

NACL Industries Limited

(formerly known as 'Nagarjuna Agrichem Limited')



Ref: NACL/SE/2020-21

26th August, 2020

1) BSE Limited

Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai, Maharashtra,
MUMBAI – 400001
Company Code: 524709

2) National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor,
Plot No.C/1 G Block,
Bandra- Kurla Complex, Bandra(E),
MUMBAI – 400051
Script ID: NACLIND

Dear Sir,

Sub: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Un-audited Financial Results of the Company for the quarter ended 30th June, 2020 - reg.

We wish to inform that the Board of Directors in its meeting held today i.e. Wednesday, the 26th Day of August, 2020 has inter-alia approved the Un-Audited (Standalone and Consolidated) Financial Results for the first quarter ended 30th June, 2020. The copy of the said results together with Auditor's Limited Review report are enclosed herewith.

The said Board Meeting was commenced at 2:30 p.m. and concluded at 7.30 p.m.

Thanking you,

for **NACL Industries Limited**

Satish Kumar Subudhi

Company Secretary & Legal-Head

Encl: As above

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 :

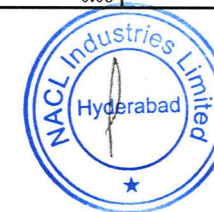
Sy. No. 1710 & 1711, Anthireddyguda Road, Nandigaon
Village & Mandal, R.R.District, Telangana - 509228
Phone : +91-08548-305004
Fa x : +91-08548-305801

Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter Ended June 30, 2020

(₹ in Lakhs)

Sl. No	Particulars	Standalone				Consolidated			
		Quarter ended		Year ended		Quarter ended		Year ended	
		30.06.2020	31.03.2020	30.06.2019	31.03.2020	30.06.2020	31.03.2020	30.06.2019	31.03.2020
		(Unaudited)	(Unaudited) (Refer note 7)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited) (Refer note 7)	(Unaudited)	(Audited)
1	Revenue from operations	25,202	27,663	19,099	1,01,489	25,202	27,663	19,099	1,01,489
2	Other income	322	126	730	749	322	127	730	750
3	Total Income (1+2)	25,524	27,789	19,829	1,02,238	25,524	27,790	19,829	1,02,239
4	Expenses								
	(a) Cost of materials consumed	18,213	15,919	14,826	60,450	18,213	15,919	14,826	60,450
	(b) Purchase of stock-in-trade	993	1,903	241	4,564	993	1,903	241	4,564
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,491)	1,524	(2,258)	6,319	(1,491)	1,524	(2,258)	6,319
	(d) Employee benefits expense	2,170	2,404	1,892	8,627	2,178	2,415	1,902	8,664
	(e) Finance costs	679	756	654	2,916	679	756	654	2,916
	(f) Depreciation and amortisation expense	655	586	591	2,397	655	586	591	2,397
	(g) Other expenses	3,501	3,995	3,740	14,671	3,493	3,986	3,730	14,633
	Total Expenses	24,720	27,087	19,686	99,944	24,720	27,089	19,686	99,943
5	Profit before share of profit of associate (3-4)	804	702	143	2,294	804	701	143	2,296
6	Share of profit from Associate					23	(11)	18	95
7	Profit before tax (5+6)	804	702	143	2,294	827	690	161	2,391
8	Tax expense:								
	(a) Current tax	310	151	31	423	310	151	31	423
	(b) Deferred tax (net)	(42)	51	(12)	294	(42)	51	(12)	294
	Total Tax Expense	268	202	19	717	268	202	19	717
9	Profit for the period (7-8)	536	500	124	1,577	559	488	142	1,674
10	Other Comprehensive Income								
	Items that will not be reclassified subsequently to statement of profit or loss								
	Re-measurement of the defined benefit obligation	(22)	9	5	(28)	(23)	9	3	(31)
	Income tax expense on the above	7	(3)	(2)	10	7	(3)	(2)	11
	Items that will be reclassified subsequently to statement of profit or loss								
	Effective portion of gain/(loss) on designated portion of hedging instrument in a cash flow hedge	4	(64)	(74)	(174)	4	(64)	(74)	(174)
	Income tax expense on the above	(1)	22	16	60	(1)	22	16	60
	Total Other Comprehensive Income/(Loss) for the period, net of tax	(12)	(36)	(55)	(132)	(13)	(36)	(57)	(134)
11	Total Comprehensive Income for the period (9+10)	524	464	69	1,445	546	452	85	1,540
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,926	1,926	1,674	1,926	1,926	1,926	1,674	1,926
13	Other Equity				33,127				33,770
14	Earnings Per Share								
	(a) Basic (in ₹)	0.28	0.30	0.07	0.94	0.29	0.29	0.08	1.00
	(b) Diluted (in ₹)	0.28	0.30	0.07	0.94	0.29	0.29	0.08	1.00

See accompanying notes to the financial results



Notes :

- 1 The above standalone and consolidated unaudited 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 August 26, 2020. The Statutory Auditors have carried out a limited review of these Financial Results for the Quarter Ended June 30, 2020 and have issued an unmodified report on these results.
- 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 Company has incorporated NACL Spec-Chem Limited and NACL Multichem Private Limited, as Wholly Owned Subsidiary Companies on April 27, 2020 and May 18, 2020 respectively. The Company subscribed share capital ₹ 200 lakhs (comprising 2,00,00,000 number of equity shares of ₹ 1 each) of NACL Spec-chem Limited during the quarter and the Company yet to subscribe the share capital of NACL Multichem Private Limited as on June 30, 2020.
- 6 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
 - c) NACL Spec-Chem Limited, India
 - iii) Associate:
 - a) Nasense Labs Private Limited, India
- 7 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and published year to date figures up to third quarter ended December 31, 2019.
- 8 In March, 2020, COVID-19, an infectious disease caused by the recently discovered Coronavirus, SARS-CoV-2, was declared a pandemic by the World 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 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.
- 9 The Board of Directors of the Company in its meeting held on August 12, 2020, has inter-alia approved:
 - a) raising of funds for an amount of ₹ 1,950 lakhs by way of issuing 50,00,000 Convertible Warrants at an issue price of ₹ 39 on a preferential basis to Mrs.K.Lakshmi Raju, Promoter of the Company, in accordance with the provisions of the Companies Act, 2013 read with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and such other acts/rules/ regulations as may be applicable;
 - b) 'NACL Employee Stock Option Scheme-2020' in accordance with the provisions of the Companies Act, 2013 read with SEBI (Share Based Employee Benefits) Regulations, 2014.The Company has issued Notice dated August 12, 2020 for convening an Extraordinary General Meeting (EGM) of the shareholders of the Company on September 7, 2020 to seek approval of shareholders for the aforesaid items.

Place : Hyderabad

Date : August 26, 2020



M. Pavan Kumar

M. Pavan Kumar
Managing Director & CEO

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 Unaudited Standalone & Consolidated Financial Results for the Quarter ended June 30, 2020

(₹ in Lakhs)

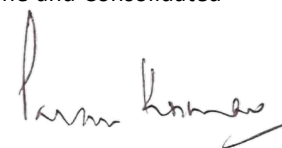
Sl. No.	Particulars	Standalone			Consolidated		
		Quarter ended 30.06.2020	Quarter ended 30.06.2019	Year ended 31.03.2020	Quarter ended 30.06.2020	Quarter ended 30.06.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)
1	Total Income from Operations	25,524	19,829	1,02,238	25,524	19,829	1,02,239
2	Net Profit for the period (before Tax & Exceptional and/or Extraordinary items)	804	143	2,294	827	161	2,391
3	Net Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	804	143	2,294	827	161	2,391
4	Net Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	536	124	1,577	559	142	1,674
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	524	69	1,445	546	85	1,540
6	Paid-up Equity Share Capital	1,926	1,674	1,926	1,926	1,674	1,926
7	Earnings per Share (of ₹ 1 each)						
a)	Basic	0.28	0.07	0.94	0.29	0.08	1.00
b)	Diluted	0.28	0.07	0.94	0.29	0.08	1.00

Notes:

- The above Statement of Unaudited Standalone & Consolidated Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on August 26, 2020. The Statutory Auditors have carried out a limited review of these financial results for the Quarter Ended June 30, 2020 and have issued an unmodified report on these results.
- The above is an extract of the detailed format of Unaudited Standalone and Consolidated Financial Results for the Quarter Ended June 30, 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 Unaudited Standalone and Consolidated Financial Results for the Quarter Ended June 30, 2020 is available on the website of BSE & NSE Limited and Company's website at www.naclind.com

Place : Hyderabad

Date : August 26, 2020



M. Pavan Kumar
Managing Director & CEO

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
NACL Industries Limited**

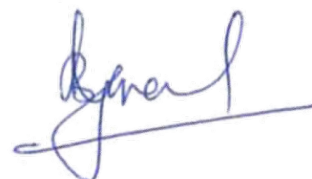
1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **NACL Industries Limited** ("the Company"), for the quarter ended June 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

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



Ganesh Balakrishnan
(Partner)
(Membership No. 201193)
(UDIN: 20201193AAAAEJ2090)

Place: Hyderabad
Date: August 26, 2020

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF
NACL Industries Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results 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 after tax and total comprehensive income of its associate for the quarter ended June 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement 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 Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

4. The Statement includes the results of the following entities:

a. Parent

NACL Industries Limited, India

b. Subsidiaries:

(i) LR Research Laboratories Private Limited, India

(ii) Nagarjuna Agrichem (Australia) Pty Limited, Australia and

(iii) NACL Spec-Chem Limited, India

c. Associate:

Nasense Labs Private Limited, India

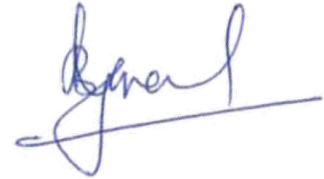
5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

Deloitte Haskins & Sells LLP

6. The consolidated unaudited financial results includes the financial results of three subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of ₹ 12 lakhs, total loss after tax of ₹ 0.02 lakhs and total comprehensive loss of ₹ 0.02 lakhs for the quarter ended June 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of ₹ 23 lakhs and total comprehensive income of ₹ 22 lakhs for the quarter ended June 30, 2020, as considered in the Statement, in respect of one associate, based on their interim financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial results certified by the Management.

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



Ganesh Balakrishnan
Partner
(Membership No. 201193)
(UDIN: 20201193AAAAEI1336)

Place: Hyderabad
Date: August 26, 2020