

GFL Limited

((Earlier known as Gujarat Fluorochemicals Limited)
ABS Towers, 2nd Floor, Old Padra Road, Vadodara 390 007
Telephone: +91 (265) 6198111 Fax : +91 (265) 2310 312

19th August, 2019

To
The Manager
Department of Corporate Services
M/s Bombay Stock Exchange Limited
P.J. Towers Dalal Street
Mumbai – 400001
BSE script code: 500173

To
The Manager
Department of Corporate Services
The National Stock Exchange Limited
Exchange Plaza, C-1
Block G, Bandra Kurla Complex, Bandra (East)
Mumbai – 400051
Symbol: GFLIMITED

**Sub: Apportionment of Cost of Acquisition of equity shares pursuant to Scheme of
Arrangement**

Dear Sirs,


Please find enclosed herewith communication being issued for general guidance of Shareholders of the Company in relation to apportionment of the cost of acquisition of equity shares of the Company and Gujarat Fluorochemicals Limited (earlier known as Inox Fluorochemicals Limited) as per provisions of Income Tax-Act, 1961.

Kindly find the same in order and arrange to publish the same for the information of the Members.

Thanking you,
Yours faithfully,

For GFL Limited

(Earlier known as Gujarat Fluorochemicals Limited)


Dhruv Shah
Company Secretary

Place: Vadodara
Date: 19/08/2019

*Registered office: Survey No 16/3, 26 & 27, Village Ranjitnagar, Taluka Ghoghamba, District Panchmahal
Telephone: +91 (2678) 248153 Fax: +91 (2678) 248153
CIN: L24110GJ1987PLC009362*

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FOR THE ATTENTION OF COMPANY'S SHAREHOLDERS

Gujarat Fluorochemicals Limited, now known as GFL Limited, ("the Demerged Company" or "GFL1") has been a listed company that owned a Chemical Business Undertaking, and equity shareholding in certain other businesses including Inox Leisure Limited and Inox Wind Limited, amongst others. The Board of Directors of GFL1 had decided to demerge the chemical business from GFL1, into a separate company called Inox Fluorochemicals Limited, now known as Gujarat Fluorochemicals Limited, ("the Resulting Company" or "GFL2").

The Hon'ble National Company Law Tribunal, Ahmedabad Bench, by its Order dated 4th July, 2019, has approved the Scheme of Arrangement between GFL1 and GFL2, and their respective Shareholders, under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 ("the Scheme") for the demerger of Chemical Business Undertaking from GFL1 to GFL2.

The Appointed Date of the Scheme is 1st April 2019. Accordingly, with effect from the Appointed Date, the entire Chemical Business Undertaking of GFL1 has been transferred and vested into GFL2.

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We wish to inform the Shareholders the proportion in which the cost of acquisition of the equity share(s) shall be split between GFL1 and GFL2 for the purpose of computing the capital gain/ loss as per the provisions of the Income Tax Act, 1961 ('the Act').

The cost of acquisition in respect of each Shareholder will be different and is relevant only in cases where shares of GFL1 were acquired / bought before the Record Date i.e. 7th August, 2019.

Applicable Statutory Provisions: Sections 2(42A), 47, 49(2C) and 49(2D) of the Act.

1. Cost of Acquisition of Resulting Company's Shares (i.e. GFL2)	Original cost of acquisition X net book value of assets transferred by the Demerged Company as on the appointed date <hr/> Net worth of the Demerged Company immediately before Demerger as on the Appointed Date
2. Cost of Acquisition of Shares of Demerged Company (i.e. GFL1)	Original Cost of Acquisition of shares of the Demerged Company less Cost of Acquisition of shares in the Resulting Company (as computed under 1 above)

The net book value of assets which relate to the Chemical Business Undertaking as on the Appointed Date (i.e. 1st April, 2019) was Rs. 3,50,456.29 Lacs and the Net Worth of GFL1

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immediately before demerger was Rs. 4,70,898.20 Lacs. Thus, the proportion of net book value of the assets of GFL1 transferred vis-a-vis the Net Worth of GFL1 immediately before such demerger will be 74.42%%.

Accordingly, **the Cost of Acquisition of equity shares of GFL2 will be 74.42% of the total cost of acquisition of the original equity share in GFL1 prior to such demerger.**

To determine post Demerger cost of acquisition of Equity Share(s) of GFL1 and GFL2 in accordance with the provisions of the Act, the Shareholders are advised to apportion their pre-demerger cost of equity shares of GFL1 in the following manner:-

Name of the Company	% of Cost of Acquisition of GFL1's Shares
GFL1	25.58
GFL2	74.42
Total	100.00

For example: A Shareholder holds 1 equity share of Re. 1 in GFL1 before the Record Date i.e. 7th August, 2019, assuming that the cost of acquisition of the same is Rs. 1000 per share and such Shareholder will be allotted 1 fully paid up equity share of Re. 1 of GFL2 and will also continue to hold 1 equity share in GFL1.

The proportionate cost of acquisition of 1 equity share of Re. 1 in GFL2 will be Rs. 744.20 (Rs. 1000*74.42%) and that of 1 equity share of GFL1 will be Rs. 255.80 (Rs. 1000*25.58%).

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Accordingly, the cost of acquisition of each equity share of GFL2 would be Rs. 744.20 and the cost of acquisition of equity share of GFL1 would be Rs. 255.80.

As regards the equity share(s) of GFL2 to be credited to your demat account/ share certificate to be received by you, as the case may be, the date of acquisition for the purpose of capital gains/loss will be the date of acquisition of the original share(s) of GFL1 for each Shareholder as per clause (g) in Explanation 1 to section 2(42A) of the Act. Kindly consult your tax advisors, having regard to the facts of your case.

Further, according to the provisions of Section 47(vii) of the Act, the issue of share(s) by a Resulting Company to the Shareholders of the Demerged Company, pursuant to the Scheme, is not a transfer and hence not taxable in the hands of the Shareholder.

We trust this explains the position clearly and would help you to compute the cost of acquisition per equity share individually for GFL1 and GFL2, both, pre and post demerger.

This communication is merely for the general guidance of the Shareholders, and GFL1/ GFL2 takes no express or implied liability in relation to this guidance.

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Please note that if there is a change, including change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to be re-evaluated in light of the changes. GFL1/GFL2 do not take the responsibility of updating this communication at any time in future.

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