

Visit Update
16 July 2026



Execution and ramp-up remain key for
GFCL EV's battery chemicals business

Gujarat Fluorochemicals

Rohit Nagraj

Research Analyst
rohit.nagraj@360.one
+91-22-4031 7127

Bhavin Soni

Research Analyst
bhavin.soni@360.one
+91-22-4031 7173

Manish Bhadane

Research Analyst
manish.bhadane@360.one
+91-22-4031 7220

Maintain BUY

Current Price (Rs)	: 4,124
Target Price (Rs)	: 4,802
Potential Upside (%)	: 16.4
Source: Bloomberg, 360 ONE CM Research	

Market Data

No. of Shares (mn)	: 110
Free Float (%)	: 38.6
Market Cap (Rs bn)	: 453
52-week High/Low (Rs)	: 4,150/2,917
Avg. Daily Volume (6M)	: 0.1 mn
Avg. Daily Value (6M; US\$)	: 4.5 mn
Bloomberg Code	: FLUOROCH IN
Promoters Holding (%)	: 61.4
FII/DII (%)	: 4.3/13.5
Source: Bloomberg, 360 ONE CM Research	

Price Performance

(%)	1M	3M	12M
Absolute	12.3	20.8	20.5
Relative	11.8	28.4	27.1

Source: Bloomberg, 360 ONE CM Research

We visited Gujarat Fluorochemicals' (GFL) EV subsidiary – GFCL EV's greenfield plant in Jolva, Gujarat. GFCL EV is positioning itself as a battery-agnostic materials player, catering to both LFP and NMC chemistries through a fully integrated battery materials complex. Its current product portfolio includes electrolyte salt (LiPF₆), additives (FEC, VC), electrolyte formulations, cathode active material (LFP), binders (PTFE, PVDF) and anode active material (Natural Graphite). Together, this product portfolio caters to ~70% of the value of an LFP cell, making GFCL EV the only global company to offer this full basket under one roof.

We believe GFL's battery chemicals segment has reached an inflection point, with the long drawn qualification process for electrolyte now complete, while qualifications for the other components are currently underway, with commercialisation visibility in 2HFY27E. Management had earlier indicated that the battery chemicals segment will reach sizeable triple-digit revenues by 4QFY27E and reinstated this guidance during the interaction. With the entire basket of battery chemicals available under one roof, GFCL EV stands to gain a significant advantage in catering to demand from global and domestic customers.

We continue to remain optimistic on the overall growth story and maintain our positive view on the stock. Near to medium-term catalysts include: a) scale-up in the battery chemicals segment over the next few quarters and b) further traction in the Fluoropolymers business from 3M's exit and a probable exit of AGC's business in Europe ([Gujarat Fluorochemicals - Flash Note - 15 Jul 26](#)). A battery chemicals valuation premium should emerge as revenue scales up, coupled with margin sustenance. At the current market price, the stock is trading at 47.1x/30.1x FY27/28E EPS of Rs 87.6/137.1. We maintain our Buy rating on the stock, with an unchanged P/E multiple of 35x for the consolidated business and target price of Rs 4,802.

Financial summary (Consolidated)

Y/E Mar (Rs mn)	FY24	FY25	FY26	FY27E	FY28E
Net sales	42,808	47,370	49,960	68,057	92,263
EBITDA margin (%)	22.3	24.4	25.8	28.2	30.4
EBIT margin (%)	17.0	18.2	19.3	21.8	24.0
Adjusted net profit	4,350	5,460	5,990	9,631	15,078
EPS growth (%)	(67.3)	25.5	9.6	60.8	56.5
Cash flow from operations	8,614	4,975	10,796	10,001	16,451
RoE (%)	7.6	8.3	8.0	11.6	16.0
RoCE (%)	9.3	9.5	9.4	12.6	16.3
Net debt/equity (x)	0.3	0.2	0.3	0.4	0.4

Source: Company, 360 ONE CM Research

Battery chemicals – Value chain and integration

- ▶ Cathode Active Material (CAM) – Lithium Carbonate, Phosphoric Acid and Iron Sulphate feed into Carbon Precursor and Phosphates of Lithium and Iron, converted into CAM.
- ▶ Electrolyte/LiPF₆ – LiF, Phosphorous Pentachloride, HF converted into LiPF₆.
- ▶ Electrolyte formulations – Electrolyte salt, combined with Additives and Solvents.
- ▶ Binders (PVDF/PTFE) – HF, Chloromethanes converted to monomer intermediates and then polymerised into Fluoropolymers.
- ▶ Anode Active Material – Natural Flake Graphite undergoes grinding, shaping, chemical purification and coating into Natural Graphite Anode Active Material (NGAAM).

LiPF₆ (Electrolyte Salt)

- ▶ Constitutes 10-15% by weight of electrolyte formulation but 50-60% of electrolyte cost.
- ▶ Purity requirements exceed pharma-grade in certain respects – Impurities less than 1ppm, with qualification as stringent as, or more stringent than, pharma.
- ▶ Approved/audited by all major global electrolyte players in Japan and Korea, with supply also going into the US.
- ▶ Commercial sales scale-up on track, orders in place for FY27E and beyond.
- ▶ Same product specification supplied across customers (unlike CAM/binders, which are customer-tailored).
- ▶ New entrants would need two-three years to qualify; any change in Man, Material, Machine or Method triggers full requalification – Key entry barrier.
- ▶ Backward integration into HF – Cost/availability advantage.

LFP CAM

- ▶ Samples from the LFP (CAM) plant have received initial customer approvals; commercial sales expected to start in 2HFY27E.
- ▶ Product is customer-tailored (unlike LiPF₆ which is a generic Electrolyte Salt).

PVDF/PTFE binders

- ▶ Qualification process is complete; commercial business expected to commence in 1HFY27E.
- ▶ Both Anode and Cathode are affixed to the current-collector foil using binders.

Anode – Natural Graphite (NGAAM)

- » Natural Graphite requires extensive purification using HF, which is either disposed of or recycled/reused.
- » ~90% of Natural Graphite anode material manufacturing is currently based in China.
- » Setting up own NGAAM facility.

Cost structure of an LFP cell

- » Cathode – 42% of cost.
- » Anode – 20%.
- » Separator – 12%.
- » Electrolyte – 10%.
- » Others (Al foil, Cu foil, etc.) – 16%.

Competitive/geographic positioning

- » Setting up HF capacity is difficult in the US, Europe, Korea and Japan, reinforcing GFCL EV's backward-integrated HF cost advantage.
- » Electrolyte Salt manufacturers – Korea 4, Japan 2 and Europe 2.
- » US policy read-through – The "One Big Beautiful Bill" (OBBA) mandates that batteries contain ~60% non-Chinese-origin components, with this requirement increasing to 85% over the next few years. This represents a structural tailwind for non-Chinese suppliers such as GFCL EV.

Demand outlook

- » Ex-China Li-ion battery cell demand is expected to grow from ~500 GWh in CY26 to ~1.8 TWh by CY30E, translating directly into GFCL EV's addressable product demand.
- » **Demand drivers**
 - Global shift towards LFP chemistry, driven by its cost advantage across the mass-market EV and ESS segments.
 - Pick-up in Battery Energy Storage System (BESS) demand, driven by AI-led power/storage-server growth and BESS-plus-renewables grid stabilisation.
 - Global push to de-risk battery supply chains away from China.

Capex and financials

- » Total capex of Rs 60.0 bn planned by FY28E, targeting 2x asset turnover and 25%+ EBITDA margin, with full potential expected to be realised only post FY29/30E.
- » FY27E capex of Rs 23.0 bn is planned across the battery materials portfolio, with the majority earmarked for growth capex, including NGAAM.

- ▶▶ FY26 funding – Total funds raised/tied up ~Rs 37.3-10.0 bn from Indian investors, Rs 4.3 bn from IFC, ~Rs 12.0 bn from Middle Eastern sovereign funds (OIA and others); additionally, Rs 11.0 bn infused/committed by the parent.
- ▶▶ Current capacity across products is fully/completely contracted.

Guidance/Outlook

- ▶▶ Management indicated the business has crossed the hurdle of plant stabilisation, product validation and customer audits for most products.
- ▶▶ LiPF6 commercial scale-up to continue as planned into FY27E and beyond; LFP CAM commercial sales from 2HFY27E; PVDF binder commercial business from 1HFY27E.
- ▶▶ All Phase I capacity is commissioned and contracted with anchor clients; NGAAM (Anode) facility is the next key capacity addition being set up.

Financial Summary (Consolidated)

Income Statement

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E
Net sales	47,370	49,960	68,057	92,263
<i>Growth (%)</i>	<i>10.7</i>	<i>5.5</i>	<i>36.2</i>	<i>35.6</i>
Raw material	(14,800)	(16,420)	(22,504)	(30,323)
Gross profit	32,570	33,540	45,553	61,940
Employee cost	(4,330)	(4,860)	(5,589)	(6,427)
Other expenditure	(16,670)	(15,770)	(20,802)	(27,462)
Other operating income	–	–	–	–
EBITDA	11,570	12,910	19,162	28,050
<i>Growth (%)</i>	<i>21.2</i>	<i>11.6</i>	<i>48.4</i>	<i>46.4</i>
Depreciation	(3,550)	(3,670)	(4,755)	(6,381)
Other income	580	420	462	508
EBIT	8,600	9,660	14,869	22,177
Finance cost	(1,470)	(1,380)	(1,614)	(1,709)
Exceptional income/(expense)	–	–	–	–
Profit before tax	7,130	8,280	13,255	20,469
Tax (current + deferred)	(1,670)	(2,330)	(3,623)	(5,391)
Profit/(loss) for the year	5,460	5,950	9,631	15,078
P/L of JV/A, minority interest	–	40	–	–
Reported profit/(loss)	5,460	5,990	9,631	15,078
Adjusted net profit/(loss)	5,460	5,990	9,631	15,078

Balance Sheet

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E
Share Capital	110	110	110	110
Reserves & surplus	71,916	78,050	87,200	101,524
Shareholders' funds	72,026	78,160	87,310	101,634
Minority interest	457	470	470	470
Long-term borrowings	3,968	9,960	14,960	18,960
Other non-current liabilities	3,907	4,140	4,140	4,140
Total non-current liab.	7,874	14,100	19,100	23,100
Short-term borrowings	15,911	16,330	18,330	20,330
Trade payables	6,053	5,520	7,898	10,707
Other current liabilities	3,261	3,750	3,750	3,750
Total current liabilities	25,225	25,600	29,978	34,787
Total (Equity & Liab.)	106,082	118,830	137,358	160,491
Fixed assets (net block)	58,534	67,210	82,555	96,274
Non-current investments	105	360	360	360
Other non-current assets	4,616	7,180	7,180	7,180
Non-current assets	63,255	74,750	90,095	103,814
Cash and cash equivalents	2,219	3,500	305	193
Inventories	18,203	19,330	24,442	30,572
Trade receivables	11,974	12,820	17,086	21,881
Other current assets	10,432	8,430	5,430	4,030
Current assets	42,828	44,080	47,263	56,676
Total (Assets)	106,082	118,830	137,358	160,491

Cash Flow

Y/E Mar (Rs mn)	FY25	FY26	FY27E	FY28E
Profit before tax	7,130	8,280	13,255	20,469
Depreciation	3,550	3,670	4,755	6,381
Change in working capital	(5,279)	(186)	(6,000)	(6,717)
Total tax paid	(1,896)	(2,348)	(3,623)	(5,391)
Others	1,470	1,380	1,614	1,709
CF from operations (a)	4,975	10,796	10,001	16,451
Capital expenditure	(8,149)	(12,347)	(20,100)	(20,100)
Change in investments	(2,785)	365	2,000	–
Others	(303)	(2,637)	–	–
CF from investing (b)	(11,237)	(14,619)	(18,100)	(20,100)
Free cash flow	(3,174)	(1,551)	(10,099)	(3,649)
Equity raised/(repaid)	7,912	0	–	–
Debt raised/(repaid)	(79)	6,411	7,000	6,000
Dividend (excl. tax)	(330)	(330)	(482)	(754)
Others	(1,006)	(978)	(1,614)	(1,709)
CF from financing (c)	6,497	5,103	4,904	3,537
Net change in cash (a+b+c)	235	1,281	(3,195)	(112)

Key Ratios

Y/E Mar (%)	FY25	FY26	FY27E	FY28E
Adjusted EPS (Rs)	49.7	54.5	87.6	137.1
<i>Growth</i>	<i>25.5</i>	<i>9.6</i>	<i>60.8</i>	<i>56.5</i>
Book NAV/share (Rs)	655.4	710.5	793.7	923.9
Dividend payout ratio	6.0	5.5	5.0	5.0
Gross margin	68.8	67.1	66.9	67.1
EBITDA margin	24.4	25.8	28.2	30.4
EBIT margin	18.2	19.3	21.8	24.0
Tax rate	23.4	28.1	27.3	26.3
RoCE	9.5	9.4	12.6	16.3
RoE	8.3	8.0	11.6	16.0
RoIC (post-tax)	7.6	7.1	9.5	12.1
Net debt/equity (x)	0.2	0.3	0.4	0.4
Net debt/EBITDA (x)	1.3	1.6	1.7	1.4
Fixed asset turnover (x)	0.5	0.4	0.5	0.6
Net working capital days	135.6	135.0	92.7	86.6

Valuations

Y/E (x)	FY25	FY26	FY27E	FY28E
P/E	83.0	75.7	47.1	30.1
P/B	6.3	5.8	5.2	4.5
Dividend yield (%)	0.1	0.1	0.1	0.2
OCF yield (%)	1.1	2.4	2.2	3.6
EV/EBITDA	39.5	36.7	25.4	17.6
EV/Sales	9.6	9.5	7.1	5.3

360 ONE Capital, 360 ONE Capital Research and B&K Securities are abbreviations, brand or trade names of 360 ONE WAM Ltd. and 360 ONE Capital Market Private Limited (formerly Batlivala & Karani Securities India Pvt. Ltd.). The 360 ONE Capital brand covers the Group's Capital Market activities conducted through 360 ONE WAM Ltd. and Research and Stockbroking activities conducted through 360 ONE Capital Market Pvt. Ltd.

Disclaimer: This report was prepared, approved, published and distributed by 360 ONE Capital Market Private Limited (formerly Batlivala & Karani Securities India Private Limited) ("360 ONE CM") located outside of the United States (a "non-US Group Company"), which accepts responsibility for its contents. It is distributed in the U.S. by Enclave Capital, a U.S. registered broker dealer, on behalf of 360 ONE CM, only to major U.S. institutional investors (as defined in Rule 15a-6 under the U.S. Securities Exchange Act of 1934 (the "Exchange Act") pursuant to the exemption in Rule 15a-6. Neither the report nor any analyst who prepared or approved the report is subject to U.S. legal requirements or the Financial Industry Regulatory Authority, Inc. ("FINRA") or other regulatory requirements pertaining to research reports or research analysts. No non-US Group Company is registered as a broker-dealer under the Exchange Act or is a member of the Financial Industry Regulatory Authority, Inc. or any other U.S. self-regulatory organization. Outside the United States, this report is distributed by **360 ONE CM** or an authorized affiliate.

The report has been compiled, or arrived at, from sources believed to be reliable and in good faith, but no representation or warranty, express or implied is made as to their accuracy, completeness or correctness. **360 ONE CM** has not verified the factual accuracy, assumptions, calculations or completeness of the information. Accordingly, **360 ONE CM accepts no liability** whatsoever for any direct or consequential loss or damage arising from

- (i) the use of this communication
- (ii) reliance of any information contained herein,
- (iii) any error, omission or inaccuracy on any such Information or
- (iv) any action resulting therefrom.

This report was produced by **360 ONE CM** solely for **information purposes** and for the use of the recipient. It is not to be **reproduced, redistributed or disclosed** under any circumstances, and it is not to be copied or made available to any person other than the recipient. All estimates, expressions of opinion, and other subjective judgments contained herein are made as of the date of this document. Emerging securities markets may be subject to **significantly higher risks** than more established markets. In particular, the political and economic environment, corporate practices, and market prices and volumes may be subject to significant variations. The ability to assess such risks may also be limited due to substantially lower information quantity and quality. By accepting this document, you agree to be bound by all the foregoing provisions. This document does not constitute an offer of, or an invitation by or on behalf of, **360 ONE CM** or its affiliates or any other company to any person to buy or sell any security.

The views of any Analyst reflected in this report are given in compliance with the **SEBI Research Analyst Regulations, 2014 last amended on 25th November 2025**. All analysts covering the securities/companies mentioned in this report have complied with the appropriate set of rules, regulations & procedures in their detailed coverage report(s) of the respective securities/companies. It is important to note that any dispute with respect to this Research Report, would not have **access to the Stock Exchange Investor Redressal Forum or arbitration mechanism**.

We may utilise Artificial Intelligence (AI) tools to assist in various activities of our research team. Such tools are employed to enhance efficiency, productivity and quality, through the timely and orderly collection and summarisation of publicly available data and for automation of editing and similar processes. However, all final research views, opinions, and recommendations are formulated and reviewed by qualified human analysts to ensure accuracy, relevance, and compliance with applicable regulatory standards.

Analyst Certification: Each of the analysts identified in this report certifies, with respect to the companies or securities that the individual analyses, that

- (1) the views expressed in this report reflect his or her personal views about all of the subject companies and securities and
- (2) no part of his or her compensation was, is or will be directly or indirectly dependent on the specific recommendations or views expressed in this report.

SEBI DISCLAIMER: "Registration granted by SEBI and enlistment with BSE (5364) certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors". No disciplinary action has been taken against **360 ONE CM** by Regulator.

360 ONE CM subsidiaries and associates include B&K Securities Pte. Ltd., Singapore (Foreign company in marketing support).

A full list of associates, including subsidiaries and associates of 360 ONE WAM Ltd. may be found at: <http://zzz.bksec.com/Reportsupload/2025/12/200251216 - corporate structure.pdf>

Disclosures, applying to 360 ONE CM and the Analyst (together with associates and family members)

Ownership interest in the issuer of the securities mentioned	< 1%
Other financial interest in the issuer	None
Other material conflict of interest	None
Compensation/benefits received from issuer/3rd Parties in past 12 months:	
Public offerings managed/co-managed for issuer	None
Fees for merchant banking, investment banking or brokerage services (as percentage of issuer's turnover)	< 0.1%
Compensation for other services (as percentage of issuer's turnover)	< 0.1%
Analyst service as officer, director or employee of the issuer	None
Involvement in market-making in the issuer's securities	None

- 360 ONE CM or its Affiliates have not recently been the beneficial owners of 1% or more of the securities mentioned in this report.
- 360 ONE CM or its Affiliates have not managed or co-managed a public offering of the securities mentioned in the report in the past 12 months.
- 360 ONE CM or its Affiliates have not received compensation for investment banking services from the issuer of these securities in the past 12 months and do not expect to receive compensation for investment banking services from the issuer of these securities within the next three months.
- However, one or more person of 360 ONE CM or its affiliates may, from time to time, have a long or short position in any of the securities mentioned herein and may buy or sell those securities or options thereon either on their own account or on behalf of their clients.
- 360 ONE CM or its Affiliates may, to the extent permitted by law, act upon or use the above material or the conclusions stated above or the research or analysis on which they are based before the material is published to recipients and from time to time provide investment banking, investment management or other services for or solicit to seek to obtain investment banking, or other securities business from, any entity referred to in this report.
- As of the publication of this report, Enclave Capital does not make a market in the subject securities.

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Important US Regulatory Disclosures on Subject Companies

Enclave Capital is the distributor of this document in the United States of America. Any US customer wishing to effect transactions in any securities referred to herein or options thereon should do so only by contacting a representative of Enclave Capital and any transaction effected by a U.S. customer in the securities described in this report must be effected through Enclave Capital (19 West 44th Street, suite 1700, New York, NY 10036. Tel No: (646) 454 8600).

360 ONE Capital Market Private Limited

(formerly Batlivala & Karani Securities India Private Limited)

Equity Research Division: Unit No. 1101, 1103, 1104, 11th Floor, Hallmark Business Plaza, Sant Dnyaneshwar Marg, Near Guru Nanak Hospital, Bandra East, Mumbai - 400 051, India. Tel: +91-22-4007 6000, Fax: +91-22-2651 0024 / +91-22-2640 1520.

Compliance officer: Meenu Wallia. Tel.: +91 22 4031 7241. E-Mail: meenu.walia@bksec.com

For any grievance/dispute: Please contact 360 ONE Capital Market Private Limited (formerly Batlivala & Karani Securities India Pvt. Ltd.) at the above address or email id - investorcomplaints@bksec.com and Phone no. +91 22 40317249 /41.

Registered Office: Room No. 3/4, 7 Lyons Range, Kolkata - 700 001. Tel.: +91-33-2243 7902.

SEBI Registration No. for 360 ONE Capital Market Private Limited (formerly Batlivala & Karani Securities India Pvt. Ltd.) (Research Entity) is INH300000211

360 ONE CM Research is also available on Bloomberg <BNKI>, Thomson First Call & Investext