

NACL Industries Limited

(formerly known as 'Nagarjuna Agrichem Limited')



Ref: NACL/SE/2020-21

04th February, 2021

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, Thursday the 04th day of February, 2021, has inter-alia approved Un-Audited Financial Results (Standalone and Consolidated) for the third quarter and nine months ended 31st December, 2020. The copy of the approved Un-audited Standalone and Consolidated Financial Results along with the Limited Review Report of the Auditors are enclosed herewith.

The meeting commenced at 9.30 a.m. and concluded at 6.00 p.m..

Kindly take the same on records.

for **NACL Industries Limited**

Satish Kumar Subudhi

Company Secretary & Head-Legal

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

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 Unaudited Standalone and Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2020

(₹ in Lakhs)

Sl. No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine months ended			Quarter ended			Nine months ended		
		31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)	31.12.2020 (Unaudited)	30.09.2020 (Unaudited)	31.12.2019 (Unaudited)	31.12.2020 (Unaudited)	31.12.2019 (Unaudited)	31.03.2020 (Audited)
1	Revenue from operations	26,475	34,417	23,868	86,094	73,826	1,01,489	26,475	34,417	23,868	86,094	73,826	1,01,489
2	Other income	307	258	187	887	623	749	301	259	187	882	623	750
3	Total Income (1+2)	26,782	34,675	24,055	86,981	74,449	1,02,238	26,776	34,676	24,055	86,976	74,449	1,02,239
4	Expenses												
	(a) Cost of materials consumed	18,525	24,262	13,809	61,000	44,531	60,450	18,525	24,262	13,809	61,000	44,531	60,450
	(b) Purchase of stock-in-trade	1,099	1,373	1,511	3,465	2,661	4,564	1,099	1,373	1,511	3,465	2,661	4,564
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,550)	(1,335)	1,618	(4,376)	4,795	6,319	(1,550)	(1,335)	1,618	(4,376)	4,795	6,319
	(d) Employee benefits expense	2,266	2,236	2,053	6,672	6,223	8,627	2,274	2,244	2,061	6,696	6,249	8,664
	(e) Finance costs	829	686	767	2,194	2,160	2,916	829	686	767	2,194	2,160	2,916
	(f) Depreciation and amortisation expense	627	652	601	1,934	1,811	2,397	627	652	601	1,934	1,811	2,397
	(g) Other expenses	3,554	3,880	3,272	10,935	10,676	14,671	3,545	3,874	3,263	10,912	10,647	14,633
	Total Expenses	25,350	31,754	23,631	81,824	72,857	99,944	25,349	31,756	23,630	81,825	72,854	99,943
5	Profit before share of profit of associate (3-4)	1,432	2,921	424	5,157	1,592	2,294	1,427	2,920	425	5,151	1,595	2,296
6	Share of profit from Associate							15	3	67	41	106	95
7	Profit before tax (5+6)	1,432	2,921	424	5,157	1,592	2,294	1,442	2,923	492	5,192	1,701	2,391
8	Tax expense:												
	(a) Current tax	504	1,065	74	1,879	272	423	504	1,065	74	1,879	272	423
	(b) Deferred tax (net)	18	(13)	41	(37)	243	294	18	(13)	41	(37)	243	294
	Total Tax Expense	522	1,052	115	1,842	515	717	522	1,052	115	1,842	515	717
9	Profit for the period (7-8)	910	1,869	309	3,315	1,077	1,577	920	1,871	377	3,350	1,186	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	9	(53)	(5)	(66)	(37)	(28)	8	(54)	(5)	(69)	(40)	(31)
	Income tax expense on the above	(3)	19	2	23	13	10	(3)	19	2	23	13	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	13	22	14	39	(110)	(174)	13	22	14	39	(110)	(174)
	Income tax expense on the above	(5)	(8)	(5)	(14)	38	60	(5)	(8)	(5)	(14)	38	60
	Total Other Comprehensive Income/(Loss) for the period	14	(20)	6	(18)	(96)	(132)	13	(21)	6	(21)	(99)	(134)
11	Total Comprehensive Income for the period (9+10)	924	1,849	315	3,297	981	1,445	933	1,850	383	3,329	1,087	1,540
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,962	1,926	1,676	1,962	1,676	1,926	1,962	1,926	1,676	1,962	1,676	1,926
13	Other Equity						33,127						33,770
14	Earnings Per Share (not annualized)												
	(a) Basic (in ₹)	0.47	0.97	0.18	1.72	0.64	0.94	0.48	0.97	0.23	1.74	0.71	1.00
	(b) Diluted (in ₹)	0.47	0.97	0.18	1.72	0.64	0.94	0.48	0.97	0.23	1.74	0.71	1.00

See accompanying notes to the financial results



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 February 3, 2021 and has been approved by the Board of Directors at its meeting held on February 4, 2021. The Statutory Auditors have carried out a limited review of these Financial Results for the Quarter and Nine months ended December 31, 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 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
- 6 The Stakeholders Relationship Committee (authorised by the Board of Directors), in its meeting held on December 18, 2020, has allotted 34,20,000 equity shares of face value of ₹ 1 each to Mrs. K. Lakshmi Raju, Promoter of the Company upon exercise of option for conversion of Warrants and payment of the balance 75% (i.e. ₹ 29.25) of the issue price of ₹ 39 per share.
- 7 The Compensation Committee, in its meeting held on November 25, 2020, has allotted 1,92,497 equity shares, at an exercise price of ₹ 8 per share, to eligible employees upon exercise of 1,92,497 stock options, granted and vested under Nagarjuna Agrichem Ltd. – Employee Stock Option Scheme 2015 (ESOS 2015). None of the employees is in receipt of equity shares exceeding 1% of the equity share capital of the Company against the vested options exercised by them under ESOS 2015.
- 8 During the quarter ended December 31, 2020, the pledge of Promoter's holding of 4,67,73,453 equity shares (representing 23.84% of Paid-up capital of the Company), has been released by State Bank of India, CCG Branch, Hyderabad, upon the Company's repayment of entire outstanding loan amount.
- 9 During the quarter ended December 31, 2020, the Company has further invested ₹ 28 crores in its Wholly-owned Subsidiary (WoS) M/s NACL Spec-Chem Limited (NSCL), by subscribing the Compulsory Convertible Debentures (CCDs) issued by latter. NSCL further acquired an industrial land admeasuring ~19.70 acres (~79,752.94 Sq. Mtrs) in the chemical zone of Gujarat Industrial Development Corporation (GIDC), Industrial Area/Estate, Dahej-II, Bharuch District, Gujarat.
- 10 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.
- 11 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.

Place : Hyderabad
Date : February 4, 2021




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
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CIN:L24219TG1986PLC016607

Extract of the Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2020

(₹ in Lakhs)

Sl. No.	Particulars	Standalone			Consolidated		
		Quarter ended 31.12.2020	Nine months ended 31.12.2020	Quarter ended 31.12.2019	Quarter ended 31.12.2020	Nine months ended 31.12.2020	Quarter ended 31.12.2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
1	Total Income from Operations	26,782	86,981	24,055	26,776	86,976	24,055
2	Net Profit for the period (before Tax & Exceptional and/or Extraordinary items)	1,432	5,157	424	1,442	5,192	492
3	Net Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	1,432	5,157	424	1,442	5,192	492
4	Net Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	910	3,315	309	920	3,350	377
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	924	3,297	315	933	3,329	383
6	Paid-up Equity Share Capital	1,962	1,962	1,676	1,962	1,962	1,676
7	Earnings per Share (of ₹ 1 each)						
a)	Basic	0.47	1.72	0.18	0.48	1.74	0.23
b)	Diluted	0.47	1.72	0.18	0.48	1.74	0.23

Notes:

- 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 February 3, 2021 and has been approved by the Board of Directors at its meeting held on February 4, 2021. The Statutory Auditors have carried out a limited review of these Financial Results for the Quarter and Nine Months ended December 31, 2020 and have issued an unmodified report on these results.
- The above is an extract of the detailed format of Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter and Nine Months Ended December 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 Statement of Unaudited Standalone and Consolidated Financial Results for the Quarter and Nine Months Ended December 31, 2020 is available on the website of BSE & NSE Limited and Company's website at www.naclind.com

Place : Hyderabad
Date : February 4, 2021



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 nine months ended December 31, 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

Deloitte Haskins & Sells LLP

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 unaudited consolidated financial results includes the financial results of four subsidiaries which have not been reviewed by their auditors, whose interim financial information reflect total revenue of ₹ 13 lakhs and ₹ 36 lakhs for the quarter and nine months ended December 31, 2020 respectively, loss after tax of ₹ 5 lakhs and ₹ 6 lakhs for the quarter and nine months ended December 31, 2020 respectively and Total comprehensive loss of ₹ 5 lakhs and ₹ 6 lakhs for the quarter and nine months ended December 31, 2020 respectively, as considered in the Statement. The unaudited consolidated financial results also includes the Group's share of profit after tax of ₹ 15 lakhs and ₹ 41 lakhs for the quarter and nine months ended December 31, 2020 respectively and total comprehensive income of ₹ 14 lakhs and ₹ 38 lakhs for the quarter and nine months ended December 31, 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 information are not material to the Group.

Our Conclusion on the Statement is not modified in respect of our reliance on the interim financial information 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: 21201193AAAABM6651)

Place: Hyderabad
Date: February 4, 2021

**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 nine months ended December 31, 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: 21201193AAAABN7269)

Place: Hyderabad

Date: February 4, 2021