NACL Industries Limited

(formerly known as `Nagarjuna Agrichem Limited')

NAGARJUNA NACL

Ref: NACL/SE/BSE/2020-21

20th May, 2020

1) BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai,
Mumbai – 400001
Security Code: 524709

2) National Stock Exchange of India Ltd
Exchange Plaza, 5thFloor
Plot No.C/1 G Block,
Bandra –Kurla Complex, Bandra (E)
Mumbai-400051.
Company Symbol: NACLIND

Dear Sir,

Sub: Audited Financial Results for the fourth quarter and year ended 31st March, 2020 –reg.

We wish to inform you that the Board of Directors of the Company in its meeting held on today, inter-alia approved the Audited Financial Results of the Company for the fourth quarter and year ended 31st March, 2020.

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), we would like to state that our Statutory Auditors, M/s. Deloitte Haskins & Sells LLP, have issued the Auditor's Report with unmodified opinion on the Audited Standalone and Consolidated Financial Results for the year ended 31st March, 2020.

The Audited Financial Results, in the form prescribed under above said Regulation along with Auditors Report are enclosed herewith.

The meeting commenced at 02.00 p.m. and concluded at 6.55 p.m.

Thanking you,

for **NACL Industries Limited**

Satish Kumar Subudhi
Company Secretary & Head-Legal

Regd. Office : Plot No. 12-A, `C' Block, Lakshmi Towers, No. 8-2-248/1/7/78, Nagarjuna Hills, Panjagutta, Hyderabad - 500 082, Telangana, INDIA.
Phone : +91-40-33185100, Fax : +91-40-23358062 E-mail : info@naclind.com Website : www.naclind.com
CIN : L24219TG1986PLC016607

Factory-Technical :
Plot # 177, Arinama Akkivalasa Village, Allinagaram Post, Etcherla Mandal, Srikakulam - 532403, A.P.
Phone : +91-08942-231172, 300400 / 401
Fax : +91-08942-231171

Factory-Formulation :
Unit - I, Unit - II
Ethakota-533238, Ravulapalem Mandal
East Godavari Dist., A.P.
Phone : +91-8855-305617 / 627

R&D Centre :
Sy. No. 1710 & 1711, Anthireddyguda Road, Nandigaon Village & Mandal, R.R.District, Telangana - 509228
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NACL Industries Limited

Regd.Office: Plot No. 12-A, 'C' Block, Lakshmi Towers, No.8-2-248/1/7/78, Nagarjuna Hills, Punjagutta, Hyderabad 500 082, Telangana, India

Phone:040-24405100, Fax:040-23358062, E-mail:info@naclind.com,Website:www.naclind.com

CIN:L24219TG1986PLC016607

Statement of Audited Standalone & Consolidated Financial Results for the Year ended March 31, 2020 and Unaudited Standalone & Consolidated Financial Results for the Quarter ended March 31, 2020

(₹ in Lakhs)

Sl. No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		(Unaudited) (Refer note 11)	(Unaudited)	(Unaudited) (Refer note 11)	(Audited)	(Audited)	(Unaudited) (Refer note 11)	(Unaudited)	(Unaudited) (Refer note 11)	(Audited)	(Audited)
1	Revenue from operations (refer note 6)	27,663	23,868	17,785	1,01,489	86,549	27,663	23,868	17,785	1,01,489	86,549
2	Other income	126	187	785	749	2,570	127	187	787	750	2,572
3	**Total Income (1+2)**	**27,789**	**24,055**	**18,570**	**1,02,238**	**89,119**	**27,790**	**24,055**	**18,572**	**1,02,239**	**89,121**
4	**Expenses**										
	(a) Cost of materials consumed	15,919	13,809	10,562	60,450	57,446	15,919	13,809	10,562	60,450	57,446
	(b) Purchase of stock-in-trade	1,903	1,511	1,033	4,564	5,983	1,903	1,511	1,033	4,564	5,983
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,524	1,618	2,074	6,319	(2,325)	1,524	1,618	2,074	6,319	(2,325)
	(d) Employee benefits expense	2,404	2,053	2,287	8,627	7,931	2,415	2,061	2,305	8,664	7,992
	(e) Finance costs	756	767	923	2,916	3,398	756	767	923	2,916	3,398
	(f) Depreciation and amortisation expense	586	601	495	2,397	2,035	586	601	495	2,397	2,035
	(g) Other expenses	3,995	3,272	3,740	14,671	16,143	3,986	3,263	3,725	14,633	16,078
	Total Expenses	**27,087**	**23,631**	**21,114**	**99,944**	**90,611**	**27,089**	**23,630**	**21,116**	**99,943**	**90,607**
5	Profit/(Loss) before share of profit of associate (3-4)	**702**	**424**	**(2,544)**	**2,294**	**(1,492)**	**701**	**425**	**(2,544)**	**2,296**	**(1,486)**
6	Share of profit from Associate						(11)	67	47	95	137
7	Profit/(Loss) before tax (5+6)	**702**	**424**	**(2,544)**	**2,294**	**(1,492)**	**690**	**492**	**(2,497)**	**2,391**	**(1,349)**
8	Tax expense:										
	(a) Current tax	151	74	(466)	423	-	151	74	(466)	423	-
	(b) Deferred tax (net)	51	41	(455)	294	(654)	51	41	(455)	294	(654)
	Total Tax Expense	**202**	**115**	**(921)**	**717**	**(654)**	**202**	**115**	**(921)**	**717**	**(654)**
9	**Profit/(Loss) for the period (7-8)**	**500**	**309**	**(1,623)**	**1,577**	**(838)**	**488**	**377**	**(1,577)**	**1,674**	**(695)**
10	**Other Comprehensive Income**										
	Items that will not be reclassified subsequently to statement of profit or loss										
	Re-measurement of the defined benefit obligation	9	(5)	17	(28)	5	9	(5)	14	(31)	2
	Income tax expense on the above	(3)	2	(6)	10	(2)	(3)	2	(5)	11	(1)
	Items that will be reclassified subsequently to statement of profit or loss										
	Effective portion of loss on designated portion of hedging instrument in a cash flow hedge	(64)	14	-	(174)	-	(64)	14	-	(174)	-
	Income tax expense on the above	22	(5)	-	60	-	22	(5)	-	60	-
	Total Other Comprehensive Income/(Loss) for the period, net of tax	**(36)**	**6**	**11**	**(132)**	**3**	**(36)**	**6**	**9**	**(134)**	**1**
11	**Total Comprehensive Income/(Loss) for the period (9+10)**	**464**	**315**	**(1,612)**	**1,445**	**(835)**	**452**	**383**	**(1,568)**	**1,540**	**(694)**
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,926	1,676	1,674	1,926	1,674	1,926	1,676	1,674	1,926	1,674
13	Other Equity				33,127	26,191				33,770	26,739
14	Earnings Per Share										
	(a) Basic (in ₹)	**0.30**	**0.18**	**(1.04)**	**0.94**	**(0.54)**	**0.29**	**0.23**	**(1.01)**	**1.00**	**(0.44)**
	(b) Diluted (in ₹)	**0.30**	**0.18**	**(1.04)**	**0.94**	**(0.53)**	**0.29**	**0.23**	**(1.01)**	**1.00**	**(0.44)**

See accompanying notes to the financial results

NACL Industries Limited Hyderabad

Notes :

1 The above standalone and consolidated financial results of NACL Industries Limited ("the Company") as reviewed by the Audit Committee has been approved by the Board of Directors at its meeting held on May 20, 2020. The results for the year ended March 31, 2020 has been audited and for the quarter ended March 31, 2020 has been reviewed by our statutory auditors. The statutory auditors of the Company have expressed an unmodified opinion thereon.

2 The Standalone and Consolidated Financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").

3 The Company is primarily engaged in the Farm Inputs Business, which in the context of Ind AS 108 "Operating Segments" is considered the only significant business segment.

4 The Company's Business is seasonal in nature and the performance can be impacted by weather conditions.

5 The Consolidated Financial Results include the results of the following:

i) Parent:

a) NACL Industries Limited, India

ii) Wholly Owned Subsidiaries:

a) LR Research Laboratories Private Limited, India

b) Nagarjuna Agrichem (Australia) Pty Limited, Australia

iii) Associate:

a) Nasense Labs Private Limited, India

6 Revenue from Operations includes Other Operating Revenue which consists of export benefits, net interest on receivables, scrap sales and conversion charges etc.

7 In the previous year as the Company had opted to publish Consolidated Financial Results on an annual basis, the Consolidated Financial Results for the quarter ended March 31, 2019 is as approved by the Board of Directors of the Company but have not been subjected to review / audit.

8 The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. On transition to Ind AS 116, Right-of-use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured with cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as at April 1, 2019. As a result, the comparative information has not been restated. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 for measuring the lease liability. The effect of adopting this standard is not material on the net profit for the period.

9 In March 2020, COVID-19, an infectious disease caused by the recently discovered Coronavirus, SARS-CoV-2, was declared a pandemic by the Word Health Organization. On March 24, 2020, the Indian Government announced a strict 21-day lockdown which was further extended across the country to contain the spread of the virus. However, Government of India deemed agriculture related sectors including Pesticides as essential and permitted operations in a limited way, based on which the Company resumed activities in its production facilities. The Company adopted number of measures to protect the health of its employees while ensuring business continuity with minimal disruption. In assessing the recoverability of receivables, inventory and other financial assets, the Company has considered internal and external information up to the date of approval of these standalone and consolidated financial results. The impact of the global health pandemic may be different from that of estimates as at the date of approval of these standalone and consolidated financial results and the Company will continue to monitor closely any material changes in the emerging economic conditions.

10 Statement of cash flows for year ended March 31, 2020

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.03.2020	Year ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
A. Cash flow from operating activities				
Profit before tax	2,294	(1,492)	2,391	(1,349)
Operating profit before working capital changes	9,047	4,877	9,049	4,881
Net cash generated from operating activities	10,303	3,647	10,304	3,641
B. Cash used in investing activities	(9,654)	(2,711)	(9,653)	(2,704)
C. Cash flow from / (used in) financing activities	7,023	(924)	7,023	(924)
Net cash flows during the period	7,673	12	7,674	13

11 The figures for the current quarter and quarter ended March 31, 2019 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 respectively and published year to date figures up to third quarter ended December 31, 2019 and December 31, 2018 respectively.

Place : Hyderabad
Date : May 20, 2020

NACL Industries Limited Hyderabad

M. Pavan Kumar
Managing Director & CEO

Standalone and Consolidated Balance Sheet

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
		(Audited)	(Audited)	(Audited)	(Audited)
I	**ASSETS**				
1	**Non-current assets**				
	(a) Property, plant and equipment	18,291	13,673	18,291	13,673
	(b) Right-to-use assets (Refer note 8)	597	-	597	-
	(c) Capital work-in-progress	3,482	1,517	3,482	1,517
	(d) Intangible assets	174	470	174	470
	(e) Intangible assets under development	751	554	751	554
	(f) Financial assets				
	(i) Investments	858	855	1,503	1,405
	(ii) Other financial assets	482	316	482	316
	(g) Other non-current assets	663	246	663	246
	(h) Deferred tax assets (net)	-	103	-	103
	(i) Income tax assets	407	491	407	492
	Total non-current assets	**25,705**	**18,225**	**26,350**	**18,776**
2	**Current assets**				
	(a) Inventories	16,450	22,401	16,450	22,401
	(b) Financial assets				
	(i) Trade receivables	35,939	26,772	35,939	26,772
	(ii) Cash and cash equivalents	8,353	680	8,358	684
	(iii) Other bank balances	3,415	519	3,415	519
	(iv) Other financial assets	394	469	394	469
	(c) Income tax assets (net)	267	267	267	279
	(d) Other current assets	4,278	4,355	4,278	4,348
	Total current assets	**69,096**	**55,463**	**69,101**	**55,472**
	Total Assets	**94,801**	**73,688**	**95,451**	**74,248**
II	**EQUITY AND LIABILITIES**				
1	**Equity**				
	(a) Equity share capital	1,926	1,674	1,926	1,674
	(b) Other equity	33,127	26,191	33,770	26,739
	Total equity	**35,053**	**27,865**	**35,696**	**28,413**
2	**Non-current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	2,175	1,177	2,175	1,177
	(ii) Lease liabilities (Refer note 8)	316	-	316	-
	(iii) Other financial liabilities	1,264	1,142	1,264	1,142
	(b) Provisions	563	382	563	382
	(c) Deferred tax liabilities (net)	101	-	101	-
	Total non-current liabilities	**4,419**	**2,701**	**4,419**	**2,701**
3	**Current Liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	22,724	18,574	22,724	18,574
	(ii) Lease liabilities (Refer note 8)	379	-	379	-
	(iii) Trade payables				
	(a) total outstanding dues of micro enterprises and small enterprises	533	301	533	301
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	26,284	20,599	26,293	20,609
	(iii) Other financial liabilities	3,767	1,551	3,767	1,551
	(b) Provisions	154	173	154	173
	(c) Income tax liabilities (net)	248	136	245	136
	(d) Other current liabilities	1,240	1,788	1,241	1,790
	Total current liabilities	**55,329**	**43,122**	**55,336**	**43,134**
	Total equity and liabilities	**94,801**	**73,688**	**95,451**	**74,248**

NACL Industries Limited Hyderabad

NACL Industries Limited
Regd.Office:Plot No.12-A,'C' Block,Lakshmi Towers,No.8-2-248/1/7/78, Nagarjuna Hills,Punjagutta,Hyderabad 500 082,Telangana, India
Phone:040-24405100,Fax:040-23358062,E-mail:info@naclind.com,Website:www.naclind.com
CIN:L24219TG1986PLC016607

Extract of the Statement of Standalone & Consolidated Audited Financial Results for the year ended March 31, 2020 and Standalone & Consolidated Unaudited Financial Results for the Quarter ended March 31, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Standalone			Consolidated		
		Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 31.03.2019	Quarter ended 31.03.2020	Year ended 31.03.2020	Quarter ended 31.03.2019
		(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
1	Total Income from Operations	27,789	1,02,238	18,570	27,790	1,02,239	18,572
2	Net (Loss)/Profit for the period (before Tax & Exceptional and/or Extraordinary items)	702	2,294	(2,544)	690	2,391	(2,497)
3	Net (Loss)/Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	702	2,294	(2,544)	690	2,391	(2,497)
4	Net (Loss)/Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	500	1,577	(1,623)	488	1,674	(1,577)
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	464	1,445	(1,612)	452	1,540	(1,568)
6	Paid-up Equity Share Capital	1,926	1,926	1,674	1,926	1,926	1,674
7	Earnings per Share (of ₹ 1 each)						
a)	Basic	0.30	0.94	(1.04)	0.29	1.00	(1.01)
b)	Diluted	0.30	0.94	(1.04)	0.29	1.00	(1.01)

Notes:

1. The above Audited Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 20, 2020. The Statutory Auditors have carried out a audit of these financial results for the year ended March 31, 2020 and limited review of financial results for the Quarter ended March 31, 2020 and have issued an unmodified report on these results.
2. The above is an extract of the detailed format of Audited Standalone and Consolidated Financial Results for the Year ended March 31, 2020 and Unaudited Standalone and Consolidated Financial Results for the Quarter ended March 31, 2020 filed with BSE Limited & NSE Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Audited Standalone and Consolidated Financial Results for the Year ended March 31, 2020 and Unaudited Standalone and Consolidated Financial Results for the Quarter ended March 31, 2020 is available on the website of BSE & NSE Limited and Company's website at www.naclind.com

Place : Hyderabad
Date : May 20, 2020

NACL Industries Limited Hyderabad

M. Pavan Kumar
Managing Director & CEO

Deloitte
Haskins & Sells LLP

Chartered Accountants
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1st, 2nd & 3rd Floor
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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
NACL Industries Limited

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and;

(b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us,

both ((a) and (b)) included in the accompanying "Statement of Audited Standalone Financial Results for the year ended March 31, 2020 and unaudited Standalone Financial Results for the Quarter Ended March 31, 2020" of **NACL Industries Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Deloitte
Haskins & Sells LLP

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matters

- As stated in Note 11 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019.

- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 20201193AAAACA6430)

Place: Hyderabad
Date: May 20, 2020

Deloitte Haskins & Sells LLP

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF
NACL Industries Limited

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and;

(b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us,

both ((a) and (b)) included in the accompanying "Statement of Audited Consolidated Financial Results for the year ended March 31, 2020 and Unaudited Consolidated Financial Results for the quarter ended March 31, 2020" of **NACL Industries Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of associate for the quarter and year ended March 31, 2020, ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the separate financial statements / financial information of subsidiaries and associate referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2020:

i. includes the results of the following entities:
   a. NACL Industries Limited, the Parent
   b. Nagarjuna Agrichem (Australia) Pty Limited, Australia, wholly-owned subsidiary
   c. LR Research Laboratories Private Limited, India , wholly-owned subsidiary
   d. Nasense Labs Private Limited, India, associate

ii. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.