



GUJARAT FLUOROCHEMICALS LIMITED

(earlier known as Inox Fluorochemicals Limited)

CIN : L24304GJ2018PLC105479, 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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2020

(Rs. in Lakhs)

Sr. No.	Particulars	Quarter ended 31 December 2020 (Unaudited)	Preceding Quarter ended 30 September 2020 (Unaudited)	Corresponding Quarter ended 31 December 2019 (Unaudited)	Nine months ended 31 December 2020 (Unaudited)	Corresponding Nine months ended 31 December 2019 (Unaudited)	Year ended 31 March 2020 (Audited)
I	Revenue from operations	59,997	59,170	54,213	174,706	193,429	249,639
II	Other income (see note 4)	2,934	3,184	320	8,953	1,014	18,360
III	Total Income (I+II)	62,931	62,354	54,533	183,659	194,443	267,999
IV	Expenses						
	Cost of materials consumed	18,364	21,365	21,195	59,085	75,164	94,693
	Purchases of stock-in-trade	-	-	28	-	59	57
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	586	(2,268)	(4,238)	(1,092)	(6,907)	(7,471)
	Power and fuel	10,673	11,070	11,551	31,088	36,967	47,629
	Employee benefits expense	5,038	4,854	4,626	14,881	14,242	18,661
	Foreign exchange fluctuation (gain)/loss (net)	(957)	(680)	(738)	(2,348)	(2,791)	(3,767)
	Net (gain)/loss on fair value changes in investments classified at FVTPL	(1,409)	(787)	(748)	(3,412)	9	8,158
	Finance costs	2,679	2,753	2,686	8,700	6,876	10,138
	Depreciation and amortization expense	4,670	4,639	4,364	13,861	13,107	17,607
	Other expenses	11,826	9,714	11,002	30,107	34,591	47,388
	Total expenses (IV)	51,470	50,660	49,728	150,870	171,317	233,093
V	Profit before exceptional items and tax (III-IV)	11,461	11,694	4,805	32,789	23,126	34,906
VI	Exceptional items (see note 3)	-	-	-	-	(2,604)	(2,604)
VII	Profit before tax (V+VI)	11,461	11,694	4,805	32,789	20,522	32,302

VIII	Tax expense						
	(1) Current tax	1,202	3,662	854	7,904	7,416	13,922
	(2) Deferred tax	(572)	168	652	(501)	209	507
	Tax expense (see note 4)	630	3,830	1,506	7,403	7,625	14,429
IX	Profit before Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate (VII-VIII)	10,831	7,864	3,299	25,386	12,897	17,873
X	Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate (see note 4)	58,299	-	-	58,299	(3,242)	(1,122)
XI	Profit/(loss) for the period (IX-X)	(47,468)	7,864	3,299	(32,913)	16,139	18,995
XII	Other Comprehensive Income						
	A) Items that will not be reclassified to profit or loss						
	Remeasurement of the defined benefit plan	20	61	17	(24)	(115)	(107)
	Income tax on above	(11)	(21)	(6)	5	40	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	5	21	(117)	19	(143)	(213)
	Income tax on above	1	(7)	41	(4)	50	74
	Total other comprehensive income (net of tax)	15	54	(65)	(4)	(168)	(209)
XIII	Total comprehensive income for the period (Comprising Profit/(loss) and Other Comprehensive Income for the period) (XI+XII)	(47,453)	7,918	3,234	(32,917)	15,971	18,786
XIV	Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	14,467	15,115	10,787	42,985	42,104	52,449
XV	Paid-up equity share capital (face value of Re 1 each)	1,099	1,099	1,099	1,099	1,099	1,099
XVI	Other Equity (excluding revaluation reserves) as shown in the Audited Balance Sheet of the previous year						349,358
XVII	Basic and Diluted Earnings per equity share of Re. 1 each (in Rs.)	(43.21)*	7.16*	3.00*	(29.96)*	14.69*	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 9th February, 2021. 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. The ‘exceptional item’ for the preceding year represents expenses in connection with the said demerger scheme.
4. The Company had filed applications under Vivad se Vishwas Scheme in order to settle various income-tax matters for the assessment years 2007-08 to 2013-14 which are being contested by the Income-tax Department before Hon’ble Supreme Court. The Income-tax Department has now processed the applications filed by the Company and accordingly the Company is required to pay 50% of disputed income-tax aggregating to Rs. 2,944 lakhs in respect of these years. The total impact of the settlement of Rs. 68,974 lakhs (mainly on account of reduction in MAT credit entitlement) is recognized and included in ‘tax pertaining to earlier periods’ during the quarter and nine months ended 31st December 2020 in the above results.

Consequent to settlement of above income-tax matters and reversal of MAT credits, the Company now proposes to exercise the option under section 115BAA of the Income-tax Act, 1961 from the current financial year ending 31st March 2021 and thus, applicable tax rate for the Company will be 25.17% as against the earlier rate of 34.94%. Accordingly, the net deferred tax liability as on 1st April 2020 is also re-measured and the reduction of Rs. 10,675 lakhs in the deferred tax liability is recognized during the quarter ended 31st December 2020.

Further, the provision for income tax and deferred tax for the nine months ended 31 December 2020 is also computed @ 25.17% and the aggregate charge of income-tax & deferred tax of Rs. 630 lakhs for the quarter ended 31 December 2020 is net of Rs. 1893 lakhs being the reduction in the amount of income-tax and deferred tax charged earlier for the six months ended 30 September 2020.

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 year ended 31st March 2020.


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 down only for a few days and with the subsequent easing of the lockdown guidelines, the operations of the Company are now fully 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. 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 Code on Social Security 2020 has been notified in the Official Gazette on 29 September 2020, which could impact the contributions by the Company towards certain employment benefits. However, the date from which the Code will come into effect has not been notified. The Company will assess and give appropriate impact in the financial statements in the period in which the Code comes into effect.
7. The Company has a single operating segment viz. 'Chemicals'.

Place: New Delhi

Date: 9th February, 2021

On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

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Vivek Jain
(Managing Director)



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(Rs. in Lakhs)

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I	Revenue from operations	63,416	61,731	57,117	181,024	197,366	260,637
II	Other income (see note 4)	2,924	3,171	406	8,917	1,101	18,379
III	Total Income (I+II)	66,340	64,902	57,523	189,941	198,467	279,016
IV	Expenses						
	Cost of materials consumed	19,114	21,809	21,804	61,109	75,482	95,389
	Purchases of stock-in-trade	-	-	28	-	57	57
	Changes in inventories of finished goods, work-in-progress, stock-in-trade and by products	1,703	(2,340)	(5,512)	(2,995)	(12,941)	(10,339)
	Material Extraction and Processing Cost	810	988	966	2,691	3,097	3,893
	Power and fuel	10,768	11,198	11,679	31,431	37,355	48,128
	Employee benefits expense	5,537	5,348	5,084	16,336	15,587	20,488
	Foreign exchange fluctuation (gain)/loss (net)	(1,479)	(1,410)	(916)	(4,177)	(2,837)	(3,249)
	Net (gain)/loss on fair value changes in investments classified at FVTPL	(1,409)	(787)	(748)	(3,412)	9	8,158
	Finance costs	2,763	2,853	2,773	8,962	7,180	10,479
	Depreciation and amortization expense	5,154	5,082	4,790	15,210	14,314	19,241
	Other expenses	12,713	10,432	11,817	32,357	37,216	50,958
	Total expenses (IV)	55,674	53,173	51,765	157,512	174,519	243,203
V	Share of profit/(loss) of joint venture	(1)	*	*	(1)	*	*
VI	Profit before exceptional items and tax (III-IV+V)	10,665	11,729	5,758	32,428	23,948	35,813
VII	Exceptional items (see note 3)	-	-	-	-	(2,604)	(2,604)
VIII	Profit before tax (VI+VII)	10,665	11,729	5,758	32,428	21,344	33,209

IX	Tax expense						
	(1) Current tax	1,356	3,834	951	8,378	7,881	14,594
	(2) Deferred tax	(880)	(19)	889	(1,072)	341	814
	Tax expense (see note 4)	476	3,815	1,840	7,306	8,222	15,408
X	Profit before Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate (VIII-IX)	10,189	7,914	3,918	25,122	13,122	17,801
XI	Tax pertaining to earlier periods and impact of net deferred tax liability remeasurement on account of change in tax rate (see note 4)	58,299	(1)	(1)	58,298	(3,250)	(1,130)
XII	Profit/(Loss) for the period (X-XI)	(48,110)	7,915	3,919	(33,176)	16,372	18,931
XIII	Other comprehensive income						
	A) Items that will not be reclassified to profit or loss						
	Remeasurement of the defined benefit plan	20	61	17	(24)	(115)	(107)
	Income tax on above	(10)	(22)	(6)	5	40	37
	B) Items that will be reclassified to profit or loss						
	(a) Exchange differences in translating the financial statements of foreign operations	(41)	(254)	186	(322)	327	1,063
	(b) Gains and (losses) on effective portion of hedging instruments in a cash flow hedge	5	21	(117)	19	(117)	(213)
	Income tax on above	1	(7)	41	(4)	50	75
	Total other comprehensive income (net of tax)	(25)	(201)	121	(326)	185	855
XIV	Total comprehensive income for the period (Comprising Profit/(Loss) and Other Comprehensive Income for the period) (XII+XIII)	(48,135)	7,714	4,040	(33,502)	16,557	19,786
	Profit/(Loss) for the period attributable to:						
	- Owners of the Company	(48,043)	7,906	4,057	(33,151)	16,781	19,632
	- Non-controlling interests	(67)	9	(138)	(25)	(409)	(701)
	Other comprehensive income for the period attributable to:						
	- Owners of the Company	(12)	(196)	132	(288)	199	908
	- Non-controlling interests	(13)	(5)	(11)	(38)	(14)	(53)
	Total comprehensive income for the period attributable to:						

	- Owners of the Company	(48,055)	7,710	4,189	(33,439)	16,980	20,540
	- Non-controlling interests	(80)	4	(149)	(63)	(423)	(754)
XV	Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	14,249	15,706	12,167	44,271	44,350	55,312
XVI	Paid-up equity share capital (face value of Re 1 each)	1,099	1,099	1,099	1,099	1,099	1,099
XVII	Other Equity (excluding revaluation reserves) as shown in the audited Balance Sheet of previous year						370,462
XVIII	Basic and Diluted Earnings per equity share of Re. 1 each (in Rs.)	(43.80)**	7.21**	3.57**	(30.20)**	14.90**	17.23

(*) amount is less than Rs. 1 Lakh

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On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

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Vivek Jain
Managing Director