

NACL Industries Limited

(formerly known as 'Nagarjuna Agrichem Limited')



Ref: NACL/SE/2019-20

12th February, 2020

1) BSE Limited

Phiroze Jeejeebhoy Towers

Dalal Street, Fort,

Mumbai,

Mumbai - 400001.

2) National Stock Exchange of India Ltd

Exchange Plaza, 5th Floor

Plot No.C/1 G Block,

Bandra -Kurla Complex, Bandra (E)

Mumbai-400051.

Dear Sir,

Sub: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Un-audited Financial Results of the Company for the third quarter and nine months ended 31st December, 2019- reg.

Ref : Security Code: 524709 - Symbol : NACLIND

We wish to inform that the Board of Directors in its meeting held today i.e. Wednesday, the 12th day of February, 2020 has inter-alia approved the Un-Audited (Standalone and Consolidated) Financial Results for the third quarter and nine months ended 31st December, 2019. The copy of the said results together with Auditor's Limited Review report are enclosed herewith.

The said Board Meeting was commenced at 02:15 p.m. and concluded at 8:45 p.m.

Thanking you,

for **NACL Industries Limited**

Satish Kumar Subudhi

Company Secretary & Legal-Head

Encl: a/a

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 : +91-40-33605100/123, 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
Fax : +91-08548-305801

Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

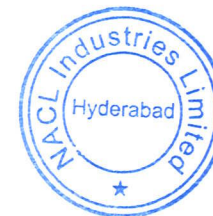
Sl. No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine months ended		Year ended	Quarter ended			Nine months ended		Year ended
		31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019	31.12.2019	30.09.2019	31.12.2018	31.12.2019	31.12.2018	31.03.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited) (Refer note 6)	(Unaudited)	(Unaudited) (Refer note 6)	(Audited)
1	Revenue from operations (refer note 8)	23,868	30,466	19,568	73,826	68,764	86,549	23,868	30,466	19,568	73,826	68,764	86,549
2	Other income (refer note 8)	187	99	591	623	1,785	2,570	187	99	591	623	1,785	2,572
3	Total Income (1+2)	24,055	30,565	20,159	74,449	70,549	89,119	24,055	30,565	20,159	74,449	70,549	89,121
4	Expenses												
	(a) Cost of materials consumed	13,809	15,896	13,414	44,531	46,884	57,446	13,809	15,896	13,414	44,531	46,884	57,446
	(b) Purchase of stock-in-trade	1,511	909	2,444	2,661	4,950	5,983	1,511	909	2,444	2,661	4,950	5,983
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,618	5,435	(2,589)	4,795	(4,399)	(2,325)	1,618	5,435	(2,589)	4,795	(4,399)	(2,325)
	(d) Employee benefits expense	2,053	2,278	1,781	6,223	5,644	7,931	2,061	2,286	1,795	6,249	5,687	7,992
	(e) Finance costs	767	739	864	2,160	2,475	3,398	767	739	864	2,160	2,475	3,398
	(f) Depreciation and amortisation expense	601	619	505	1,811	1,540	2,035	601	619	505	1,811	1,540	2,035
	(g) Other expenses	3,272	3,664	3,563	10,676	12,403	16,143	3,263	3,654	3,542	10,647	12,353	16,078
	Total Expenses	23,631	29,540	19,982	72,857	69,497	90,611	23,630	29,538	19,975	72,854	69,490	90,607
5	Profit/(Loss) before share of profit of associate (3-4)	424	1,025	177	1,592	1,052	(1,492)	425	1,027	184	1,595	1,059	(1,486)
6	Share of profit from Associate							67	21	49	106	90	137
7	Profit/(Loss) before tax (5+6)	424	1,025	177	1,592	1,052	(1,492)	492	1,048	233	1,701	1,149	(1,349)
8	Tax expense												
	(a) Current tax	74	167	134	272	466	-	74	167	134	272	466	-
	(b) Deferred tax (net)	41	214	(102)	243	(199)	(654)	41	214	(102)	243	(199)	(654)
	Tax Expense	115	381	32	515	267	(654)	115	381	32	515	267	(654)
9	Profit/(Loss) for the period (7-8)	309	644	145	1,077	785	(838)	377	667	201	1,186	882	(695)
10	Other Comprehensive Income												
	Items that will not be reclassified to statement of profit or loss												
	Re-measurement of the defined benefit obligation	(5)	(37)	(4)	(37)	(12)	5	(5)	(38)	(4)	(40)	(12)	2
	Income tax expense on the above	2	13	1	13	4	(2)	2	13	1	13	4	(1)
	Items that will be reclassified to statement of profit or loss												
	Effective portion of loss on designated portion of hedging instrument in a cash flow hedge	14	(50)	-	(110)	-	-	14	(50)	-	(110)	-	-
	Income tax expense on the above	(5)	27	-	38	-	-	(5)	27	-	38	-	-
	Other Comprehensive Income for the period, net of tax	6	(47)	(3)	(96)	(8)	3	6	(48)	(3)	(99)	(8)	1
11	Total Comprehensive Income/(Loss) for the period (9+10)	315	597	142	981	777	(835)	383	619	198	1,087	874	(694)
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,676	1,674	1,565	1,676	1,565	1,674	1,676	1,674	1,565	1,676	1,565	1,674
13	Other Equity						26,191						26,739
14	Earnings Per Share												
	(a) Basic (in ₹)	0.18	0.38	0.09	0.64	0.50	(0.54)	0.23	0.40	0.13	0.71	0.56	(0.44)
	(b) Diluted (in ₹)	0.18	0.38	0.09	0.64	0.50	(0.53)	0.23	0.40	0.13	0.71	0.56	(0.44)




Notes :

- 1 The above unaudited financial results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 12, 2020. The Statutory Auditors have carried out a limited review of these financial results for the quarter and nine months ended December 31, 2019 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 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 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 and nine months ended December 31, 2018 are as approved by the Board of Directors of the Company but have not been subjected to review / audit.
- 7 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.
- 8 During the period, the Company has reclassified interest on overdue receivables from other income to revenue from operations. Comparative figures for the quarter ended September 30, 2019 have been reclassified to make them comparable with the current quarter ended December 31, 2019. The above reclassification has no effect on the net profit / (loss) of the Company.

Place : Hyderabad
Date : February 12, 2020




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:040-33605123/124,Fax:040-23350234/23358062,E-mail:info@naclind.com,Website:www.naclind.com

CIN:L24219TG1986PLC016607

Extract of the Statement of Standalone and Consolidated Unaudited Financial Results for the Quarter and Nine months ended December 31, 2019

(₹ in Lakhs)

Sl. No.	Particulars	Standalone			Consolidated		
		Quarter ended 31.12.2019	Nine months ended 31.12.2019	Quarter ended 31.12.2018	Quarter ended 31.12.2019	Nine months ended 31.12.2019	Quarter ended 31.12.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	24,055	74,449	20,159	24,055	74,449	20,159
2	Net (Loss)/Profit for the period (before Tax & Exceptional and/or Extraordinary items)	424	1,592	177	492	1,701	233
3	Net (Loss)/Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	424	1,592	177	492	1,701	233
4	Net (Loss)/Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	309	1,077	145	377	1,186	201
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	315	981	142	383	1,087	198
6	Paid-up Equity Share Capital	1,676	1,676	1,565	1,676	1,676	1,565
7	Earnings per Share (of ₹ 1 each)						
a)	Basic	0.18	0.64	0.09	0.23	0.71	0.13
b)	Diluted	0.18	0.64	0.09	0.23	0.71	0.13

Notes:

- The above Unaudited Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on February 12, 2020. The Statutory Auditors have carried out a limited review of these financial results for the Quarter and Nine months ended December 31, 2019 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 and Nine months ended December 31, 2019 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 Standalone and Consolidated Unaudited Financial Results for the Quarter and Nine months ended December 31, 2019 is available on the website of BSE & NSE Limited and Company's website at www.naclind.com

Place : Hyderabad

Date : February 12, 2020



M. Pavan Kumar

M. Pavan Kumar
Managing Director & CEO

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

**TO THE BOARD OF DIRECTORS OF
NACL Industries Limited (formerly "Nagarjuna Agrichem Limited")**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **NACL Industries Limited** (formerly "Nagarjuna Agrichem 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 and Nine months ended December 31, 2019 ("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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Attention is drawn to Note 6 to the Statement which states that the consolidated figures for the quarter and nine months ended December 31, 2018 and quarter ended September 30, 2018, as reported in the accompanying statement have been approved by the Board of Directors, but have not been subjected to review.

4. The Statement includes the results of the following entities:
 - a. Parent:
 - (i) NACL Industries Limited, India
 - b. Wholly owned subsidiaries:
 - (i) LR Research Laboratories Private Limited, India
 - (ii) Nagarjuna Agrichem (Australia) Pty Limited, Australia
 - c. Associate:
 - (i) Nasense Labs Private Limited, India

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, 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.
6. The consolidated unaudited financial results also includes the Group's share of profit after tax of ₹ 67 lakhs and ₹ 106 lakhs for the quarter and nine months ended December 31, 2019 respectively and Total comprehensive income of ₹ 67 lakhs and ₹ 103 lakhs for the quarter and nine months ended December 31, 2019 respectively, as considered in the Statement, in respect of one associate, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditor whose report has been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this associate, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

7. The consolidated unaudited financial results includes the financial results of two subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of ₹ 13 lakhs and ₹ 37 lakhs for the quarter and nine months ended December 31, 2019, total profit after tax of ₹ 1 lakhs and ₹ 3 lakhs for the quarter and nine months ended December 31, 2019 and total comprehensive income of ₹ 1 lakhs and ₹ 3 lakhs for the quarter and nine months ended December 31, 2019, as considered in the Statement. 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: 20201193AAAAAP2171

Place: Hyderabad

Date: February 12, 2020

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

**TO THE BOARD OF DIRECTORS OF
NACL Industries Limited (formerly "Nagarjuna Agrichem Limited")**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **NACL Industries Limited** (formerly "Nagarjuna Agrichem Limited") ("the Company"), for the Quarter and Nine months ended December 31, 2019 ("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: 20201193AAAAAQ9350

Place: Hyderabad
Date: February 12, 2020