

**Nagarjuna Fertilizers and Chemicals Limited**

Nagarjuna Hills, Hyderabad - 500 082.

Unaudited Financial Results (Provisional) for the Quarter / Half year ended 30<sup>th</sup> September 2006

Rs. Crores

SI No	Particulars	Quarter Ended		Half Year Ended		Year ended
		30-09-2006	30-09-2005	30-09-2006	30-09-2005	31-03-2006 (Audited)
1	Net Sales/Income from operations	613.75	466.12	907.64	680.17	1,452.95
2	Other Income	9.87	3.07	11.56	6.94	20.44
3	<b>Total Expenditure</b>					
	a) (Increase)/decrease in stock	42.95	93.12	8.65	17.64	5.84
	b) Consumption of raw materials	166.20	117.78	285.85	201.20	481.11
	c) Power and Fuel	123.66	82.06	201.85	141.52	332.44
	d) Purchases - traded products	115.70	15.76	120.34	20.52	78.56
	e) Staff Costs	11.19	9.57	23.24	18.11	39.33
	f) Transport & Handling	34.23	26.23	49.42	40.28	91.32
	g) Other expenditure	38.17	30.21	64.23	76.50	139.19
	<b>Total</b>	<b>532.10</b>	<b>374.73</b>	<b>753.58</b>	<b>515.77</b>	<b>1,167.79</b>
4	Interest	33.79	31.87	68.08	67.06	130.99
5	Depreciation	30.60	30.53	60.76	60.81	121.05
6	Profit / (Loss) before tax	27.13	32.06	36.78	43.47	53.56
7	Provision for tax - Current	16.15	19.35	26.16	30.41	41.59
	- Deferred tax (debit) / credit	7.25	14.40	15.54	28.93	56.47
	- Fringe Benefit Tax	0.12	0.32	0.36	0.61	1.58
8	Profit / (Loss) after Tax	18.11	26.79	25.80	41.38	66.86
9	Paid-up Equity Share Capital (Face Value of Rs. 10/- per share)	427.97	427.77	427.97	427.77	427.96
10	Preference Share Capital (Face Value of Rs. 100/- per share)	37.20	37.20	37.20	37.20	37.20
11	Reserves excluding revaluation reserve					452.49
12	Basic and diluted Earning Per Share (not annualised) - Rs.	0.42	0.63	0.60	0.97	1.56
13	Aggregate of Non-Promoter shareholding					
	- No. of shares	277,229,793	273,728,777	277,229,793	273,728,777	277,307,293
	- Percentage of shareholding	64.75%	63.93%	64.75%	63.93%	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.
- 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 halfyear ended 30.09.2006 have been subjected to "Limited Review" by the company auditors.
- The company has received one investor complaint during the current quarter and same is pending at the 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 27th October,2006

HYDERABAD  
27.10.2006

K.S.RAJU  
Chairman & Managing Director