GUJARAT FLUOROCHEMICALS LIMITED

(earlier known as Inox Fluorochemicals Limited)

CIN : U24304GJ2018PLC105479, Website : www.gfl.co.in , email : contact@gfl.co.in
Registered Office: 16/3, 26 & 27, Village Ranjitnagar, Taluka Goghamba, District Panchmahals, Gujarat 389 380

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

(Rs.in Lakhs)

Sr. No.	Particulars	Quarter ended 30 June 2020 (Unaudited)	Preceding Quarter ended 31 March 2020 (Audited)	Corresponding Quarter ended 30 June 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
I	Revenue from operations	55,996	63,271	74,005	2,60,637
II	Other income (see note 3)	2,703	17,278	274	18,379
III	**Total Income (I+II)**	**58,699**	**80,549**	**74,279**	**2,79,016**
IV	**Expenses**				
	Cost of materials consumed	20,186	19,905	28,291	95,389
	Purchases of stock-in-trade	-	-	23	57
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	(2,358)	2,602	(5,293)	(10,339)
	Material extraction and processing cost	893	796	967	3,893
	Power and fuel	9,465	10,773	12,741	48,128
	Employee benefits expense	5,451	4,901	5,362	20,488
	Foreign exchange fluctuation (gain)/loss (net)	(1,288)	(412)	(759)	(3,249)
	Net (gain)/loss on fair value changes in investments classified at FVTPL	(1,216)	8,149	(20)	8,158
	Finance costs	3,346	3,299	1,931	10,479
	Depreciation and amortisation expense	4,974	4,927	4,713	19,241
	Other expenses	9,212	13,744	13,654	50,958
	Total expenses	**48,665**	**68,684**	**61,610**	**2,43,203**
V	Share of profit/(loss) of joint venture**	-	-	-	-
VI	**Profit before exceptional items and tax (III-IV+V)**	**10,034**	**11,865**	**12,669**	**35,813**
VII	Exceptional items (see Note 4)	-	-	-	(2,604)
VIII	**Profit before tax (VI+VII)**	**10,034**	**11,865**	**12,669**	**33,209**

IX	**Tax expense**				
	(1) Current tax	3,188	6,713	4,638	14,594
	(2) Deferred tax	(173)	473	61	814
	(3) Tax pertaining to earlier periods (see Note 3)	-	2,120	(3,242)	(1,130)
	Total tax expense	**3,015**	**9,306**	**1,457**	**14,278**
X	**Profit for the period (VIII-IX)**	**7,019**	**2,559**	**11,212**	**18,931**
XI	**Other comprehensive income**				
	A) Items that will not be reclassified to profit or loss				
	Remeasurement of the defined benefit plan	(105)	8	(169)	(107)
	Income tax on above	37	(3)	59	37
	B) Items that will be reclassified to profit or loss				
	(a) Exchange differences in translating the financial statements of foreign operations	(27)	710	(30)	1,063
	(b) Gains and (losses) on effective portion of hedging instruments in a cash flow hedge	(7)	(70)	(90)	(213)
	Income tax on above	2	25	31	75
	Total other comprehensive income (net of tax)	**(100)**	**670**	**(199)**	**855**
XII	**Total comprehensive income for the period (Comprising Profit and Other Comprehensive Income for the period) (IX+X)**	**6,919**	**3,229**	**11,013**	**19,786**
	Profit/(Loss) for the year attributable to:				
	- Owners of the Company	**6,986**	**2,851**	**11,238**	**19,632**
	- Non-controlling interests	**33**	**(292)**	**(26)**	**(701)**
	Other comprehensive income for the year attributable to:				
	- Owners of the Company	**(80)**	**709**	**(197)**	**908**
	- Non-controlling interests	**(20)**	**(39)**	**(2)**	**(53)**
	Total comprehensive income for the year attributable to:				
	- Owners of the Company	**6,906**	**3,560**	**11,041**	**20,540**
	- Non-controlling interests	**13**	**(331)**	**(28)**	**(754)**
XIII	**Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)**	**14,435**	**10,962**	**19,019**	**55,312**
XIV	Paid-up equity share capital (face value of Re 1 each)	1,099	1,099	1,099	1,099
XV	Other Equity (excluding revaluation reserves)				3,70,462
XVI	**Basic and Diluted Earnings per equity share (in Rs.)***	**6.39**	**2.33**	**10.21**	**17.23**

(*) Not Annualised

(**) Amount is less than Rs. 1 Lakh

Notes:

1. The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 30th July, 2020. The same have been subjected to Limited Review by the Statutory Auditors and they have issued unmodified review report.

2. During the preceding year, as per the Scheme of Arrangement between GFL Limited ("the demerged company") and Gujarat Fluorochemicals Limited ("the Company"), the Chemical Business Undertaking of the demerged company was transferred and vested with the Company. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, stand transferred and vested into the Company from the Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company. Further, in respect of the secured loans transferred to the Company, the process of transfer of charges is in progress.

3. In the preceding year, after recording the assets and liabilities, acquired on demerger, at book values, the Company had reassessed and recomputed the deferred tax assets/liabilities which resulted in increase in deferred tax liability by Rs. 2,591 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which was charged to the statement of profit and loss and included in 'tax pertaining to earlier periods'. Further, on receipt of ITAT orders during the preceding year, the Company was entitled to net incremental tax benefit of Rs. 3,713 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which was also included in the 'tax pertaining to earlier periods' in the above results. Interest of Rs. 11,969 lakhs on the resulting income-tax refunds was included in 'Other Income' during the quarter and year ended 31st March 2020. The Income-tax Department has contested the ITAT Orders before the Hon'ble Gujarat High Court / Supreme Court.

4. The 'exceptional item' for the preceding year represents expenses in connection with the said demerger scheme.

5. In view of the COVID-19 pandemic and consequential declaration of lockdown by the Government of India, the manufacturing facilities of the Company at Ranjitnagar and Dahej, Gujarat were closed from 25th March 2020. However, the Company was permitted to restart its manufacturing facilities from 8th April 2020 being 'essential commodity chemical supplier' to the pharma and agrochemical industries. The manufacturing activities of the Company were closed down only for a few days and with the subsequent easing of the lockdown guidelines, now the operations of the Company are significantly stabilized. On the basis of assessment of the current situation carried out by the Company, the COVID-19 pandemic has no material impact on its operations and is likely to be short term in nature. Given the continuing uncertainties of the COVID- 19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Company's operations to be continuously monitored.

6. The Group has a single operating segment viz. 'Chemicals'.

7. Figures for the quarter ended 31st March 2020 are the balancing figures between the audited figures in respect of the full financial year up to 31st March 2020 and the unaudited published year-to-date figures up to 31st December 2019 which were subjected to limited review.

On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

Place: Noida

Date: 30th July, 2020

Vivek Jain
Managing Director

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2020

(Rs.in Lakhs)

Sr. No.	Particulars	Quarter ended 30 June 2020 (Unaudited)	Preceding Quarter ended 31 March 2020 (Audited)	Corresponding Quarter ended 30 June 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
I	Revenue from operations	55,658	56,210	73,513	2,49,639
II	Other income (see note 3)	2,716	17,346	286	18,360
III	**Total Income (I+II)**	**58,374**	**73,556**	**73,799**	**2,67,999**
IV	**Expenses**				
	Cost of materials consumed	19,356	19,527	28,192	94,693
	Purchases of stock-in-trade	-	-	23	57
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	590	(564)	(2,607)	(7,471)
	Power and fuel	9,345	10,662	12,608	47,629
	Employee benefits expense	4,989	4,419	4,935	18,661
	Foreign exchange fluctuation (gain)/loss (net)	(711)	(976)	(686)	(3,767)
	Net (gain)/loss on fair value changes in investments classified at FVTPL	(1,216)	8,149	(20)	8,158
	Finance costs	3,268	3,262	1,834	10,138
	Depreciation and amortisation expense	4,552	4,500	4,324	17,607
	Other expenses	8,567	12,797	12,680	47,388
	Total expenses (IV)	**48,740**	**61,776**	**61,283**	**2,33,093**
V	**Profit before exceptional items and tax (III-IV)**	**9,634**	**11,780**	**12,516**	**34,906**
VI	Exceptional items (see note 4)	-	-	-	(2,604)
VII	**Profit before tax (V+VI)**	**9,634**	**11,780**	**12,516**	**32,302**

VIII	**Tax expense**				
	(1) Current tax	3,040	6,506	4,493	13,922
	(2) Deferred tax	(97)	298	93	507
	(3) Tax pertaining to earlier periods (see note 3)	-	2,120	(3,242)	(1,122)
	Total tax expense	**2,943**	**8,924**	**1,344**	**13,307**
IX	**Profit for the period (VII-VIII)**	**6,691**	**2,856**	**11,172**	**18,995**
X	**Other Comprehensive Income**				
	A) Items that will not be reclassified to profit or loss				
	Remeasurement of the defined benefit plan	(105)	8	(169)	(107)
	Income tax on above	37	(3)	59	37
	B) Items that will be reclassified to profit or loss				
	Gains and (losses) on effective portion of hedging instruments in a cash flow hedge	(7)	(70)	(90)	(213)
	Income tax on above	2	24	31	74
	Total other comprehensive income (net of tax)	**(73)**	**(41)**	**(169)**	**(209)**
XI	**Total comprehensive income for the period (Comprising Profit and Other Comprehensive Income for the period) (IX+X)**	**6,618**	**2,815**	**11,003**	**18,786**
XII	**Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)**	**13,522**	**10,345**	**18,368**	**52,449**
XIII	Paid-up equity share capital (face value of Re 1 each)	1,099	1,099	1,099	1,099
XIV	Other Equity (excluding revaluation reserves) as shown in the audited balance sheet of the previous year				3,49,358
XV	Basic and Diluted Earnings per equity share of Re. 1 each (in Rs.)	**6.09***	**2.60***	**10.17 ***	**17.29**

(*) Not Annualised

Notes:

1. The above results were reviewed by the Audit Committee and were thereafter approved by the Board of Directors at its meeting held on 30th July, 2020. The same have been subjected to Limited Review by the Statutory Auditors and they have issued unmodified review report.

2. During the preceding year, as per the Scheme of Arrangement between GFL Limited (“the demerged company”) and Gujarat Fluorochemicals Limited (“the Company”), the Chemical Business Undertaking of the demerged company was transferred and vested with the Company. Accordingly, all the assets and liabilities pertaining to the Chemical Business Undertaking, as defined in the Scheme, stand transferred and vested into the Company from the Appointed Date i.e. 1st April 2019. Certain assets, particularly the immovable properties, are in the process of being registered in the name of the Company. Further, in respect of the secured loans transferred to the Company, the process of transfer of charges is in progress.

3. In the preceding year, after recording the assets and liabilities, acquired on demerger, at book values, the Company had reassessed and recomputed the deferred tax assets/liabilities which resulted in increase in deferred tax liability by Rs. 2,591 lakhs, on account of non-availability of benefits u/s 80IA of the Income-tax Act to the Company in respect of the demerged captive power plants, which was charged to the statement of profit and loss and included in ‘tax pertaining to earlier periods’. Further, on receipt of ITAT orders during the preceding year, the Company was entitled to net incremental tax benefit of Rs. 3,713 lakhs for earlier periods in respect of the demerged Chemical Business Undertaking vested with the Company which was also included in the ‘tax pertaining to earlier periods’ in the above results. Interest of Rs. 11,969 lakhs on the resulting income-tax refunds was included in ‘Other Income’ during the quarter and year ended 31st March 2020. The Income-tax Department has contested the ITAT Orders before the Hon’ble Gujarat High Court / Supreme Court.

4. The ‘exceptional item’ for the preceding year represents expenses in connection with the said demerger scheme.

5. In view of the COVID-19 pandemic and consequential declaration of lockdown by the Government of India, the manufacturing facilities of the Company at Ranjitnagar and Dahej, Gujarat were closed from 25th March 2020. However, the Company was permitted to restart its manufacturing facilities from 8th April 2020 being ‘essential commodity chemical supplier’ to the pharma and agrochemical industries. The manufacturing activities of the Company were closed down only for a few days and with the subsequent easing of the lockdown guidelines, now the operations of the Company are significantly stabilized. On the basis of assessment of the current situation carried out by the Company, the COVID-19 pandemic has no material impact on its operations and is likely to be short term in nature. Given the continuing uncertainties of the COVID- 19 pandemic, its actual impact may be different from that estimated as on the date of approval of these financial statements, which will require the impact assessment on the Company’s operations to be continuously monitored.

6. The Company has a single operating segment viz. ‘Chemicals’.

7. Figures for the quarter ended 31st March 2020 are the balancing figures between the audited figures in respect of the full financial year up to 31st March 2020 and the unaudited published year-to-date figures up to 31st December 2019 which were subjected to limited review.

On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

Place: Noida
Date: 30th July, 2020

Vivek Jain
(Managing Director)