

**Nagarjuna Fertilizers and Chemicals Limited**

Nagarjuna Hills, Hyderabad - 500 082.

Unaudited Financial Results for the Quarter / Half year ended September 30, 2011

		Rs.Lakhs	
SI No	PARTICULARS	Quarter ended	Half Year ended
		30-09-2011 (Unaudited)	30-09-2011 (Unaudited)
1	a) Sales/Income from operations	165,164.54	203,820.22
	Less: Excise Duty	271.70	407.20
	Net Sales/Income from operations	164,892.84	203,413.02
	b) Other Operating Income	494.14	903.57
	<b>Total</b>	<b>165,386.98</b>	<b>204,316.59</b>
2	<b>Expenditure</b>		
	a) (Increase)/decrease in stock	17,900.62	(11,269.14)
	b) Consumption of raw materials	14,537.57	26,189.68
	c) Power and Fuel	10,157.82	18,580.81
	d) Purchases of traded products	90,900.89	120,677.64
	e) Employees Cost	4,402.14	7,866.89
	f) Depreciation	3,566.82	5,542.45
	g) Packing, Transport & Handling	9,915.95	13,917.53
	h) Other expenditure	2,858.19	5,467.02
	<b>Total</b>	<b>154,240.00</b>	<b>186,972.88</b>
3	Profit(+)/Loss(-) from Operations before Other Income, Interest & Exceptional Items (1-2)	11,146.98	17,343.71
4	Other Income	212.11	452.90
5	Profit(+)/Loss(-) before Interest & Exceptional Items (3+4)	11,359.09	17,796.61
6	Interest	4,356.73	7,220.68
7	Profit(+)/Loss(-) before Exceptional Items (5-6)	7,002.36	10,575.93
8	Exceptional Items	-	-
9	Profit(+)/Loss(-) from ordinary activities before Tax(7+8)	7,002.36	10,575.93
10	Tax Expense	4,148.37	5,037.63
11	Net Profit(+)/Loss(-) from Ordinary Activities after Tax (9-10)	2,853.99	5,538.30
12	Extraordinary Items (net of tax expenses of Rs. )	-	-
13	Net Profit(+)/Loss(-) for the period (11-12)	2,853.99	5,538.30
14	Equity Capital (ref note no 4 below) (Face Value of Rs. 1/- per share)	5.00	5.00
	Equity Capital Suspense A/c (ref note no 3 e below) (Face Value of Rs. 1/- per share)	5,980.65	5,980.65
15	Reserves excluding revaluation reserve	-	-
16	Earning Per Share (not annualised) - Rs. (ref note no 3 e below)		
	- Basic before/after extraordinary items	0.48	0.93
	- Diluted before/ after extraordinary items		
17	Public Shareholding (ref note no 13 below)		
	- No. of shares		
	- Percentage of shareholding		
18	Promoters and Promoter group Share holding (ref note no 12 below)		
	a) Pledged/Encumbered		
	- No. of shares	-	-
	- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)		
	- Percentage of shares (as a % of the total share capital of the company)		
	b) Non-encumbered		
	- No. of shares		
	- Percentage of shares (as a % of the total shareholding of Promoter and promoter group)		
	- Percentage of shares (as a % of the total share capital of the company)		

**SUMMARY OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER' 2011**

Rs Lakhs

PARTICULARS	Half Year ended 30-09-2011
	(Unaudited)
<b>Shareholders' Funds:</b>	
(a) Share Capital	5.00
(b) Equity Capital Suspense Account	5,980.65
(c) Reserves and Surplus	217,899.59
<b>Loan Funds</b>	186,388.30
<b>Deferred Tax Liability (net)</b>	17,404.66
<b>TOTAL</b>	<b>427,678.20</b>
<b>Fixed Assets</b>	316,100.89
<b>CWIP (including Capital Advance)</b>	4,260.48
<b>Investments</b>	5,311.17
<b>Current Assets, Loans and Advances</b>	
(a) Inventories	18,193.96
(b) Sundry Debtors	98,391.32
(c) Cash and Bank balances	23,247.02
(d) Loans and Advances	5,730.92
	145,563.22
<b>Less: Current Liabilities and Provisions</b>	
(a) Liabilities	40,549.97
(b) Provisions	3,007.59
<b>Net Current Assets</b>	102,005.66
<b>TOTAL</b>	<b>427,678.20</b>

Notes:

1. Pursuant to the Composite Scheme of Arrangement and Amalgamation (Scheme) of Ikisan Limited (iKisan) and Kakinada Fertilizers Limited (KFL), a wholly owned subsidiary of NFCL and Nagarjuna Fertilizers and Chemicals Limited (NFCL) and Nagarjuna Oil Refinery Limited (NORL) and their respective shareholders and creditors under Section 391 to 394 and other applicable provisions of the Companies Act, 1956, approved by the jurisdictional High Courts in Bombay at Mumbai and Andhra Pradesh at Hyderabad on June 17, 2011 and June 27, 2011 respectively NFCL was merged into KFL. The said Scheme envisaged, *inter alia*, following:
  - a. the oil business undertaking of NFCL was demerged into NORL and the residual NFCL along with iKisan was merged into KFL. The name of KFL has changed to Nagarjuna Fertilizers and Chemicals Limited (KFL NFCL) w.e.f. August 19, 2011.
  - b. the Effective Date of the Scheme is July 30, 2011 but shall be operative from the Appointed Date i.e., April 1, 2011. The Record Date for determining shareholders eligible to receive shares of KFL and NORL is fixed as September 1, 2011.
  - c. the assets and liabilities of residual NFCL and Ikisan Limited are transferred to and vested in KFL NFCL (now NFCL) with effect from the Appointed Date i.e., April 1, 2011 at their fair values
2. Consequent to the merger the shares of KFL NFCL are to be listed on the Stock Exchanges for which necessary applications have been made. Pending completion of listing formalities, publication of financial results as per clause 41 of the listing agreement is not required. However, the financial results for the half year / quarter ended September 30, 2011 are published as information to all stakeholders of KFL NFCL.
3. The Accounts as on September 30, 2011 have been drawn-up incorporating necessary adjustments as envisaged in the Scheme and in compliance with AS 14 (Accounting for Amalgamations). In accordance with the Scheme:
  - a. the assets and liabilities of residual business of NFCL and Ikisan have been recorded in the books of KFL at Fair Values as on 01.04.2011.
  - b. the Fair Values were determined by the Board of Directors based on the report obtained from a firm of reputed valuers.
  - c. the difference between the value of net assets transferred to KFL over the fair value of Equity shares, and Preference shares allotted is credited to Capital Reserve Account. .

- d. the Authorised share capital of NFCL stands increased to Rs 801,00,00,000/- consisting of 621,00,00,000 equity shares of Rs 1 each and 2,00,00,000 preference shares of Rs 90/- each.
- e. Pending allotment of equity shares to the shareholders of erstwhile NFCL and iKisan, 59,80,65,003 equity shares of Re 1/- each, Rs. 59,80,65,003/- is shown under Equity Capital Suspense Account as on September 30, 2011. The said shares have since been allotted on October 1, 2011 to the share holders eligible to receive shares on the Record Date i.e., September 1, 2011 without payment being received in cash.

Basic earnings per share is furnished taking into consideration the allotment of Equity shares on 1<sup>st</sup> October 2011 and consequent cancellation of paid up capital of KFL as on 30<sup>th</sup> September 2011.

- f. Consequent to the merger and allotment of shares, KFL ceased to be a wholly-owned subsidiary of the erstwhile NFCL.
4. The paid-up share capital of the company (KFL) as on September 30, 2011 is Rs.5,00,000/- divided into 5,00,000 equity shares of Re.1/- each which stand cancelled.
  5. Since KFL does not have operations in the previous year, comparative figures for the previous periods have not been furnished.
  6. The above financial results for the half year / quarter are after carrying out necessary adjustments giving effect to the Scheme from the Appointed Date i.e., from April 1, 2011 onwards.
  7. The financial results comprise of the combined operations of the Company relating to Fertilizer, Micro Irrigation, Agri Services and Wind Energy generation businesses of merged entities. The financial results of Micro Irrigation segment, Wind Energy segment and Agri Services segment being less than the limit prescribed for separate disclosure in Accounting Standard 17, have not been shown separately.
  8. Income from urea operations is accounted on the basis of prices notified under Stage III New Pricing Policy by the Government of India (GOI) which has been further extended from 01-04-2010 onwards until further orders. Input escalation / de-escalation, freight subsidy and Import Parity Price benefit are accounted in accordance with parameters notified by GOI. Adjustments, if any, required will be considered on notification of final prices.
  9. Tax Expense includes income tax and deferred tax.
  10. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 08, 2011.
  11. The Statutory Auditors have carried out Limited Review of above financial results.

12. In view of the shares of erstwhile NFCL being suspended for trading with effect from September 1, 2011 and the equity capital of KFL being held wholly by erstwhile NFCL, the data in relation to the shares pledged by the Promoter and Promoter Group is as under :

a	Pledged/ Encumbered shares in relation to KFL	Nil, as all shares are held by erstwhile NFCL
b	Pledged/ Encumbered shares in relation to NFCL (post allotment pursuant to the Scheme)	129416560 equity shares of Re.1/- each constituting  (i) 42.12% as a % of the total shareholding of Promoter and promoter group (ii) 21.64% as a % of the total share capital of the company
c	Non-Encumbered shares in relation to NFCL (post allotment pursuant to the Scheme)	177813180 equity shares of Re.1/- each constituting  (i) 57.88% as a % of the total shareholding of Promoter and promoter group (ii) 29.73% as a % of the total share capital of the company

13. In view of the shares of erstwhile NFCL being suspended for trading with effect from September 1, 2011 and the equity capital of KFL being held wholly by erstwhile NFCL, the shares held by the public is as under as on September 30, 2011

a	In relation to KFL	Nil, as all shares are held by erstwhile by NFCL
b	In relation to NFCL (post allotment pursuant to the Scheme)	29,08,35,263 equity shares of Re.1/- each constituting 48.63% as a % to the total share capital of the company

14. No investor complaint has been pending at the beginning / end of the quarter.

Sd/-

**K. RAHUL RAJU**  
**MANAGING DIRECTOR**

HYDERABAD  
November 8, 2011