

**Nagarjuna Fertilizers and Chemicals Limited**

Nagarjuna Hills, Hyderabad - 500 082.

**Unaudited Financial Results (Provisional) for the quarter ended 30<sup>th</sup> June 2006**

Rs. Crores

Sl No	Particulars	Quarter ended		Year ended
		30-06-2006 (unaudited)	30-06-2005 (unaudited)	31-03-2006 (Audited)
1	Net Sales/Income from operations	293.89	214.05	1,452.95
2	Other Income	1.69	3.87	20.44
3	Remission of principal amount of loan			
4	Total Expenditure			
	a) (Increase)/decrease in stock	-34.30	-75.48	5.84
	b) Consumption of raw materials	119.65	83.42	481.11
	c) Power and Fuel	78.19	59.46	332.44
	d) Purchases - traded products	4.64	4.76	78.56
	e) Staff Costs	12.05	8.54	39.33
	f) Transport & Handling	15.19	14.05	91.32
	g) Other expenditure	26.06	46.29	139.19
	<b>Total</b>	<b>221.48</b>	<b>141.04</b>	<b>1,167.79</b>
5	Interest	34.29	35.19	130.99
6	Depreciation	30.16	30.28	121.05
7	Profit / (Loss) before tax	9.65	11.41	53.56
8	Provision for tax			
	- Current	10.01	11.06	41.59
	- Deferred tax (debit) / credit	8.29	14.53	56.47
	- Fringe Benefit Tax	0.24	0.29	1.58
9	Profit / (Loss) after Tax	7.69	14.59	66.86
10	Paid-up Equity Share Capital (Face Value of Rs. 10/- per share)	427.96	427.77	427.96
11	Preference Share Capital (Face Value of Rs. 100/- per share)	37.20	37.20	37.20
12	Reserves excluding revaluation reserve			452.50
13	Basic and diluted Earning Per Share (not annualised) - Rs.	0.18	0.34	1.56
14	Aggregate of Non-Promoter shareholding			
	- No. of shares	277,246,293	273,912,577	277,307,293
	- Percentage of shareholding	64.75%	63.97%	64.76%

**Notes:**

- The financial results relate mainly to Fertilizer segment. The financial results of Micro Irrigation segment, being less than the limit for separate disclosure as per Accounting Standard 17, has not been shown separately.
- Income from Urea operations is accounted on the basis of current Stage II GCS (Group Concession Scheme) price, pending notification of Stage III price by the Government of India.
- Depreciation on the increased value of assets due to revaluation is adjusted from revaluation reserve.
- Auditors have given a modified report on the value of investments in subsidiary companies namely NPCL / JESCO in view of the uncertainties in implementation of the projects and in the absence of quantification of diminution in the value of the investments  
  
The company states that:  
The investments in subsidiary companies are long term investments as the projects are long gestation projects and accordingly diminution in value, if any, is considered temporary.
- The results for the quarter ended 30.06.2006 have been subjected to "Limited Review" by the company auditors.
- The company has not received any investor complaints during the current quarter. There were no investor complaints outstanding at the beginning or end of the quarter
- The above results were reviewed by the Audit Committee and taken on record by the Board of Directors at their meeting held on 28th July, 2006

HYDERABAD  
28.07.2006

K.S.RAJU  
Chairman & Managing Director