



# NACL Industries Limited

Ref: NACL/SE/2023-24

May 22, 2023

**BSE Limited**

Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400001

**Company Code: 524709**

**National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No.C/1 G Block, Bandra- Kurla  
Complex, Bandra, Mumbai – 400051

**Symbol: NACLIND**

Dear Sir,

**Sub: Outcome of the Board of Director's Meeting.**

**Ref: Regulations 30 & 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- reg.**

We wish to inform you that, the Board of Directors in their meeting held today i.e., on Monday, May 22, 2023, has inter-alia transacted the following business:

**A) Financial Results:**

- Approved the Audited Standalone and Consolidated Financial Results of the Company for the 4<sup>th</sup> quarter and financial year ended March 31, 2023.
- Approved the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2023.

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to state that, M/s.BSR & Co., the Statutory Auditors of the Company, have issued Auditors' Reports with an unmodified opinion on the Audited Standalone and Consolidated Financial Statements for financial year ended March 31, 2023. A declaration in this regard is enclosed herewith.

The Audited Standalone & Consolidated Financial Results of the Company for the 4<sup>th</sup> quarter and financial year ended March 31, 2023 along with the Statement of Assets & Liabilities, Cash Flows Statement and Statutory Auditors' Report, issued by M/s.BSR & Co., are enclosed herewith for your records.



**B) Final Dividend:**

Recommended Final Dividend of Re.0.25 per Equity Share (i.e. 25% on equity shares of face value of Rs. 1/- each) for the financial year 2022-23. The dividend, if approved at the ensuing Annual General Meeting of the Company, will be paid to the shareholders within 30 days from the date of Annual General Meeting.

**C) Change in designation of Director:**

Mr.Chantati Varada Rajulu (DIN: 09219298) has been appointed as a Whole Time Director designated as "Executive Director- Corporate Affairs" for a period of one year w.e.f. June 24, 2022 and as such his tenure is ending on June 23, 2023. Mr.C.V.Rajulu vide a letter dated May 22, 2023 has expressed his inability to continue as "Whole Time Director" from June 23, 2023 (being the last day of his tenure). However, he has consented to act as Non-Executive and Non-Independent Director. Accordingly, the Board has approved his continuation as Non-Executive and Non-Independent Director of the Company with effect from June 24, 2023.

Mr. C.V Rajulu is not related to any Director or Key Managerial Personnel of the Company. Further, Mr. C.V Rajulu is not debarred from holding the office of Director by virtue of any SEBI order or any other such authority.

Pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated September 09, 2015, his brief profile is enclosed herewith as Annexure-A.

The meeting commenced at 11.30 a.m. and concluded at 7.05 p.m.

You are requested to take the same on records.

Thanking you,

for **NACL Industries Limited**

  
**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

Encl: As above

**Statement of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023**

(₹ in Lakhs)

Sl. No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.3.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022	31.3.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
		(Audited) (Refer note 8)	(Unaudited)	(Audited) (Refer note 8)	(Audited)	(Audited)	(Audited) (Refer note 8)	(Unaudited)	(Audited) (Refer note 8)	(Audited)	(Audited)
1	Revenue from operations	59,671	48,290	47,090	211,600	163,335	59,870	48,042	47,090	211,551	163,335
2	Other income	336	200	274	1,255	1,640	378	176	161	999	1,342
3	<b>Total Income (1+2)</b>	<b>60,007</b>	<b>48,490</b>	<b>47,364</b>	<b>212,855</b>	<b>164,975</b>	<b>60,248</b>	<b>48,218</b>	<b>47,251</b>	<b>212,550</b>	<b>164,677</b>
4	Expenses										
	(a) Cost of materials consumed	44,496	34,010	37,330	159,188	123,767	44,701	33,782	37,330	159,165	123,767
	(b) Purchases of stock-in-trade	(1,699)	2,246	1,512	4,628	7,540	(1,699)	2,246	1,512	4,628	7,540
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,458	643	(3,492)	(3,778)	(10,117)	1,184	643	(3,492)	(4,052)	(10,117)
	(d) Employee benefits expense	3,320	3,214	2,881	11,994	9,993	3,503	3,214	2,881	12,177	10,008
	(e) Finance costs	1,101	1,210	845	4,409	2,984	1,679	1,210	749	4,733	2,665
	(f) Depreciation and amortisation expense	640	625	636	2,594	2,495	855	629	637	2,815	2,496
	(g) Other expenses	5,126	4,386	4,856	20,046	18,067	5,445	4,402	4,859	20,381	18,054
	<b>Total Expenses</b>	<b>54,442</b>	<b>46,334</b>	<b>44,568</b>	<b>199,081</b>	<b>154,729</b>	<b>55,668</b>	<b>46,126</b>	<b>44,476</b>	<b>199,847</b>	<b>154,413</b>
5	Profit before share of profit/(loss) of associate (3-4)	5,565	2,156	2,796	13,774	10,246	4,580	2,092	2,775	12,703	10,264
6	Share of profit/(loss) from Associate						30	119	(43)	138	(280)
7	Profit before tax (5+6)	5,565	2,156	2,796	13,774	10,246	4,610	2,211	2,732	12,841	9,984
8	Tax expense:										
	(a) Current tax	1,424	543	710	3,573	2,691	1,424	545	710	3,575	2,691
	(b) Deferred tax	(24)	13	(16)	(78)	(49)	(167)	13	(16)	(221)	(49)
	<b>Tax Expense</b>	<b>1,400</b>	<b>556</b>	<b>694</b>	<b>3,495</b>	<b>2,642</b>	<b>1,257</b>	<b>558</b>	<b>694</b>	<b>3,354</b>	<b>2,642</b>
9	<b>Profit for the period / year (7-8)</b>	<b>4,165</b>	<b>1,600</b>	<b>2,102</b>	<b>10,279</b>	<b>7,604</b>	<b>3,353</b>	<b>1,653</b>	<b>2,038</b>	<b>9,487</b>	<b>7,342</b>
10	Other Comprehensive Income/(Loss)										
	Items that will not be reclassified subsequently to statement of profit or loss										
	Re-measurement of the defined benefit obligation	(44)	(14)	(36)	(112)	(143)	(44)	(11)	(36)	(109)	(151)
	Income tax expense on the above	10	4	9	28	36	10	4	9	28	36
	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	(4)	20	33	33	86	(4)	20	33	33	86
	Income tax expense on the above	1	(5)	(9)	(8)	(22)	1	(5)	(9)	(8)	(22)
	<b>Total Other Comprehensive Income/(Loss), net of tax</b>	<b>(37)</b>	<b>5</b>	<b>(3)</b>	<b>(59)</b>	<b>(43)</b>	<b>(37)</b>	<b>8</b>	<b>(3)</b>	<b>(56)</b>	<b>(51)</b>
11	<b>Total Comprehensive Income (9+10)</b>	<b>4,128</b>	<b>1,605</b>	<b>2,099</b>	<b>10,220</b>	<b>7,561</b>	<b>3,316</b>	<b>1,661</b>	<b>2,035</b>	<b>9,431</b>	<b>7,291</b>
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,988	1,984	1,983	1,988	1,983	1,988	1,984	1,983	1,988	1,983
13	Other Equity				55,753	46,412				55,406	46,854
14	Earnings Per Share (for the period not annualised)										
	(a) Basic (in ₹)	2.10	0.81	1.06	5.18	3.84	1.69	0.83	1.03	4.78	3.71
	(b) Diluted (in ₹)	2.09	0.80	1.06	5.17	3.83	1.68	0.83	1.03	4.77	3.70



**Standalone and Consolidated Balance Sheet**

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
		(Audited)	(Audited)	(Audited)	(Audited)
<b>I</b>	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, plant and equipment	20,760	20,354	36,924	20,381
	(b) Right-to-use assets	286	461	3,125	3,331
	(c) Capital work-in-progress	2,417	955	5,526	10,456
	(d) Intangible assets	190	109	190	109
	(e) Intangible assets under development	1,542	1,179	1,542	1,179
	(f) Investments accounted for using the equity method			1,403	1,262
	(g) Financial assets				
	(i) Investments	10,652	7,776	1	1
	(ii) Other financial assets	520	408	694	412
	(h) Deferred tax assets (net)			144	-
	(i) Income-tax assets (net)	459	469	466	474
	(j) Other non-current assets	356	273	356	929
	<b>Total non-current assets</b>	<b>37,182</b>	<b>31,984</b>	<b>50,371</b>	<b>38,534</b>
2	<b>Current assets</b>				
	(a) Inventories	48,418	41,071	49,101	41,071
	(b) Financial assets				
	(i) Trade receivables	77,054	52,897	77,151	52,897
	(ii) Cash and cash equivalents	3,993	4,455	4,148	6,994
	(iii) Bank balances other than (ii) above	3,197	3,283	3,197	3,283
	(iv) Other financial assets	301	782	-	541
	(c) Other current assets	5,039	7,064	7,559	8,231
	<b>Total current assets</b>	<b>138,002</b>	<b>109,552</b>	<b>141,156</b>	<b>113,017</b>
	<b>Total Assets</b>	<b>175,184</b>	<b>141,536</b>	<b>191,527</b>	<b>151,551</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity share capital	1,988	1,983	1,988	1,983
	(b) Other equity	55,753	46,412	55,406	46,854
	<b>Total equity</b>	<b>57,741</b>	<b>48,395</b>	<b>57,394</b>	<b>48,837</b>
2	<b>Non-current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	8,131	8,777	20,345	17,243
	(ii) Lease liabilities	43	261	43	261
	(iii) Other financial liabilities	107	176	-	24
	(b) Provisions	1,312	1,039	1,323	1,039
	(c) Deferred tax liabilities (net)	915	1,013	915	1,013
	<b>Total non-current liabilities</b>	<b>10,508</b>	<b>11,266</b>	<b>22,626</b>	<b>19,580</b>
3	<b>Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	49,534	35,306	51,739	35,363
	(ii) Lease liabilities	271	238	271	238
	(iii) Trade payables				
	(a) total outstanding dues of micro enterprises and small enterprises	3,685	1,891	5,029	1,891
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	43,205	35,467	43,422	35,470
	(iv) Other financial liabilities	6,836	6,650	7,623	7,839
	(b) Other current liabilities	1,720	1,644	1,738	1,654
	(c) Provisions	400	281	401	281
	(d) Income-tax liabilities (net)	1,284	398	1,284	398
	<b>Total current liabilities</b>	<b>106,935</b>	<b>81,875</b>	<b>111,507</b>	<b>83,134</b>
	<b>Total equity and liabilities</b>	<b>175,184</b>	<b>141,536</b>	<b>191,527</b>	<b>151,551</b>



Standalone and Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	13,774	10,246	12,841	9,984
<b>Adjustments for:</b>				
Depreciation and amortisation expense	2,594	2,495	2,815	2,496
Finance costs	4,409	2,984	4,733	2,665
Interest income	(205)	(444)	(207)	(175)
Share of (profit)/ loss from associate			(138)	280
Excess provisions no longer required, written back	(15)	(346)	(15)	(346)
Loss allowances on trade receivables	702	572	702	572
Trade receivables written off (net)	5	670	5	670
Loss on sale of property, plant and equipment (net)	89	4	89	4
Intangible assets and intangible assets under development written off	104	69	104	69
Share-based payments	174	184	174	184
Unwinding of Guarantee commission and Compulsorily convertible debentures	(125)	(30)	-	-
Gain on derecognition of leases	(3)	-	(3)	-
Unrealised forex (gain)/ loss	(126)	169	(127)	169
<b>Operating profit before working capital changes</b>	<b>21,377</b>	<b>16,573</b>	<b>20,973</b>	<b>16,572</b>
<b>Working capital adjustments</b>				
(Increase)/ Decrease in Inventories	(7,347)	(18,241)	(8,030)	(18,241)
(Increase)/ Decrease in Trade receivables	(24,723)	(20,302)	(24,820)	(20,302)
(Increase)/ Decrease in Other financial assets	389	(169)	279	(173)
(Increase)/ Decrease in Other assets	2,041	(2,067)	688	(2,890)
Increase/ (Decrease) in Trade payables	9,519	11,725	11,077	11,683
Increase/ (Decrease) in Provisions	280	328	292	328
Increase/ (Decrease) in Other financial liabilities	102	3,024	102	3,024
Increase/ (Decrease) in Other liabilities	76	306	84	309
<b>Cash generated from/ (used in) operations</b>	<b>1,714</b>	<b>(8,823)</b>	<b>645</b>	<b>(9,690)</b>
Income taxes paid (net)	(2,677)	(2,737)	(2,681)	(2,738)
<b>Net cash flow used in operating activities (A)</b>	<b>(963)</b>	<b>(11,560)</b>	<b>(2,036)</b>	<b>(12,428)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment, intangible assets including movement in capital advances, capital creditors, capital work-in-progress and intangible assets under development	(4,868)	(4,997)	(14,553)	(13,793)
Proceeds from sale of property, plant and equipment	10	4	10	4
Investments in subsidiaries	(2,800)	(3,550)	-	-
Proceeds from sale of investments	-	8	-	8
Movement in other deposits and margin money (net)	73	(2,673)	73	(2,673)
Interest income received	228	114	230	115
<b>Net cash used in investing activities (B)</b>	<b>(7,357)</b>	<b>(11,094)</b>	<b>(14,240)</b>	<b>(16,339)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from exercise of employee stock options	143	127	143	127
Proceeds on conversion of share warrants to equity shares	-	463	-	463
Proceeds from non-current borrowings	4,000	4,691	9,009	13,157
Repayment of non-current borrowings	(3,178)	(1,573)	(3,515)	(1,573)
Movement in current borrowings (net)	12,582	20,798	13,776	20,798
Payment of lease liabilities	(330)	(320)	(330)	(320)
Dividend paid	(1,191)	(1,088)	(1,191)	(1,088)
Finance costs paid	(4,148)	(2,656)	(4,442)	(2,612)
<b>Net cash flow from financing activities (C)</b>	<b>7,878</b>	<b>20,442</b>	<b>13,450</b>	<b>28,952</b>
<b>Net (decrease) / increase in cash and cash equivalents (D) = (A+B+C)</b>	<b>(442)</b>	<b>(2,212)</b>	<b>(2,826)</b>	<b>185</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>	<b>4,455</b>	<b>6,663</b>	<b>6,994</b>	<b>6,805</b>
<b>Effect of movements in exchange rates on cash and cash equivalents (F)</b>	<b>(20)</b>	<b>4</b>	<b>(20)</b>	<b>4</b>
<b>Cash and cash equivalents at the end of the year (G) = (D)+(E)+(F)</b>	<b>3,993</b>	<b>4,455</b>	<b>4,148</b>	<b>6,994</b>



**Notes :**

- 1 The above Standalone and Consolidated Financial results were reviewed and recommended by the Audit Committee in their meeting held on May 22, 2023 and approved by the Board of Directors in their meeting held on May 22, 2023. The Statutory Auditors have issued an unmodified opinion on financial results for the quarter and year ended March 31, 2023.
- 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/ Group 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/ Group'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
    - e) NACL Industries (Nigeria) Limited, Nigeria
  - iii) Associate:
    - a) Nasense Labs Private Limited, India
- 6 The Company has granted 20,000 & 65,000 employee stock options for equal number of equity shares under NACL Employee Stock Option Scheme-2020 ('ESOS-2020') on February 24, 2023 & March 29, 2023 having an exercise price of ₹ 78 & ₹ 72 per option/ share respectively.
- 7 The Company has incorporated NACL Agri-Solutions Private Limited, as a wholly-owned subsidiary Company on May 2, 2023. The Company is yet to subscribe to the share capital of NACL Agri-Solutions Private Limited as on date.
- 8 The figures for the current quarter and quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and March 31, 2022 respectively and published year to date figures up to third quarter ended December 31, 2022 and December 31, 2021 respectively.
- 9 The Board of Directors in its meeting held on May 22, 2023 have recommended a final dividend of ₹ 0.25 per Equity Share of ₹ 1 each. The Board had earlier in its meeting held on October 21, 2022 and on January 31, 2023 approved interim dividend of ₹ 0.30 and ₹ 0.15 per Equity Share of ₹ 1 each respectively. The total dividend is ₹ 0.70 per Equity Share of ₹ 1 each for the year ended March 31, 2023.

Place : Hyderabad  
Date : May 22, 2023



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

DIN: 01514557



# B S R and Co

Chartered Accountants

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6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,  
Raidurg, Hyderabad – 500 081 – India  
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## Independent Auditor's Report

**To the Board of Directors of NACL Industries Limited**

**Report on the audit of the Consolidated Annual Financial Results**

### Opinion

We have audited the accompanying consolidated annual financial results of NACL Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated annual financial results:

- a. include the annual financial results of the following entities

SI. No	Name of the component	Country	Relationship
1	NACL Spec-Chem Limited	India	Subsidiary
2	NACL Multichem Private Limited	India	Subsidiary
3	LR Research Laboratories Private Limited	India	Subsidiary
4	Nagarjuna Agrichem (Australia) Pty Limited	Australia	Subsidiary
5	NACL Industries (Nigeria) Limited	Nigeria	Subsidiary
6	Nasense Labs Private Limited	India	Associate

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described



Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East), Mumbai - 400063

## Independent Auditor's Report (Continued)

### NACL Industries Limited

in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, along with the consideration of reports of the other auditors referred to in sub paragraph no. (b) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

#### Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/ loss and other comprehensive income and other financial information of the Group including its associate in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the respective Management and the Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate is responsible for overseeing the financial reporting process of each company.

#### Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures



**Independent Auditor's Report (Continued)**

**NACL Industries Limited**

that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group and its associate to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated annual financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in sub paragraph no. (b) of the "Other Matters" paragraph in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

**Other Matters**

- a. The consolidated annual financial results of the Group and its associate for the year ended 31 March 2022 were audited by the predecessor auditor.  
The predecessor auditor had expressed an unmodified opinion on 12 May 2022.
- b. The consolidated annual financial results include the audited financial results of three subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 26,228 lakhs as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 2,132 lakhs and total net loss after tax (before consolidation adjustments) of Rs. 1,081 lakhs and net cash outflows (before consolidation adjustments) of Rs. 2,636 lakhs for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. The independent auditor's reports on financial statements of these entities have been

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B S R and Co

**Independent Auditor's Report (Continued)**

**NACL Industries Limited**

furnished to us by the management.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the reports of such auditors and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

- c. The consolidated annual financial results include the unaudited financial results of two subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 16 lakhs as at 31 March 2023, total revenue (before consolidation adjustments) of Rs. 12 lakhs, total net profit after tax (before consolidation adjustments) of Rs. 2 lakhs and net cash inflows (before consolidation adjustments) of Rs. 2 lakhs for the year ended on that date, as considered in the consolidated annual financial results. These unaudited financial statements have been furnished to us by the Board of Directors. The consolidated annual financial results also include the Group's share of total net profit after tax and other comprehensive income of Rs. 140 lakhs for the year ended 31 March 2023, as considered in the consolidated annual financial results, in respect of one associate. These unaudited financial statements have been furnished to us by the Board of Directors.

Our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on such financial statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements are not material to the Group.

Our opinion on the consolidated annual financial results is not modified in respect of the above matter with respect to the financial statements certified by the Board of Directors.

- d. The consolidated annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

**For B S R and Co**

*Chartered Accountants*

Firm's Registration No.:128510W



**Arpan Jain**

*Partner*

Hyderabad

22 May 2023

Membership No.: 125710

UDIN:23125710BGYBQM1721

# B S R and Co

Chartered Accountants

Salarpuria Knowledge City, Orwell, B Wing,  
6th Floor, Unit-3, Sy No. 83/1, Plot No. 02,  
Raidurg, Hyderabad – 500 081 – India  
.Tel: +91 407 182 2000  
Fax: +91 407 182 2399

## Independent Auditor's Report

**To the Board of Directors of NACL Industries Limited**

**Report on the audit of the Standalone Annual Financial Results**

### Opinion

We have audited the accompanying standalone annual financial results of NACL Industries Limited (hereinafter referred to as the "Company") for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2023.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

### Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33

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Principal Office:

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East), Mumbai - 400063

**Independent Auditor's Report (Continued)**

**NACL Industries Limited**

of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the

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B S R and Co

**Independent Auditor's Report (Continued)**

**NACL Industries Limited**

underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

- a. The standalone annual financial results of the Company for the year ended 31 March 2022 were audited by the predecessor auditor.

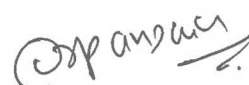
The predecessor auditor had expressed an unmodified opinion on 12 May 2022.

- b. The standalone annual financial results include the results for the quarter ended 31 March 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R and Co**

*Chartered Accountants*

Firm's Registration No.:128510W .



**Arpan Jain**

*Partner*

Hyderabad

22 May 2023

Membership No.: 125710

UDIN:23125710BGYBQL8239

**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

**Extract of the Statement of Standalone and Consolidated Financial Results for the quarter and year ended March 31, 2023**

(₹ in Lakhs)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended 31.03.2023	Quarter ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	Quarter ended 31.03.2023	Quarter ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
		(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Total Income from Operations	60,007	47,364	2,12,855	1,64,975	60,248	47,251	2,12,550	1,64,677
2	Net Profit for the period (before Tax & Exceptional and/or Extraordinary items)	5,565	2,796	13,774	10,246	4,610	2,732	12,841	9,984
3	Net Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	5,565	2,796	13,774	10,246	4,610	2,732	12,841	9,984
4	Net Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	4,165	2,102	10,279	7,604	3,353	2,038	9,487	7,342
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	4,128	2,099	10,220	7,561	3,316	2,035	9,431	7,291
6	Paid-up Equity Share Capital	1,988	1,983	1,988	1,983	1,988	1,983	1,988	1,983
7	Earnings per Share (of ₹ 1 each)								
a)	Basic	2.10	1.06	5.18	3.84	1.69	1.03	4.78	3.71
b)	Diluted	2.09	1.06	5.17	3.83	1.68	1.03	4.77	3.70

Notes:

- The above Standalone and Consolidated Financial results were reviewed and recommended by the Audit Committee in their meeting held on May 22, 2023 and approved by the Board of Directors in their meeting held on May 22, 2023. The Statutory Auditors have issued an unmodified opinion on financial results for the quarter and year ended March 31, 2023.
- The Board of Directors in its meeting held on May 22, 2023 have recommended a final dividend of ₹ 0.25 per Equity Share of ₹ 1 each. The Board had earlier in its meeting held on October 21, 2022 and on January 31, 2023 approved interim dividend of ₹ 0.30 and ₹ 0.15 per Equity Share of ₹ 1 each respectively. The total dividend is ₹ 0.70 per Equity Share of ₹ 1 each for the year ended March 31, 2023.
- The above is an extract of the detailed format of Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2023 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 Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2023 is available on the website of BSE & NSE Limited and Company's website at www.naclind.com

Place : Hyderabad  
Date : May 22, 2023



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

DIN: 01514557

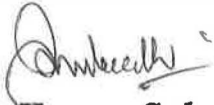
**DECLARATION**

*Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is hereby declared that the Auditors of the Company, M/s.BSR & Co., have issued the Audit Reports with “unmodified opinion” on the Audited Financial Statements (Standalone & Consolidated) for the financial year ended March 31, 2023.

Thanking you,

for **NACL Industries Limited**



**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

**Annexure-A****Appointment of Mr.Chantati Varada Rajulu as a Non-Executive and Non-Independent Director:**

<b>Sl. No.</b>	<b>Details of events that need to be provided</b>	<b>Information of such events</b>
1)	Reasons for change viz., appointment, <del>resignation,</del> <del>removal, death or otherwise.</del>	Mr.C.V Rajulu ceases to be a Whole Time Director of the Company with effect from June 24, 2023. The Company has approved his continuation as a Non-Executive and Non-Independent Director of the Company with effect from the aforesaid even date.
2)	Date and terms of appointment.	Mr.C.Varada Rajulu appointed as a Non-Executive and Non-Independent Director with effect from June 24, 2023.
3)	Brief Profile	<p>Mr.C.Varada Rajulu is an engineering graduate from Visakhapatnam and also have the privilege of possessing:</p> <ol style="list-style-type: none"> <li>1) PG Diploma in Industrial Management, from Kirloskar Institute of Management, Bangalore;</li> <li>2) Certificate course in Statistics from Indian Institute of Statistics, Bangalore and;</li> <li>3) Qualified "Six Sigma black belt" from BMG group.</li> </ol> <p>Mr. Rajulu has about 41 years of rich experience in the areas of Chemical Industry Operations, Corporate Affairs and other ancillary activities. He is in association with M/s.NACL Industries Limited for about 8 years.</p>
4)	Disclosure of relationship between Directors	Mr.C.Varada Rajulu is not related to any other Director of the Company