

Ref: NACL/SE/2020-21

04<sup>th</sup> November, 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, 5th Floor

Plot No.C/1 G Block,

Bandra -Kurla Complex, Bandra (E)

**Mumbai-400051**

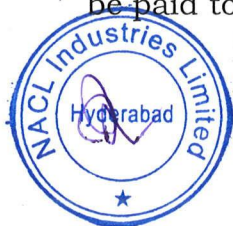
Symbol : NACLIND

Dear Sir,

**Sub: Outcome of Board Meeting - In terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - reg.**

We wish to inform that the Board of Directors in its meeting held today i.e., on, Wednesday the 04<sup>th</sup> day of November, 2020, has inter-alia:

- 1) approved Un-Audited Financial Results (Standalone and Consolidated) for the second quarter and half-year ended 30<sup>th</sup> September, 2020. The copy of the approved Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report of the Auditors is enclosed herewith;
- 2) took note of CARE's re-affirmation of existing rating 'CARE A2' (A two) for Short Term Bank Facilities and 'CARE A-; Stable (Single A Minus; Outlook: Stable) for Long Term Bank Facilities availed by the Company;
- 3) declared an interim dividend @ of 10% (i.e. Re.0.10/-) per equity share of Rs. 1/- each of the Company for the financial year ending 31<sup>st</sup> March, 2021. The record date for the purpose of determining the entitlement of the shareholders for the interim dividend has been fixed as Friday, 13<sup>th</sup> November, 2020, and dividend will be paid to the shareholders on or after Saturday, 14<sup>th</sup> November, 2020.



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](mailto:info@naclind.com) Website : [www.naclind.com](http://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 :**

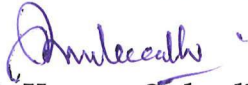
Sy. No. 1710 & 1711, Anthireddyguda Road, Nandigaon  
Village & Mandal, R.R.District, Telangana - 509228  
Phone : +91-08548-305004  
Fa x : +91-08548-305801

4) took note of the Company's further investment of Rs.28 crores in M/s.NACL Spec-Chem Limited (a Wholly Owned Subsidiary Company) by way of subscribing Compulsory Convertible Debentures issued by latter.

The meeting commenced at 9.30 a.m. and concluded at 5.45 p.m.

Kindly take the same on records.

for **NACL Industries Limited**



**Satish Kumar Subudhi**

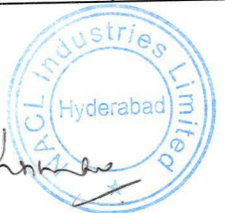
Company Secretary & Head-Legal

Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter and Half-year Ended September 30, 2020

(₹ in Lakhs)

Sl. No	Particulars	Standalone						Consolidated					
		Quarter ended			Half-year ended		Year ended	Quarter ended			Half-year ended		Year ended
		30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)	30.09.2020 (Unaudited)	30.06.2020 (Unaudited)	30.09.2019 (Unaudited)	30.09.2020 (Unaudited)	30.09.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue from operations	34,417	25,202	30,172	59,619	49,271	1,01,489	34,417	25,202	30,172	59,619	49,271	1,01,489
2	Other income	258	322	393	580	1,123	749	259	322	393	581	1,123	750
3	<b>Total Income (1+2)</b>	<b>34,675</b>	<b>25,524</b>	<b>30,565</b>	<b>60,199</b>	<b>50,394</b>	<b>1,02,238</b>	<b>34,676</b>	<b>25,524</b>	<b>30,565</b>	<b>60,200</b>	<b>50,394</b>	<b>1,02,239</b>
4	<b>Expenses</b>												
	(a) Cost of materials consumed	24,262	18,213	15,896	42,475	30,722	60,450	24,262	18,213	15,896	42,475	30,722	60,450
	(b) Purchase of stock-in-trade	1,373	993	909	2,366	1,150	4,564	1,373	993	909	2,366	1,150	4,564
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,335)	(1,491)	5,435	(2,826)	3,177	6,319	(1,335)	(1,491)	5,435	(2,826)	3,177	6,319
	(d) Employee benefits expense	2,236	2,170	2,278	4,406	4,170	8,627	2,244	2,178	2,286	4,422	4,188	8,664
	(e) Finance costs	686	679	739	1,365	1,393	2,916	686	679	739	1,365	1,393	2,916
	(f) Depreciation and amortisation expense	652	655	619	1,307	1,210	2,397	652	655	619	1,307	1,210	2,397
	(g) Other expenses	3,880	3,501	3,664	7,381	7,404	14,671	3,874	3,493	3,654	7,367	7,384	14,633
	<b>Total Expenses</b>	<b>31,754</b>	<b>24,720</b>	<b>29,540</b>	<b>56,474</b>	<b>49,226</b>	<b>99,944</b>	<b>31,756</b>	<b>24,720</b>	<b>29,538</b>	<b>56,476</b>	<b>49,224</b>	<b>99,943</b>
5	Profit before share of profit of associate (3-4)	2,921	804	1,025	3,725	1,168	2,294	2,920	804	1,027	3,724	1,170	2,296
6	Share of profit from Associate							3	23	21	26	39	95
7	Profit before tax (5+6)	2,921	804	1,025	3,725	1,168	2,294	2,923	827	1,048	3,750	1,209	2,391
8	Tax expense												
	(a) Current tax	1,065	310	167	1,375	198	423	1,065	310	167	1,375	198	423
	(b) Deferred tax (net)	(13)	(42)	214	(55)	202	294	(13)	(42)	214	(55)	202	294
	<b>Total Tax Expense</b>	<b>1,052</b>	<b>268</b>	<b>381</b>	<b>1,320</b>	<b>400</b>	<b>717</b>	<b>1,052</b>	<b>268</b>	<b>381</b>	<b>1,320</b>	<b>400</b>	<b>717</b>
9	<b>Profit for the period (7-8)</b>	<b>1,869</b>	<b>536</b>	<b>644</b>	<b>2,405</b>	<b>768</b>	<b>1,577</b>	<b>1,871</b>	<b>559</b>	<b>667</b>	<b>2,430</b>	<b>809</b>	<b>1,674</b>
10	<b>Other Comprehensive Income</b>												
	Items that will not be reclassified subsequently to statement of profit or loss												
	Re-measurement of the defined benefit obligation	(53)	(22)	(37)	(75)	(32)	(28)	(54)	(23)	(38)	(77)	(35)	(31)
	Income tax expense on the above	19	7	13	26	11	10	19	7	13	26	11	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	22	4	(50)	26	(124)	(174)	22	4	(50)	26	(124)	(174)
	Income tax expense on the above	(8)	(1)	27	(9)	43	60	(8)	(1)	27	(9)	43	60
	<b>Total Other Comprehensive Income/(Loss) for the period</b>	<b>(20)</b>	<b>(12)</b>	<b>(47)</b>	<b>(32)</b>	<b>(102)</b>	<b>(132)</b>	<b>(21)</b>	<b>(13)</b>	<b>(48)</b>	<b>(34)</b>	<b>(105)</b>	<b>(134)</b>
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>1,849</b>	<b>524</b>	<b>597</b>	<b>2,373</b>	<b>666</b>	<b>1,445</b>	<b>1,850</b>	<b>546</b>	<b>619</b>	<b>2,396</b>	<b>704</b>	<b>1,540</b>
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,926	1,926	1,674	1,926	1,674	1,926	1,926	1,926	1,674	1,926	1,674	1,926
13	Other Equity						33,127						33,127
14	Earnings Per Share												
	(a) Basic (in ₹)	0.97	0.28	0.38	1.25	0.46	0.94	0.97	0.29	0.40	1.26	0.48	1.00
	(b) Diluted (in ₹)	0.97	0.28	0.38	1.25	0.46	0.94	0.97	0.29	0.40	1.26	0.48	1.00



See accompanying notes to the financial results



Standalone and Consolidated Balance Sheet

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		As at 30.09.2020	As at 31.03.2020	As at 30.09.2020	As at 31.03.2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, plant and equipment	17,477	18,291	17,477	18,291
	(b) Right-to-use assets	419	597	419	597
	(c) Capital work-in-progress	4,090	3,482	4,090	3,482
	(d) Intangible assets	164	174	164	174
	(e) Intangible assets under development	713	751	713	751
	(f) Financial assets				
	(i) Investments	1,059	858	1,527	1,503
	(ii) Other financial assets	388	482	388	482
	(g) Other non-current assets	294	663	394	663
	(h) Income tax assets	407	407	407	407
	<b>Total non-current assets</b>	<b>25,011</b>	<b>25,705</b>	<b>25,579</b>	<b>26,350</b>
2	<b>Current assets</b>				
	(a) Inventories	23,116	16,450	23,116	16,450
	(b) Financial assets				
	(i) Trade receivables	33,102	35,939	33,102	35,939
	(ii) Cash and cash equivalents	11,599	8,353	11,701	8,358
	(iii) Other bank balances	899	3,415	899	3,415
	(iv) Other financial assets	355	394	355	394
	(c) Income tax assets (net)	267	267	267	267
	(d) Other current assets	5,353	4,278	5,350	4,278
	<b>Total current assets</b>	<b>74,691</b>	<b>69,096</b>	<b>74,790</b>	<b>69,101</b>
	<b>Total Assets</b>	<b>99,702</b>	<b>94,801</b>	<b>1,00,369</b>	<b>95,451</b>
II	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity share capital	1,926	1,926	1,926	1,926
	(b) Other equity	35,995	33,127	36,661	33,770
	<b>Total equity</b>	<b>37,921</b>	<b>35,053</b>	<b>38,587</b>	<b>35,696</b>
2	<b>Non-current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	1,800	2,175	1,800	2,175
	(ii) Lease liabilities	226	316	226	316
	(iii) Other financial liabilities	1,260	1,264	1,260	1,264
	(b) Provisions	661	563	661	563
	(c) Deferred tax liabilities (net)	753	101	753	101
	<b>Total non-current liabilities</b>	<b>4,700</b>	<b>4,419</b>	<b>4,700</b>	<b>4,419</b>
3	<b>Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	17,466	22,724	17,466	22,724
	(ii) Lease liabilities	265	379	265	379
	(iii) Trade payables				
	(a) total outstanding dues of micro enterprises and small enterprises	850	533	850	533
	(b) total outstanding dues of creditors other than micro enterprises and small	31,781	26,284	31,786	26,293
	(iii) Other financial liabilities	3,663	3,767	3,663	3,767
	(b) Provisions	229	154	229	154
	(c) Income tax liabilities (net)	536	248	531	245
	(d) Other current liabilities	2,291	1,240	2,292	1,241
	<b>Total current liabilities</b>	<b>57,081</b>	<b>55,329</b>	<b>57,082</b>	<b>55,336</b>
	<b>Total equity and liabilities</b>	<b>99,702</b>	<b>94,801</b>	<b>1,00,369</b>	<b>95,451</b>

**Notes :**

- 1 The above Unaudited Standalone and Consolidated Financial Results of NACL Industries Limited ("the Company") were reviewed by the Audit Committee at its meeting held on November 3, 2020 and has been approved by the Board of Directors at its meeting held on November 4, 2020. The Statutory Auditors have carried out a limited review of these Financial Results for the Quarter and Half-year ended September 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 Subsidiaries 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 and ₹ 1 lakh (comprising 1,00,000 number of equity shares of ₹ 1 each) of NACL Multichem Private Limited during the half year ended September 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
- d) NACL Multichem Private Limited, India
- iii) Associate:
- a) Nasense Labs Private Limited, India
- 7 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 8 The Board of Directors and the Shareholders, in their meetings held on August 12, 2020 and September 07, 2020 respectively, approved the issuance of 50,00,000 Warrants at an issue price of ₹ 39 per warrant (each warrant convertible into an equity share of ₹ 1 each) on preferential basis to Mrs.K.Lakshmi Raju, Promoter of the Company in terms of Section 42 and 62(1)(c) of the Companies Act, 2013 read with Chapter V of SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018. Upon receipt of the subscription amount of ₹ 488 lakhs (representing 25% of the Issue Price of ₹ 39 each i.e. ₹ 9.75 per Warrant) from Mrs.K.Lakshmi Raju, the Stakeholders Relationship Committee (authorized by the Board of Directors in this regard) in its meeting held on September 30, 2020 has allotted the said 50,00,000 Warrants.
- 9 Statement of cash flows for the half year ended September 30, 2020

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	Half year ended 30.09.2020	Half year ended 30.09.2019	Half year ended 30.09.2020	Half year ended 30.09.2019
A. Cash flow from operating activities				
Profit before tax	3,725	1,168	3,750	1,209
Operating profit before working capital changes	6,947	4,136	6,944	4,137
Net cash generated from operating activities	8,224	2,681	8,217	2,684
B. Cash flow from / (used in) investing activities	1,884	(6,363)	1,988	(6,363)
C. Cash (used in) / generated from financing activities	(6,862)	4,711	(6,862)	4,711
<b>Net cash inflow / (outflow) during the period</b>	<b>3,246</b>	<b>1,029</b>	<b>3,343</b>	<b>1,032</b>

- 10 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.
- 11 The Board of Directors in their meeting held on November 4, 2020 approved an interim dividend of ₹ 0.10 per Equity Share of ₹ 1 each.

Place : Hyderabad  
Date : November 4, 2020



*M. Pavan Kumar*  
M. Pavan Kumar  
Managing Director & CEO

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

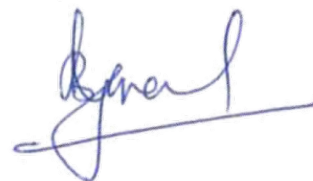
**TO THE BOARD OF DIRECTORS OF  
NACL INDUSTRIES LIMITED**

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 and half year ended September 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:  
Parent:
  - a. NACL Industries Limited, India  
Subsidiaries:
  - a. LR Research Laboratories Private Limited, India
  - b. Nagarjuna Agrichem (Australia) Pty Limited, Australia
  - c. NACL Spec-Chem Limited, India and
  - d. NACL Multichem Private Limited, India  
Associate:
  - a. 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.

6. The consolidated unaudited financial results includes the financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total assets of ₹ 217 lakhs as at September 30, 2020, total revenue of ₹ 11 lakhs and ₹ 23 lakhs for the quarter and half year ended September 30, 2020 respectively, total loss after tax of ₹ 1 lakh and ₹ 1 lakh for the quarter and half year ended September 30, 2020 respectively and Total comprehensive loss of ₹ 1 lakh and ₹ 1 lakh for the quarter and half year ended September 30, 2020 respectively and net cash inflow of ₹ 97 lakhs for the half year ended September 30, 2020, as considered in the Statement. The consolidated unaudited financial results also includes the Group's share of profit after tax of ₹ 3 lakhs and ₹ 26 lakhs for the quarter and half year ended September 30, 2020 respectively and total comprehensive income of ₹ 2 lakhs and ₹ 24 lakhs for the quarter and half year ended September 30, 2020 respectively, 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:20201193AAAAFU5668)

Place: Hyderabad  
Date: November 04, 2020

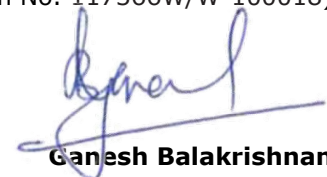
**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE  
FINANCIAL RESULTS**

**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 and half year ended September 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: 20201193AAAAAFT6068)

Place: Hyderabad  
Date: November 04, 2020