



MONEY

MUMBAI: Gujarat Fluorochemicals (GFL), a producer of refrigerant gases, will sell half the poly tetra fluoro ethane (PTFE) output of its Dahej plant to a European collaborator. Another 30% of the output will be sold to a US-based company and the rest will sold in the domestic market.

The Panchmahal, Gujarat-based company recently started commercial operations at the 5,500 tonnes per annum PTFE plant at the chemicals complex at Dahej. The plant produces engineering plastic with a range of commercial applications which commissioned in last December.

Deepak Asher, group head (corporate finance), GFL, said, "The fully commissioned Dahej complex will diversify our product portfolio and strengthen cost-competitiveness, making us amongst the most integrated manufacturers of these products in the world." He declined to reveal the name of the European collaborator.

With this, all the company's plants - 35 MW captive power unit, 52,500 TPA caustic soda-chlorine unit and 40,000 TPA chloromethane plant — have commenced commercial operations. The company exports around 90% of its production to around 75 countries.

GFL is among the top carbon credit generating companies in the world. In FY07 it issued 5.73 million carbon credits. It recently got 1.6 million carbon credits worth Rs 200 crore.

Asher is bullish on the prospects for the company's refrigerant gas business. "It will continue to grow at a robust pace owing to the inherent cost-competitiveness," he said.

A recent IL&FS Investsmart report says GFL will witness momentum going ahead as it increased cash generation through carbon credits, full utilisation of its chemical complex and the focus on the power sector. Its subsidiary Inox Leisure is also expected to generate considerable value in the coming days, the report said.

Inox Leisure Ltd, in which GFL holds a 66% stake, plans to invest Rs 300 crore to set up 63 multiplexes with 248 screens across the country by 2010. "Inox will use the proceeds from its initial public offering to fund its expansion plans," Asher said.

GFL is jointly promoted by Industrial Oxygen Company and the Gujarat Industrial Investment Corporation (GIIC). It reported a 55.44% rise in net profit for the second quarter ended September 30, 2007 at Rs 82.48 crore (Rs 53.06 crore). Net sales rose 47.26% to Rs 192.45 crore (Rs 130.68 crore).