundation was honored with the prestigious Karmaveer Shiksha Bhushan award for the ninth time in June 2026.

To conclude, the global operating environment remains uncertain with geopolitical developments, changing trade policies and raw material volatility continuing to influence businesses and supply chains. Nevertheless, we remain confident in SRF's ability to navigate these challenges. Across our businesses, we are focused on improving operating efficiencies, increasing the contribution from value-added products, deepening customer relationships, and executing our strategic capital expenditure program. Our investments in innovation, technology, and new capabilities are creating new growth opportunities and strengthening our competitive position. Supported by our diversified portfolio, strong balance sheet, and disciplined execution, we are well positioned to deliver profitable and sustainable growth.

Overall, we are pleased with the start to the financial year and remain confident about SRF's future prospects. It is important though to recognize that SRF's business, especially the chemicals business, is highly seasonal in nature and has been, as has been the case in the past, we will see lower numbers in Q2 compared to Q1. Having said that, this exceptional outcome across all our businesses in Q1, which has helped us deliver a best ever quarterly performance, positions us very well to achieve our goals for this financial year. This outcome is a strong testament to the resilience, maturity, and robustness of our business to convert adversity into opportunity and maximize outcomes while remaining strongly committed and steadfast in our efforts to ensure the success of our customers as well. On that note, I conclude my remarks and will be glad to discuss any questions or comments that you have. I will now like to ask the moderator to open the lines for the Q&A session. Thank you very much.

Operator: Thank you very much. We will now begin the question and answer session. The first question is from the line of Sandeep Jain from ICICI Securities. Please proceed.

Sandeep Jain – ICICI Securities: Good morning, sir. Thanks for taking my question. I have a few of them. First on the infrastructure space in Dahej. How much more land is left, because the Odisha plant may take another 2 years to come? For the next 2 years, do we have enough land parcel available in the Dahej facility for us to commission all the active ingredients we are working with? How are we placed from the infrastructure side? That will be my first question. Thank you.

Management: Yes, so in Dahej we do have some space. We are reasonably well utilized in Dahej, Sandeep, but there is still space specifically for specialty. There are structures that are available there to expand and grow all that we need for this next 24-month period. So yes, there is adequate space specifically for specialty. And everything else that we've already commissioned on the capex side—those spaces are already well marked and work is ongoing there. So in a nutshell, we have enough space to cater to anything that we need to get into at least for the next 24 months at Dahej.

Sandeep Jain – ICICI Securities: Okay, that is clear. Thank you. Second, when do we see some of these active ingredients really getting into scale because we have been speaking now for almost 3 years. I know it takes time and the market has not been supportive. But what are you hearing from your customers? You spoke about some green shoots in the specialty business. Are we seeing good off-take in the second half in active ingredients, or is it more like an FY28 story for us?

Management: Yes, so even on the last call, Sandeep, I called out two leading aspects when I talked about the green shoots. One was we were seeing volumes start to show their first signs of recovery. I think through the last year, you heard the commentary from SRF being very clear around protecting share. That was the primary focus, and I think that's paid off well over this time. It has been a very difficult journey as we saw the price destruction around us, but nevertheless, I think we've done a fabulous job of holding onto share. That's number one.

We are starting to see volumes over a little bit through last quarter and this quarter as well. The trend is upward. So that is the first sign, and I think the second piece, which is probably one that has you more concerned, is around price. At least across key products at this point in time, we are finally starting to see the price trend marginally upwards in the right direction. We've seen some volumes also, given your specific question on what we're hearing from customers. Through this period in Q1, while there has been some opportunistic buying as well, across specific pockets where we have stayed by the customer's side through this journey, we are starting to see support from them on the volume side.

We have seen uptake there. So I think that is the basis and genesis of my opening comments around volumes starting to look better. It is still early signs. It is in pockets, so I would not say it is a broad-based improvement just yet. But directionally, these are the first signs building on what I shared with all of you when we did this call in May.

Sandeep Jain – ICICI Securities: Got it, got it. That is very clear, very helpful. One last question on the fluorochemical business which is our refrigerant gas. Prices appear to be very strong and sustaining. We had a very harsh summer this year across the world. But do you see these pricing trends sustaining at the level what we saw in the last quarter, or since the season is over, have we seen some softening of the prices?

Management: So, Sandeep, you probably recollect from the previous call as well, there was a point of concern around refrigerant gas pricing through this year. Our broad commentary was we expect re-gas pricing broadly to stay at the levels they were or only get better from here. I think what you've seen in Q1 is a testament to that view that we had. I think that view is playing out well. Having said that, I think we all know Q2 and Q3, specifically from an India and Middle East standpoint, is weaker versus Q1 even from a volume standpoint. From both standpoints, both price and volume, it is seasonal. So we will see that come off a little bit.

But I think we are very clear that we will see strong growth versus last year's Q2. Overall on re-gas, it's done outstandingly well in Q1 and will continue to do so through the rest of this year for a bunch of different reasons that we've talked about multiple times in the past.

Sandeep Jain – ICICI Securities: Got it, sir. Thanks for answering all those questions so patiently and best of luck for the coming quarter.

Management: Thanks, Sandeep.

Sandeep Jain – ICICI Securities: Thank you, sir.

Operator: Thank you. The next question is from the line of Jaisant from IDBI Capital. Please go ahead.

Jaisant – IDBI Capital: Yes, sir. Thank you so much for taking my question. First question pertains to the packaging film business, which is performing very well in this quarter. I just wanted to know what could be the reason for such a strong outperformance in this quarter?

Management: Yes, so I am not sure if you had joined our call in May, but I had put the seed in your minds that contrary to what you were all hearing around price and grief in the packaging film business, we were going to do well. I think I talked about the fact that we had robust supply chains that were holding up despite everything happening in the Middle East. I think all of that is what has really panned out in Q1. Let me try and give you a few broad indicators on what drove the Q1 performance.

In a way, the world had shut. Said very simply, right? I think the rest of the world was shutting plants and capacities were going off stream. Like I told everyone on the previous call, we were operating flat out at 100% capacity. That clearly points to the fact that we did not have a domestic reliance on raw material. The fact that we operate in a DTA unit and source globally ensures that our raw material supply chains were very robust. That ensured we were operating right through this entire quarter and, like I said, we pretty much operated flat out. So that is factor number one. Especially when you contrast us with the rest of the competition, we will stand out differently on that account.

The second piece is there was a period where there was a lot of panic buying by a bunch of customers at that point in time. I've shared at different points that we've tried to manage this journey of price volatility effectively for our customers because we also realize that at some point it is going to correct as well. We want to manage that downturn equally effectively. So we've tried to be rational about pricing. But having said that, prices have significantly improved because of panic buying. Those pretty much are two big drivers for what happened in Q1. The crux truly comes down to the efficacy with which we could operate and ensure we could deliver products to customers reliably, which was significantly impacted during this period.

Jaisant – IDBI Capital: Thanks for that, sir. My next question pertains to the agrochem cycle. We agree that there are some green shoots and volume seems to be coming back, so that recovery is there. Now, with the prices of the refrigerant gases also being pretty strong, I just wanted some color on how we are going to grow the chemicals business. What are the big strong growth drivers of this business going ahead? Probably you can highlight some factors from the pharma piece as well, which you are slowly trying to grow.

Management: Sure. Our broad guidance on chemicals for this year was that we could grow 15-20%. We continue to hold that guidance, and I think the Q1 outcome positions us outstandingly well to deliver that result. We've delivered 26% growth in that portfolio. So it is a very solid start to the year. The fact that refrigerant gas pricing has helped as much as it has through Q1—and our expectation is that while we go through the cycle of Q2 and Q3, overall for the year we see the numbers looking very good, both from a volume as well as a price standpoint. Everything around quotas and all that will happen through December will also drive a set of outcomes which will be significantly positive for the gas business.

We've said this for a little while now, even though some from a market standpoint looked at it differently—the time for gas has arrived. I think what you're seeing in our results is that part of the portfolio is truly shining at this point in time and delivering on a plan that we put in motion sometime ago. So that will continue to be a big driver. We continue to hold the overall growth range that we've set for the year. I don't think directionally we are moving away from that range. Hopefully, we will eventually land at the higher end of that by the end of the year, given how strong Q1 has been.

In terms of pharma, we have a stated goal to be in the 20-30% range of revenue by 2030. We are progressing well on that journey. We've had a strong outcome the last couple of quarters in growing that share. It is baby steps, and in the larger scheme of the numbers, it does not show up just yet. But to give you some more color on what is positive on that front through this quarter is that we are working on a larger number of molecules with a set of customers. The number of customers we are working with is also growing. When you put that together, you are in a matrix where the likelihood of your hit rate improving has gone up because you've increased both the universe and the number of molecules that you're playing in. When one of these come to fruition in terms of truly large quantities that matter, I think we will start seeing some step function changes. At this point in time, the volumes are smaller and in the larger theme of the overall chemical business, it doesn't really show up. But that is some additional color on the pharma sector for you.

Operator: Thank you. The next question is from the line of Arjun Khanna from Kotak Mahindra. Please proceed.

Arjun Khanna - Kotak Mahindra: Thank you for taking my question and congratulations on a great set of numbers. The first question is regarding your comments about Q2 being sequentially weaker. Year-over-year, we should see growth because seasonality would affect the second quarter of the previous year as well. You are specifically referring to the sequential Q1 to Q2 comparison. Is that the right understanding?

Management: Yes, absolutely, you've got it spot on. Year-over-year, we will see growth. Sequential quarter-wise, Q1 has been a blowout in terms of outcomes, so versus that, there will be a correction. But versus last year, we will see growth.

Arjun Khanna - Kotak Mahindra: Sure. The second query is regarding the aluminum foil piece. Our packaging piece has been expanding. This quarter, margins are significantly higher, but when you look at sustainable levels, the EBIT moved from maybe 10% to 17% this quarter. What would you believe the sustainable levels to be for this piece for the remaining part of the year?

Management: Without giving you a specific number, let me just give you some color, Arjun. At a structural level, we are doing a bunch of different things in aluminum. We have significantly managed to deliver progress in a push to be more export-oriented versus the past. We are actually close to half the volume or maybe a bit more moved into Europe. That has given us a good bump up in terms of being in a different market. Second, we are participating in areas where traditionally we were not in terms of product end-use, and that is giving us better realization from a price standpoint.

There was a big spike in the aluminum price anyway earlier this quarter. Those are more or less rationalized, though there are lower levels versus the peaks that we saw. But there is that impact too. The most important piece, which we spoke about in our chat yesterday, is that we are making some very strong progress on the aseptic packaging side, working with a bunch of leading players. There is very significant progress that has been made thus far. By early next fiscal, if all things go well—we are in stages of testing at this point—it could mean opening up a completely different segment and space of revenue for us.

Arjun Khanna – Kotak Mahindra: Sure. When we had announced aluminum, we had said we may look at expansion. If you could comment on where we are on that thought process? Also, what is the outlook on BOPA and BOPP at this point in time?

Management: I don't think we are getting into expansion on aluminum just yet. We are pretty much right now more focused on where the product goes out to in terms of markets. Like I said, our focus is to build on that export share. As time comes and we are ready, our site at Raigad has ample space for us to be able to expand. Right now, the focus remains on moving to higher grades of foil and better use cases and applications, like what I spoke about on aseptic. Once we've gone past those stages, we will start thinking about potential capacity expansion. At this point in time, there is nothing on the cards that we're talking about for foil expansion.

Talking about BOPA and BOPP now, Q1 was, as I said in my comments on the previous question, a period where we saw disproportionate pricing just because of all that is happening in the Middle East. I wish I could sit here and tell you what is going to happen with the Middle East crisis, but the uncertainty in a sense helps because it keeps the crude oil prices at a certain level. We see crude in that 70s range and if it holds there, that bodes well for plastic pricing in general. That's the way we see it panning out. So yes, there will be a correction. I don't think we'll see numbers as crazy as Q1 heading into Q2, but we don't see a steep clip either.

Arjun Khanna – Kotak Mahindra: Sure, very helpful. On PTFE, we were talking of scaling up. There is a comment in the presentation on the same. If you could throw some more color on that?

Management: Sure. We've been talking about moving into higher grades for some time. The work on the basic PTFE side is progressing well. In the last call, we talked about some small capex that we were making on the PTFE front to get to those higher grades; that is on track and progressing well. PVDF plants are expected to be commissioned towards the end of this quarter, so that is all on track too.

On Chemours, we are happy with the progress that we've made. Chemours has requested a few design changes in the plant, and they are also very specific in terms of expectations they have on equipment. There are some pieces where there are only specific manufacturers of that equipment in Europe that Chemours likes to work with. That's added a little bit to the timelines, but nothing huge. It is moving out—so maybe a couple of months or three to four months versus the December timelines where FPC and FPE could move out a little bit. But at this point, from everything we hear from Chemours, they are very happy with the progress. The only thing that has moved the timelines marginally on the first two was this design piece that they want us to incorporate to make the plant more effective and to bring in the equipment from Europe.

Arjun Khanna – Kotak Mahindra: Perfect. Thank you and wishing you all the best.

Management: Thank you so much.

Operator: Thank you. The next question is from the line of Naushad Chaudhary from Aditya Birla. Please proceed.

Naushad Chaudhary – Aditya Birla: Hi, thank you for the opportunity. Two questions. PTFE and the electronic grade film capacity for capacitor grade where I believe we are committing roughly 520 crores of capex. Can you elaborate a bit more on this? What could the plant size for these two grades be in the next 2 years? What are the key drivers here? Are the economics of these grades of films different versus our core packaging film business, especially in terms of margin profile and volatility?

Management: In terms of capacitors, as I said, we capitalized earlier in the quarter and trial runs are done. We are in the stage right now where we are working with a set of customers on satisfying quality-led parameters. Testing on the capacitor side is significantly more extensive versus vanilla films, as you can imagine. Those timelines are where we are right now, in the middle of testing. We are expecting to start seeing some early-stage revenue towards the later part of this quarter. By Q1 and Q2 of next year, we should be close to full capacity. That is the outlook we have.

Pricing on capacitor film is significantly better than vanilla film, so it is only going to be accretive to margins for the films business. You've heard our thesis in the past regarding our desire to move up into the value-added chain, and capacitor grade is clearly in that direction. It is significantly better in terms of pricing versus vanilla, as I said earlier. Presently, there are not a large set of players in India producing these films for the electronics industry. So there is a lot of customer interest and demand, and the universe of who we're working with is only growing. There's a fair amount of early acceptance that we've reached with a set of customers as well. So, we have strong momentum on all of those fronts.

Naushad Chaudhary – Aditya Birla: In terms of the economics and volatility of this business versus the base business, could it be similar or would it be better?

Management: I don't think we see as much volatility. That was part of the rationale behind the play. If you go back to what we've been saying for a few calls, the broader strategy right now for the packaging film side of the business is really to de-risk ourselves from the volatility of film pricing. Everything that we're doing on every value-added play—whether that is on metallized products, coated products, what we're planning to do on BOPA and capacitors, and even some of the new initiatives like the new capex the board approved yesterday—are all steps in that direction.

The reason we are embarking on this journey is really to de-risk ourselves from the cyclicality of polyester pricing. This is another initiative on that front. We don't see the cyclicality being as volatile as what you're probably imagining compared to vanilla film.

Operator: Thank you. The next question is from the line of Rohit Nabaraj from 360 ONE Capital. Please proceed.

Rohit Nabaraj – 360 ONE Capital: Thanks for the opportunity and congrats on a strong quarter. First question is on the AI front. For the six or seven AIs that we have in our PTP part of commercialization, where are we in terms of the journey from revenue recognition? Given that at peak we were expecting something like $400-500 million of revenue, how many have commercialized? What are the stages and milestones for reaching that $400-500 million revenue? Thank you.

Management: I think the answer is similar to what we discussed in the last call. I'm going to echo those same comments. It's truly a function of registrations, and I think you all have a good sense of what is happening in the larger innovator space and farm economics. The only piece I can tell you incrementally versus what I shared last quarter—which alludes to what I said earlier in this call—is those first signs of green shoots.

The innovator world is only going to wake up and move when this pricing pressure and everything else happening in that generic space abates to some extent. That held through the quarter as well. The only piece that gives us confidence that this is slowly starting to turn is what has happened around both price and volumes, where the lack of a bottom to pricing from China is finally holding and getting better. Our expectation is that once we hit a more positive cycle—given that the downturn seems to be behind us—the innovator world will start making steps to take actions around registrations.

It is still early days before that recovery truly shows up. The innovator world is still going to be cautious for the foreseeable future before they move the needle on the whole registration front. That summarizes our views at this point in time. There is no great directional shift, other than what we're seeing on the overall agrochem space where pricing seems to be the first green shoot.

Rohit Nabaraj – 360 ONE Capital: Got that, sir. Second question in terms of PTFE and Chemours. On PTFE, we have said that we will be adding value-added grades. What timelines do we see in terms of getting material traction on this? Even on the Chemours front, given that validation cycles are relatively longer, what is the timeline for seeing meaningful contribution from the fluoropolymer space? Thank you.

Management: On the grades in PTFE, as we hit the end of Q4 and early Q1, is when we will start seeing PTFE starting to show meaningful scale. I'd say we were commissioning PVDF towards the end of this quarter, so by similar timelines of the next financial year is where we will start seeing meaningful volumes and realizations on that front as well.

The slippage on the Chemours timeline is really because of design changes that we are incorporating. At the end of the day, the design must be approved and blessed. Like we've said in the past, this is an effective return-on-investment arrangement that we have with Chemours. Once we are commissioned and ready, we will see that showing through. If you think about the whole fluoropolymer portfolio kicking in across all subsidies—whether it is PTFE, PVDF, FPC or FPE—I think the timelines for significantly meaningful volumes to start kicking in are likely towards the end of FY28 and early FY29. During FY29 is when we expect to be at full steam in terms of capacity.

Operator: Thank you. The next question is from the line of Arpit Joshi from Nuvama. Please proceed.

Arpit Joshi – Nuvama: Good morning, sir, and thanks for the opportunity. On the specialty chemicals space, specifically the AIs, do we have the readiness in terms of assets required to launch those six or seven AIs? Should we read it as we are just awaiting internal approvals from our customers when it is conducive for them to see growth? If so, when the doors open, will there be a decent bit of operating leverage in the early quarters?

Management: Yes, the capacity is reasonably there on the ground, just given how we set our plants across dedicated and multi-purpose lines, and the way we are able to swing plants. In terms of capacity and the ability to get products out of the door, I do not see that being a constraint. The readiness in terms of the chemistry behind the products is well progressed; you would not be in conversation around waiting for registration unless that was all done. That part is reasonably taken care of.

The only piece we are waiting on, as I said earlier, is progress around registrations and products getting launched by regulators. There is not a big sales-side infrastructure requirement needed because we are selling to the innovator world. The chain from there downstream usually already exists. We own everything from production to ensuring acceptance of that product with the innovator world. On those pieces, we are very well advanced. We definitely are ready, but there is this last-mile hurdle that must be overcome, and the timelines around that are uncertain at this point to say it mildly.

Arpit Joshi – Nuvama: Understood. The base business we have, which is predominantly chemical intermediates, has had pricing pressure. Have we at least seen any growth in volumes across the portfolio despite the competition from China, and is there a positive trajectory on the volume front in the current financial year?

Management: Yes, through the last quarter and this quarter, at least on the core set of products in the portfolio, we definitely have seen a directional shift in volume. I wouldn't say it's a step function as yet, but even in the sequential quarter, we are starting to see that trend get positive. That is a great sign. It is not only volume; it is both volume and price on those core types of products. Directionally at least on that front, it seems like we have scraped the bottom and are getting better from here.

Our view is that through the rest of the year, we will keep making steady progress. It is not going to be a hockey stick type of recovery; it will be linear and probably slow. That is the way we expect this to pan out through the rest of the financial year. As is typical seasonality in chemicals, we think H2 will be stronger than H1. It will be a more back-loaded recovery.

Arpit Joshi – Nuvama: That helps a lot, sir. Wishing you all the best. Thank you.

Operator: Thank you. The next question is from the line of Randhir from IIFL Capital. Please proceed.

Randhir – IIFL Capital: Hi, sir. Thanks for the opportunity and congratulations on a great set of numbers. In the opening commentary, you alluded to the packaging film business, while you said the margins are likely to normalize in Q2, the baseline will be higher. I wanted to get more clarity because we see overseas operations in South Africa, Thailand, and Hungary have been under pressure. If you take the last 10 years, the trendline has been 8-12% on EBIT margins. When you say you are creating a new baseline, should one assume it's going to be above that range?

Management: Let me answer that with a few comments. Number one, we have performed very effectively across all overseas locations these last two quarters. The outcome is showing at every level. Revenue, EBITDA, and EBIT for all overseas locations are performing phenomenally well. Hungary was a concern sometime ago, but that has improved significantly. Logistics in the past was facing pressure, but that's behind us now. Overseas locations are all doing well, and that is a reason we carry this positive view around the baseline being better. Regarding those directional numbers you called, we expect margins to be north of that. Q1 is an aberration, so do not peg it there, but it will be better than the 8-12% range you talked about. This is because of the shift to value-added products as we bring things like capacitors and other capacities to full commercial levels. The price points are significantly different versus vanilla film, so all of those are additive from a margin standpoint. You see that expansion coming through as we add more value-added plays into the portfolio.

Randhir - IIFL Capital: Thank you, sir. That is quite helpful. The second question is on the refrigerant gas front. We do have certain duties in the US on thinning imports that are up for renewal. Do you have any comments on that progress?

Management: I wish I could tell you with certainty what the policy shifts will be, but looking at the US and China dynamics, I think in terms of what we have to ship to the US, we do not see an impact through the rest of the year. Our belief is that pricing from China is going to hold through the rest of this period, at least to the end of this financial year. We do not see any pressure coming out of there. I have said that in the past and I will continue to say that now.

Randhir - IIFL Capital: Okay, thank you. You also commented on robust export volumes on the refrigerant gas front. We believed that a certain part of the Middle East would have been impacted, but despite that, the volumes are quite robust.

Management: In Q4, we did have an impact in the Middle East. In Q1, we have actually done very well in that market, both from a volume and price standpoint. Floron has differentiated pricing in the Middle East market. We have done very well there through Q1 and expect that to continue through Q2. There was some disruption in terms of the amount of time you could freely ship, so there was an impact around that. But eventually, through Q1, we found our own workarounds and have not had any issue in the Middle East at the overall quarter level. There could have been cues in timelines if you looked at it month-wise, but over the quarter, Middle East volumes have been very robust and delivered strong growth year-over-year.

Randhir - IIFL Capital: Thank you, sir, and wishing you all the best.

Operator: Thank you. The next question is from the line of Ankur from Axis Capital. Please proceed.

Ankur - Axis Capital: Hi, sir. Thanks for the opportunity. On aluminum foils as well as the chemicals contract, we alluded to aluminum foil seeing a ramp-up in Q1. By Q4 or Q1 of next year, how quick can the revenue ramp-up be, both for aluminum foil as well as for the Chemours contract?

Management: Aluminum foil is already capitalized. The area we are trying to really move the needle on is market access. There has been a strong push toward getting access into the European market. We've got close to half of our Q1 volume into that market this last quarter, which is a very promising sign. That trend holds through Q2. Thereafter, there is no reason why we won't be able to increase utilization of that plant to pretty much full capacity levels.

I also talked about septic packaging. That is expected to come through by Q1 of next year and kicks into a different space in terms of pricing. You truly then move away from the vanilla side of things on the domestic market as well. In the next year, we should see our domestic side of the business seeing better realizations. Regarding the Chemours contract, the slippage is due to plant specifications. But once we are ready, we will start seeing revenue from the time we commission the plant, within the first year of operation. As I said, FY28 will be lower, and then in FY29, we will start getting into full steam.

Ankur - Axis Capital: My second bit is on the proportion of medium or longer-term contracts, especially for performance films and technical textiles. Has there been any change over the last 6 months?

Management: On performance films, it's been very opportunistic. There was a lot of panic buying in Q1. The contracts we have that are longer-term continue. We already have established footprints; this is a business that prides itself on being easy to do business with. It is a very strong portfolio of customers that has subsisted for a very long time, so those contracts are generally long-term.

The piece that's come on top of that is the panic buying from people, many of whom were not our customers in the past, or existing customers who were worried. There have been newer customers who have come into our portfolio because of the reliability with which they can buy from a player like SRF. They saw the impact of being associated with other players and not being able to rely on their product, which impacted their presence on shelves. We've seen that shift.

Managing this with the customer base effectively ensures our mutual success after the volatility we're seeing. The long-term contracts that existed in the past continue. On technical textiles, it is slightly different. There was not so much opportunistic buying, but rather issues around the ability to renegotiate spreads during the early part of the quarter because of raw material pricing. That's the impact you see in the numbers for Q1. That will normalize in Q2 and will settle at a level that is better versus the comparable period last year. In terms of long-term contracts, those continue with no significant directional changes.

Ankur - Axis Capital: Thanks a lot for those answers. That is all from my side.

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

Management: Hopefully we have been able to address your questions. Should you have any further queries, our team and I would be very happy to assist. we value your continued support and on behalf of the management, I thank you once again for taking the time to join us today. Goodbye.

Operator: Thank you. On behalf of Ambit Capital, that concludes this conference. Thank you for joining us. You may now disconnect your lines.