

STANDALONE UNAUDITED FINANCIAL RESULTS

FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2008

Rs in Lakhs

Sr. No.	Particulars	Quarter Ended (Unaudited)		Nine Months Ended (Unaudited)		Year Ended (Audited)
		31st December 2008	31st December 2007	31st December 2008	31st December 2007	31st March 2008
1	Income					
	a) Net Sales / Income from operations	25044	19668	76156	50337	72322
	b) Other Operating Income	75	1192	148	3402	3176
	Total Income	25119	20860	76304	53739	75498
2	Expenditure					
	a) Increase (-) / (+) Decrease in stock-in-trade	(2082)	327	(4853)	(495)	(965)
	b) Consumption of materials	5379	4883	15661	11739	16195
	c) Purchase of traded goods	0	92	46	237	302
	d) Employees cost	1297	881	3854	2362	3731
	e) Power & Fuel	2819	1600	7060	4453	6954
	f) Foreign exchange fluctuation loss (Net)	1542	0	5508	0	0
	g) Depreciation (including amortization)	1206	2007	3656	5367	1383
	h) Other expenses	3355	2526	8593	6090	10207
	i) Expenditure capitalized	0	0	0	0	(378)
	j) Total Expenditure (a to i)	13516	12316	39525	29753	37429
3	Profit from Operations before Other Income, Interest & Exceptional Items (1-2)	11603	8544	36779	23986	38069
4	Other Income	653	3471	2385	8394	8992
5	Profit before Interest & Exceptional Items (3+4)	12256	12015	39164	32380	47061
6	Interest	1775	800	4013	1849	2764
7	Profit after Interest but before Exceptional Items (5-6)	10481	11215	35151	30531	44297
8	Exceptional Items	0	0	0	0	0
9	Profit from Ordinary Activities before tax (7+8)	10481	11215	35151	30531	44297
10	Tax Expense					
	a) Current Tax	2845	1470	9185	5968	8377
	b) Deferred Tax	491	1499	1181	2642	3830
	c) Fringe Benefit Tax	13	12	38	30	45
	Total Provision for Taxation (a to c)	3349	2981	10404	8640	12252
11	Net Profit from Ordinary Activities	7132	8234	24747	21891	32045
12	Extraordinary Item (net of tax)	0	0	0	0	0
13	Net Profit	7132	8234	24747	21891	32045

14	Paid-up Equity Share Capital (Face value of Re 1 each)	1120.76	1157.80	1120.76	1157.80	1157.80
15	Reserves (excluding revaluation reserves)					97911
16	Basic and Diluted Earnings per share (Rs) (Face value of Re 1 each) - Not annualized	6.23	7.19	21.60	19.11	27.98
17	Aggregate of public shareholding					
	- Number of shares	35142737	38846460	35142737	38846460	38846460
	- Percentage of shareholding	31.36%	33.55%	31.36%	33.55%	33.55%

SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED
FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2008

Rs in Lakhs

Sr. No.	Particulars	Quarter Ended (Unaudited)		Nine Months Ended (Unaudited)		Year Ended (Audited)
		31st December 2008	31st December 2007	31st December 2008	31st December 2007	31 st March 2008
1	Segment Revenue					
a)	Chemicals	24731	20695	74438	52650	74298
b)	Power	2602	2417	8677	5944	8792
c)	Other Segment, Un-allocable and Corporate	646	3471	2378	8394	8992
	Total Segment Revenue	27979	26583	85493	66988	92082
	Less: Inter Segment Revenue – Power	2207	2252	6804	4855	7592
	Total External Revenue	25772	24331	78689	62133	84490
2	Segment Result					
a)	Chemicals	12873	8708	38815	25121	37570
b)	Power	(164)	(9)	1765	(813)	1909
	Total Segment Result	12709	8699	40580	24308	39479
	Add/(less): Un-allocable Income/(expenses) (Net of Un-allocable expenses/income)	(453)	3316	(1416)	8072	7582
	Less: Interest expenses	1775	800	4013	1849	2764
	Total Profit Before Tax	10481	11215	35151	30531	44297
3	Segment Capital Employed (Segment Assets – Segment Liabilities)					
a)	Chemicals	74046	64869	74046	64869	59020
b)	Power	43186	20397	43186	20397	31170
c)	Other Segment, Un-allocable and corporate	2425	6453	2425	6453	8879
	Total	119657	91719	119657	91719	99069

Notes:-

1. The above results, reviewed by the Audit Committee, were approved by the Board of Directors at their meeting held on 23rd January, 2009 and have undergone “Limited Review” by the Statutory Auditors.
2. Corresponding figures for the previous period / year have been regrouped / recast wherever necessary to correspond to current period / year classification.
3. The Board of Directors of the Company at its meeting held on 21st March, 2008, has approved a proposal, in accordance with Article 8A of the Articles of Association of the Company, and other applicable regulatory provisions, to purchase / buy-back fully paid equity shares of Re 1 each of the Company at a price not exceeding Rs 300 per equity share so that the maximum amount to be utilized for buy-back of shares shall not exceed Rs 6143 lacs which represents 10 % of paid up capital and free reserves of the Company as on 31st March, 2007. The Securities and Exchange Board of India has, vide its order dated 24th July, 2008, been pleased to grant an exemption to the Promoter / Promoter Group from making a public offer in terms of the Takeover Regulations. In pursuance of the above buy-back, the Company has, up to 31st December, 2008, purchased 37,09,723 equity shares, at a total cost of Rs 4770.64 lakhs, out of which 37,03,723 equity shares have been extinguished.
4. Net Sales / Income from Operations include income from Certified Emissions Reductions (Carbon Credits). “Chemicals” segment includes figures pertaining to Carbon Credits.
5. The Company had entered into a fixed price long term Gas Supply Agreement (GSA), with Gujarat Gas Company Limited (GGCL), on 14 March, 2006, valid till 31st March, 2011, with a price reset clause pursuant to which the fixed price, of US \$ 4.60 per MMBTU, valid till 31st March, 2008, was to be mutually negotiated and revised, by 31st December, 2007, to be effective from 1st April, 2008. On GGCL failing to make any endeavours to negotiate the price of gas effective from 1st April, 2008 despite repeated reminders from the Company, the Company approached the Honourable High Court of Delhi, which, vide interim orders, directed GGCL to continue to supply gas to the Company, on the Company paying GGCL an amount of US \$ 4.60 per MMBTU (subsequently revised to US \$ 10 per MMBTU), and submitting to the Court a bank guarantee for a further US \$ 10 per MMBTU. Despite the above order, GGCL wrongfully purported to terminate the GSA, effective from 1st April, 2008 and has been raising invoices on the Company at US \$ 24.62 per MMBTU, for gas supplied from 1st April, 2008. The Company has also commenced arbitration proceedings against GGCL, contending that GGCL has forfeited its right to revise the price, as also to terminate the GSA, after 1st April, 2008. In view of the above pending proceedings the Company has made provision in its books of accounts for the gas supplied, at a rate of US \$ 4.60 per MMBTU. The difference between the price billed for by GGCL to the Company, and the amount provided by the Company for the quarter ended December 2008 is Rs. 3179 lakhs and for the nine months ended December 2008 is Rs 10698 lakhs. The above arbitration proceedings are pending before the Honorable Arbitration panel. In the meantime, the Company has made alternative arrangements for supply of its gas requirements, from two different sources, at a price of US \$ 4.81 and upto US \$ 5.73 respectively, and supplies under this new agreement have commenced during the month of December 2008.
6. Up to and including the financial year 2006-07, depreciation on Plant and Machinery and Wind Mills was provided on written down value method, at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956. At the time of finalization of accounts for the financial year 2007-08, it was decided to provide depreciation on Plant and Machinery and Wind Mills on straight line method, at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956, since, in the opinion of the management, this would result in a more appropriate presentation in the financial statements of the Company. Hence, the

depreciation figures for the quarter and nine month ended 31st December, 2008 and those of the corresponding earlier periods, are not directly comparable.

7. For the Assessment Year 2006-07, the Income-tax Department has treated the investments of the Company as a business activity and has re-computed the amount of income-tax payable accordingly, in line with the stand taken by it in Assessment Year 2005-06. The Department has also re-opened the assessments for the Assessment Years 2003-04 and 2004-05 on this issue, and raised a demand accordingly. The total demand raised on this account for the four Assessment Years is Rs 3903 lakhs. The Company is contesting the matter in appeals and consequently the liability on this account is not provided in the accounts.
8. There were no investors' complaints pending at the beginning of the quarter. The Company received 14 complaints during the quarter. The Company has disposed all 14 complaints and there were no complaints outstanding at the end of the quarter.

On behalf of the Board of Directors
For Gujarat Fluorochemicals Limited

23rd January, 2009
Noida

VIVEK JAIN
Managing Director