



# NACL Industries Limited

Ref: NACL/SE/2022-23

August 01, 2022

**1) BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Fort,  
Mumbai,  
**Mumbai – 400001.**  
Security code:524709

**2) National Stock Exchange of India Ltd**

Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1 G Block,  
Bandra –Kurla Complex, Bandra (E)  
**Mumbai-400051.**  
Symbol: NACLIND

Dear Sir,

**Sub: Postal Ballot Notice – Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Postal Ballot Notice being sent to the Members of the Company.

In accordance with circulars issued by Ministry of Corporate Affairs from time to time, the Postal Ballot Notice is sent only in electronic form to Members, whose email addresses are registered with the Depository Participants / the Company's Registrar and Transfer Agent and whose names are recorded in the Register of Members/list of Beneficiary Owners as on Friday, the July 29, 2022.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its members. The voting rights of the Members shall be in proportion to their holding of equity shares with the paid-up equity share capital of the Company as on the Friday, July 29, 2022 ("Cut-Off date"). The remote e-voting period shall commence on Tuesday, August 02, 2022 at 10.00 a.m. (IST) and end on Wednesday, August 31, 2022 at 5.00 p.m. (IST).



This Postal Ballot Notice will also be available on the Company's website at [www.naclind.com](http://www.naclind.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com)

Request you to take the above information on record.

Thanking you,

for **NACL Industries Limited**



**Satish Kumar Subudhi**

Vice President - Legal & Company Secretary

Encl: As above



## **NACL Industries Limited**

(CIN: L24219TG1986PLC016607)

Registered Office: Plot No.12-A, "C" Block, Lakshmi Towers, No.8-2-248/1/7/78, Nagarjuna Hills,  
Panjagutta, Hyderabad-500082, Telangana State, India

Phone: 040-24405100; e-mail: investors@naclind.com; Website: www.naclind.com

### **POSTAL BALLOT NOTICE**

**[Pursuant to Section 108 and Section 110 of the Companies Act, 2013, read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014]**

**NOTICE** is hereby given to the Members of M/s. NACL Industries Limited ('the Company'), pursuant to the provisions of Section 108, Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 (the "Rules"), including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ("MCA") for holding general meetings / conducting the process of postal ballot through remote e-voting vide General Circular Nos. 14/2020 dated April 08, 2020; 17/2020 dated April 13, 2020; 22/2020 dated June 15, 2020; 33/2020 dated September 28, 2020; 39/2020 dated December 31, 2020; 10/2021 dated June 23, 2021 and 20/2021 dated December 08 2021 including any other circular issued in this regard ("relevant Circulars"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India and other applicable laws and regulations, if any, that the Resolution(s) as set out in this Notice are proposed for consideration by the Members of the Company for passing by means of Postal Ballot by voting through electronic means only ('remote e-voting').

Members desiring to exercise their vote through the e-voting process are requested to carefully read the instructions indicated in this Notice and record their assent (FOR) or dissent (AGAINST) by following the procedure as stated in the Notes forming part of the Notice for casting of votes by e-voting not later than 5.00 p.m. (IST) on Wednesday, August 31, 2022. The e-voting facility will be disabled by CDSL immediately thereafter.

An Explanatory Statement, pursuant to Sections 102(1), 110 of the Companies Act, 2013 and the relevant information required under Regulation 36 of the Listing Regulations, 2015 setting out all material facts relating to the resolutions mentioned in this Notice of Postal Ballot is annexed hereto.

#### **Special Business:**

##### **Item No.1**

**Amendment to NACL Employee Stock Option Scheme 2020 ("ESOS 2020 Scheme") and in this regard, pass the following resolution as a Special Resolution:**

**"RESOLVED THAT** in partial modification of the special resolution passed by the members of the Company at their respective Extraordinary General Meeting (EGM) held on September 07, 2020 and Annual General Meeting (AGM) held on September 24, 2021, and pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) and/or re-enactment of the Act, the Foreign Exchange Management Act, 1999, in accordance with the enabling provisions of Memorandum of Association and Articles of Association of the Company and the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the "ESOP Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI

Listing Regulations”) read with rules, regulations, guidelines made thereunder, including statutory modification(s) and/or re-enactment thereof for time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the “Board”, which expression shall also include any committee constituted by the Board for this purpose), the approval of the members be and is hereby accorded for the increase in existing pool of NACL Employee Stock Option Scheme-2020” (hereinafter referred to as “ESOS 2020 Scheme”) from 20,00,000 stock options to 25,00,000 stock options and to make such other amendment(s)/modification(s) in the ESOS 2020 Scheme as mentioned in the Explanatory Statement, annexed to this notice.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to create, offer, issue and allot at any time to or for the benefit of all such person(s), eligible under ESOS-2020 Scheme and the ESOP Regulations, as decided by the Board, an additional 5,00,000 (Five Lakhs) employee stock options under the ESOS 2020 Scheme exercisable into 5,00,000 (Five Lakhs) equity shares of the face value of Re.1/- (Rupee One) each fully paid-up upon payment of the requisite exercise price, in such manner, during such period, in one or more tranches and on such other terms and conditions as the Board may decide in accordance with the ESOS 2020 Scheme, the ESOP Regulations or other applicable provisions of the law as may be prevailing at the relevant time.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares and/or equity linked instruments (including options) of the Company are issued to the option grantees for the purpose of making a fair and reasonable adjustment to such equity shares, the maximum number permissible under the ESOS 2020 Scheme of stock options convertible into equity shares be deemed to be increased in proportion to such additional equity shares issued in the aforesaid corporate action(s).

**RESOLVED FURTHER THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the ESOS 2020 Scheme shall automatically stand reduced or increased, as the case may be, in the same proportion as the face value per equity share shall bear to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees.

**RESOLVED FURTHER THAT** the maximum number of stock options that can be granted under the ESOS 2020 Scheme, to any option grantee, in any year shall not exceed 1% of the issued capital of the Company at the time of grant of stock options.

**RESOLVED FURTHER THAT** all the lapsed options will be added back to the ESOS 2020 Scheme pool and the Board be and is hereby authorized to allot these lapsed options to the Eligible Employees as per the ESOS 2020 Scheme.

**RESOLVED FURTHER THAT** notwithstanding anything contained in the ESOS 2020 Scheme, the employees are free to surrender their options voluntarily, if in their opinion, the options granted are not beneficial to them, even before the expiry of their exercise period.

**RESOLVED FURTHER THAT** except the above amendments expressly stated herein all other terms of the ESOS 2020 Scheme and authorizations, consents, permissions and approvals granted in that regard shall remain unaltered.

**RESOLVED FURTHER THAT** such shares as are issued by the Company in the manner aforesaid shall rank pari-passu in all respects with the then existing fully paid-up shares of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or

approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives/ officers of the Company and to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

#### **Item No.2**

**Grant of options to employees of Subsidiary Company(ies), under the amended NACL Employee Stock Option Scheme- 2020 (“ESOS 2020 Scheme”) and in this regard, pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Share Capital and Debentures) Rules, 2014, including any statutory modification(s) and/or re-enactment(s) of the Act, the Foreign Exchange Management Act, 1999 and in accordance with the enabling provisions of Memorandum of Association and Articles of Association of the Company and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “ESOP Regulations”), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”) read with rules, regulations and guidelines made thereunder, including any statutory modification(s) and/or re-enactment(s) thereof for time being in force and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company in its sole discretion (hereinafter referred to as the “Board”, which expression shall also include any Committee constituted by the Board for this purpose), the approval of the Members be and is hereby accorded to extend the benefits of the ESOS-2020 Scheme by way of grant, offer and issue, in one or more tranches, to such eligible employees of the Subsidiary Company(ies) of the Company, who are eligible to participate as per the Applicable Laws and as may be decided by the Board under a ESOS 2020 Scheme, the salient features of which are detailed in explanatory statement, at such price or prices and on such terms and conditions, as may be determined by the Board in accordance with the provisions of ESOS-2020 Scheme and the applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities, without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any powers conferred herein, to any Committee of Directors with a power to further delegate to any executives/officers of the Company and to do all such acts, deed, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

#### **Item No.3**

**Re-appointment of Mr. M. Pavan Kumar (DIN: 01514557) as a Managing Director & Chief Executive Officer of the Company and in this regard, pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to Sections 196, 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and in accordance with the enabling provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the Members be and is hereby accorded to

the re-appointment of Mr. M. Pavan Kumar (DIN:01514557) as Managing Director & Chief Executive Officer (“MD & CEO”) of the Company, for a period of 3 (three) years with effect from June 01, 2022 to hold office up to May 31, 2025 upon the terms and conditions set out in the Explanatory Statement annexed to this Notice for Postal Ballot and in the Agreement to be entered into between the Company and Mr. M. Pavan Kumar in this regard, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. M.Pavan Kumar.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.”

#### **Item No.4**

**Appointment of Mr. Chantati Varada Rajulu (DIN:09219298) as a Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Section 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mr. Chantati Varada Rajulu (DIN:09219298), who was appointed as an Additional Director and Whole-Time Director designated as “Executive Director – Corporate Affairs” by the Board of Directors of the Company at its meeting held on June 24, 2022, based on the recommendation of the Nomination and Remuneration Committee of the Board and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

#### **Item No.5**

**Appointment of Mr. Chantati Varada Rajulu (DIN:09219298) as Whole Time Director of the Company and in this regard, pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to Sections 196, 197 read with Schedule V of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and in accordance with the enabling provisions of the Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, the approval of the Members be and is hereby accorded to the appointment of Mr. Chantati Varada Rajulu (DIN:09219298) as a Whole Time Director designated as “Executive Director-Corporate Affairs” of the Company, for a period of 1 (one) year with effect from June 24, 2022 to hold office up to June 23, 2023 upon the terms and conditions set out in the Explanatory Statement annexed to this Notice for Postal Ballot and in the Agreement to be entered into between the Company and Mr. Chantati Varada Rajulu in this regard, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with authority to the Board of Directors to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board of Directors and Mr. Chantati Varada Rajulu.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the members of the Company to the end and intent that they shall be deemed to have given their approval there to expressly by the authority of this resolution.”

**Item No. 6**

**Re-appointment of Mr. Sudhakar Kudva (DIN: 02410695) as an Independent Director for a second term of 5 (five) years and continuation of Directorship after attainment of 75 years of age and, in this regard, pass the following resolution as a Special Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152, 161 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors and in accordance with the provisions of Articles of Association of the Company, Mr. Sudhakar Kudva (DIN: 02410695) who was appointed as an Independent Director of the Company for a term of 5 (five) years up to August 04, 2022 by the shareholders and in respect of whom the Company has received a notice in writing from the Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) years effective immediately after expiry of his current term on August 04, 2022 i.e. from August 05, 2022 till August 04, 2027.

**RESOLVED FURTHER THAT** the consent of the Members be and is hereby accorded for continuation of Mr. Sudhakar Kudva as an Independent Director on Board after attaining the age of 75 (Seventy Five) years.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) of the company be and are hereby authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above resolution.”

**Item No.7**

**Appointment of Mr. N. Vijayaraghavan (DIN: 02491073) as an Independent Director of the Company and continuation of Directorship after attainment of 75 years of age and in this regard, pass the following resolution as an Ordinary Resolution:**

“**RESOLVED THAT** pursuant to Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors), Rules, 2014, read with Schedule IV to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (‘SEBI Listing Regulations’) as amended from time to time, and based on the recommendation of the Nomination and Remuneration Committee and approval of Board of Directors and in accordance with the provisions of Articles of Association of the Company, Mr. N. Vijayaraghavan (DIN: 02491073) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing under Section 160(1) of the Act proposing his candidature for the office of Director be and is hereby appointed and re-designated as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) years commencing from July 28, 2022 till July 27, 2027.

**RESOLVED FURTHER THAT** the consent of the Members be and is hereby accorded for continuation of Mr. N. Vijayaraghavan as an Independent Director on Board after attaining the age of 75 (Seventy Five) years.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps including acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

By order of the Board  
for **NACL Industries Limited**

Date: July 28, 2022  
Place: Hyderabad

**Satish Kumar Subudhi**  
Vice President – Legal & Company Secretary  
(FCS-9085)

## **Notes:**

- 1) In view of the outbreak of Covid-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide its General Circular No.02/2021 dated January 13, 2021 read with Circular No.20/2020 dated May 05, 2020, 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 25, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated, December 08, 2021 and 2/2022 dated May 05, 2022, allowed the companies to hold general meetings/conduct the Postal Ballot process through electronic means (e-voting) only, in view of the Covid-19 pandemic, (collectively referred to as “Applicable Circulars”). Accordingly, in compliance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Applicable Circulars, the Postal Ballot is being conducted through E-Voting only.
- 2) The CUT-OFF date for recognizing the eligibility of members to vote on Postal Ballot shall be Friday, July 29, 2022. A person whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the Cut-Off date i.e. Friday July 29, 2022 shall be entitled to avail the facility of e-voting. A person who is not a Member on the Cut-Off date should treat this Notice for information purpose only.
- 3) The relevant Explanatory Statement, pursuant to Sections 102(1) and 110 of the Companies Act, 2013, is annexed hereto. The relevant details of the person(s) seeking appointment/re-appointment as a Director required vide Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also annexed to the Notice.
- 4) The vote in this Postal Ballot cannot be exercised through proxy.
- 5) Members seeking further information on any matter contained in the Notice, are requested to write to the Company from their registered e-mail addresses mentioning their names, folio numbers/DP ID and Client ID, between the period Tuesday, August 02, 2022 to Wednesday, August 31, 2022 through email at [investors@naclind.com](mailto:investors@naclind.com). The same shall be replied suitably.
- 6) In compliance with the Applicable Circulars, Notice of the Postal Ballot is being sent only through electronic mode to those Members whose email addresses are registered with the Company/RTA/ Depository Participants. Members may note that the Notice of the Postal Ballot will also be available on the Company’s website [www.naclind.com](http://www.naclind.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL <https://www.evotingindia.com>.
- 7) The Board of Directors of the Company has appointed Mr.K.V Chalama Reddy, Practicing Company Secretary, as Scrutinizer to conduct the postal ballot e-voting process in a fair and transparent manner.
- 8) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kvcr133@gmail.com](mailto:kvcr133@gmail.com) with a copy marked to [helpdesk.evotingindia.com](mailto:helpdesk.evotingindia.com). Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) can also upload their Board Resolution / Power of Attorney/Authority Letter, etc. by clicking on “Upload Board Resolution/Authority Letter” displayed under “e-Voting” tab in their login.
- 9) Relevant documents, if any, referred to in this Postal Ballot Notice will be available for inspection electronically until the last date of e-voting. Members seeking to inspect such documents can send an e-mail to [investors@naclind.com](mailto:investors@naclind.com).
- 10) The e-voting period commences on **Tuesday, August 02, 2022 (10:00 am)** and ends on **Wednesday, August 31, 2022 (5:00 pm)**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the Cut-Off date of Friday, July 29, 2022 (end of business hours), may cast their vote by e-voting. The e-voting module will be disabled by CDSL for voting upon the expiry of the above period. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- 11) The voting rights of the Members shall be in proportion to their shares held in the paid-up equity share capital of the Company as on the Cut-Off Date i.e. Friday, July 29, 2022.
- 12) The Scrutinizer, after scrutinizing the votes cast at the postal ballot voting process through e-voting, will, not later than two working days from the conclusion of the e- voting, make a Scrutinizer’s report and submit the same to the Chairperson or a person authorized by her in writing. The results declared along

with the scrutiniser's report shall be placed on the website of the Company-[www.naclind.com](http://www.naclind.com) and on the website of CDSL. The results shall be simultaneously communicated to the Stock Exchanges.

- 13) Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the last date specified for E-Voting for the postal ballot voting process i.e. Wednesday, August 31, 2022. The Ordinary Resolutions shall be declared as passed, if the number of votes cast in favor exceeds the votes, if any, cast against the Resolution, by the members so entitled and voted. Special Resolutions shall be declared as passed when votes cast in favor are not less than three times the number of votes, if any, cast against the Resolution by members, so entitled and voted.
- 14) The Company has engaged the services of M/s. Central Depository Services (India) Limited (CDSL) as the Agency to provide e-voting facility.

**15) Instructions about Voting:**

In compliance with Regulation 44 of the Listing Regulations and Section 108 of the Companies Act, 2013, read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, as amended and the relevant Circulars, the Company is pleased to provide facility of remote e-voting to enable its Members to cast their votes electronically in respect of the Resolution(s) as set out in this Postal Ballot Notice.

In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- a) Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the

<p>demat mode with <b>NSDL Depository</b></p>	<p>following URL: <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nSDL.co.in">evoting@nSDL.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

b) Information and Instructions for e-voting by Shareholders other than individuals holding shares of the Company in demat mode and all Shareholders holding shares of the Company in physical mode:

(i) Login method for Remote e-Voting for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Physical shareholders and other than individual shareholders holding shares in Demat.</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>

- (ii) After entering these details appropriately, click on “SUBMIT” tab.
  - (iii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - (v) Click on the EVSN for the relevant ‘NACL Industries Limited’ on which you choose to vote.
  - (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
  - (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
  - (viii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - (x) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
  - (xi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- c) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
  - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; investors@naclind.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- d) **Process for those shareholders whose email/mobile no. are not registered with the Company/ Depositories.**
1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
  2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP).
  3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33.

**Annexure to the Notice**

**The Explanatory Statement as required under Section 102 of the Companies Act, 2013**

**Item No. 1 & 2:**

The Company had introduced and implemented “NACL Employee Stock Option Scheme 2020” (“ESOS 2020 Scheme”), with an objective to provide equity-based incentives, reward and motivate Key Managerial Personnel and Senior Managerial Personnel for their continuous hard work, dedication, support and their long association and to promote the culture of employee ownership.

As per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 7 of SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021 (the “ESOP Regulations”), the Company may vary, by way of a Special Resolution, the terms of the Employees Stock Options not yet exercised by the Employees provided that such variation is not prejudicial to the interests of the employees.

Keeping in view the Company’s further growth plans, expansion of its existing manufacturing capacity, and setting up of the of new greenfield project in Dahej, the Company is expecting new hirings which includes various senior-level employees. In order to incentivize those Senior Employees (in various phases of the recruitment process) and extending the benefit to Eligible Employees of the Subsidiary Company(ies) by way of making them participative and availing the benefits under the ESOS-2020 Scheme, it is thought expedient to amend the existing ESOS 2020 Scheme by way of increasing the number of Options in the ESOS-2020 Scheme by about 5,00,000 (five lakhs only), thereby the total envisaged number Options increases to 25,00,000 (twenty-five lakhs only) from the existing 20,00,000 (Twenty lakhs only) Options, and to amend the other provisions of the ESOS 2020 Scheme, in alignment with the new Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

Based on the approval of Compensation Committee and the Board of Directors and subject to the approval of the Members, the following amendments were proposed to the ESOS 2020 Scheme:

<b>Clause No.</b>	<b>Existing Provisions</b>	<b>New/Amended Provision</b>	<b>Rationale</b>
3.10	<p>“Employee” means:</p> <p>a) Permanent employee of the Company who has been working in India or outside India;</p> <p>b) Directors (including Managing Director or Whole-Time Directors) of the Company at any time;</p> <p>c) Such other persons, as may from time to time, be allowed under prevailing laws and SEBI SBEB, and as may be approved by the Board/Committee for this purpose.</p> <p>Above persons are referred herein collectively as the “Eligible Employees”.</p> <p>An employee who is a Promoter or belongs to Promoter group or a Director who either by himself or through his relative or through any Body Corporate, directly or indirectly</p>	<p>“employee”, means, —</p> <p>(i) an employee as designated by the Company, who is exclusively working in India or outside India; or</p> <p>(ii) a director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or</p> <p>(iii) an employee as defined in sub-clauses (i) or (ii), of a Subsidiary Company(ies), in India or outside India, but does not include—</p> <p>(a) an employee who is a promoter or a person belonging to the promoter group; or</p> <p>(b) a director who, either himself or through his relative or through anybody corporate, directly or indirectly, holds</p>	<p>The definition of an employee has been revised under the ESOP Regulations to include an employee as designated by the company, who is exclusively working in India or outside India. Further, the ambit of an employee has been expanded to include employees of Subsidiary Companies. Accordingly, it is proposed to revise the definition of employee, deleted the definition of permanent employee and insert the new definition in the ESOS 2020 Scheme.</p>

	holds more than 10 percent of the outstanding equity shares of the Company at the time of granting of option shall not be eligible to participate in ESOS-2020. Independent Directors shall not be eligible to receive any stock options.	more than ten percent of the outstanding equity shares of the company;”	
3.26	“Permanent Employee” means employees who are on the payroll of the Company;	<i>Deleted</i>	
6	The total number of options to be granted is 20,00,000 (Twenty Lakhs) to the Eligible Employees of the Company. The Option holder is eligible to receive one equity share for every one option granted to him/her on exercise of the said option as per this ESOS-2020. Accordingly, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under ESOS-2020 shall not exceed 20,00,000 (Twenty Lakhs) Equity Shares of the face value of Rs.1/- each.	The total number of options to be granted is 25,00,000 (Twenty-Five Lakhs) to the Eligible Employees of the Company. The Option holder is eligible to receive one equity share for every one option granted to him/her on exercise of the said option as per this ESOS-2020. Accordingly, the maximum number of Shares that may be issued pursuant to Exercise of Options granted to the Participants under ESOS-2020 shall not exceed 25,00,000 (Twenty-Five Lakhs) Equity Shares of the face value of Rs.1/- each.	The Members be hereby informed that as against the 20,00,000 Options envisaged under the ESOS-2020, the 19,90,000 Options has already been granted, leaving behind a balance of 10,000 Options. Considering the new hiring and proposed grant of options to the eligible employees of the “Subsidiary Company(ies)”, of the Company, it is proposed to enhance the limit by 5,00,000 stock options convertibles into equity share of the face value of Rs.1/- each fully paid up under the ESOS-2020.
7.1	Maximum number of options to be issued per employee per year shall not exceed 2,00,000 (Two Lakhs) and 20,00,000 (Twenty Lakhs) in the aggregate.	Maximum number of options to be issued per employee per year shall not exceed 2,00,000 (Two Lakh) and 25,00,000 (Twenty-Five Lakhs) in the aggregate.	
14.1	On the death of a Participant: In the event of death of a Participant while in employment, all the Options granted to him till such date shall vest in the Beneficiary of the deceased Participant, subject to the adherence of statutory requirement of minimum period of one year between the grant of option and vesting of options. All the vested Options shall be permitted to be exercised within one year from the date of death of such employee or one year from the minimum	On the death of a Participant: In the event of death of a Grantee while in employment, all the Options granted to him/her till his/her such date shall vest with effect from the date of his/her death in the Beneficiary of the deceased Participant. All the vested Options shall be permitted to be exercised within one year from the date of death of such employee.	

	vesting period (i.e., one year from the date of grant) whichever is later.		
14.2	<p>On Disability of Participant: In the event of the termination of a Participant's employment with the Company as a result of total or permanent incapacity, all the Options granted to him as on the date of permanent incapacitation, shall vest in him, subject to the adherence of statutory requirement of minimum period of one year between the grant of option and vesting of options.</p> <p>All the vested Options shall be permitted to be exercised within one year from the date of such permanent incapacitation of employee or one year from the minimum vesting period (i.e., one year from the date of grant) whichever is later.</p>	<p>On Disability of Participant: In the event of the termination of a Grantee's employment with the Company as a result of total or permanent incapacity, all the Options granted to him as on the date of permanent incapacitation, shall vest immediately). All the vested Options shall be permitted to be exercised within one year from the date of such permanent incapacitation of an employee.</p>	
28.3	NA, New Insertion	<p>If any provision of the ESOS-2020 is inconsistent with provisions of the Securities and Exchange Board of India (Share Based Employee Benefits &amp; Sweat Equity) Regulations, 2021 and/or other applicable laws including any statutory modification(s) and/or re-enactment thereof for the time being in force ("Provisions"), then such Provisions shall prevail to the extent of the inconsistency and this Scheme shall be read and understood to be amended to that extent required, to make the inconsistent provisions consistent with the Provisions. The Board or the Committee is entitled to vary the terms of this Scheme in order to align with the Provisions or to meet any regulatory requirement, without seeking any shareholders' approval.</p>	<p>In order to provide for a prevailing clause and enabling power to the Board or the Committee to vary the terms of the ESOS-2020 to meet any regulatory requirements.</p>

Except for the amendments, as mentioned above, all other approvals, consents, terms and conditions of the ESOS-2020 Scheme shall remain unaltered.

Further, in accordance with ESOP Regulations and ESOS-2020 Scheme, it is further proposed to extend the benefits under the ESOS-2020 Scheme to the eligible employees of Subsidiary Company(ies) of the Company. Accordingly proposed approval for the same by way of separate special resolution.

The salient features of the ESOS-2020 Scheme are as follows:

**1) Administration:**

The Compensation Committee (hereinafter referred as “Committee”) duly constituted by the Board of Directors in accordance with the ESOP Regulations, would be entrusted with the responsibility of being the operating agency for administering the ESOS-2020 Scheme. The Committee shall inter-alia, formulate the detailed terms and conditions of the scheme which shall include the provisions specified by SEBI, in terms of Regulation 5(3) of the ESOP Regulations or any other regulatory pronouncements in this regard.

**2) Brief description of the Scheme:**

To provide equity-based incentives, reward and motivate Key Managerial Personnel and Senior Managerial Personnel of the Company and the Subsidiary Company(ies) for their continuous hard work, dedication, support and their long association, which has led the Company on the growth path and to promote the culture of employee ownership, it is proposed to grant options to the employees to subscribe to the shares of the Company.

**3) The total number of options to be granted:**

25,00,000 (Twenty Five Lakhs) Options would be available along with balance options, for grant to the Eligible Employees of the Company and the Subsidiary Company(ies) in aggregate under the ESOS-2020 Scheme, in one or more tranches or such additional quantity as may be required on account of Corporate Action(s) such as rights issues, bonus issues, merger, and others, for a fair and reasonable adjustment to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in the proportion of such additional equity shares issued subject to compliance with the ESOP Regulations. The options which lapse/expire or forfeited will be available for grant to the eligible employees.

One option would be to entitle the holders of the options a right to apply for one equity share of the face value of Rs. 1/- each of the Company. The option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner. The Committee has the power to choose the quantum of options for each of the Eligible Employees.

**4) Identification of classes of employees entitled to participate in the ESOS-2020 Scheme:**

“Employees entitled to participate in the ESOS 2020 Scheme are:

- a) Employee as designated by the Company, who is exclusively working in India or outside India; or
- b) A Director of the company, whether a whole-time director or not, including a non-executive director who is not a promoter or member of the promoter group, but excluding an independent director; or
- c) an Employee as defined in sub-clauses (a) or (b), of a Subsidiary Company(ies), in India or outside India, but does not include—
  1. an Employee who is a promoter or a person belonging to the promoter group; or
  2. a Director who, either himself or through his relative or anybody corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

**5) Transferability of Employee Stock Options:**

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

**6) The appraisal process for determining the eligibility of employees to the ESOS-2020 Scheme:**

The process for determining the eligibility criteria for the eligible employees will be specified by the Compensation Committee, and will be based on, such criteria such as length of service, grade, performance, technical knowledge, leadership qualities, merit, contribution and conduct, future potential,

etc., and such other factors as may be appropriate as may be decided by the Compensation Committee, in its discretion, from time to time.

**7) Requirements of vesting, period of vesting and maximum period of vesting:**

There shall be a minimum period of one year between the grant of options and vesting of options. The vesting of options may be spread over a period of three years after the aforesaid one year from the date of grant, except in the event of death or permanent incapacity of an employee, where the minimum vesting period of the one year shall not be applicable and in such instance, the options or any other benefit granted under the scheme shall vest, with effect from the date of the event, in the legal heirs or nominees of the deceased employee, as the case may be. The Committee is empowered to implement and decide the vesting schedule to suit the needs of the organization.

The options may vest in tranches subject to the terms and conditions as may be stipulated by the Committee, which may include satisfactory performance of the Employee/Directors and their continued employment with the Company, as the case may be, unless such employment is discontinued on account of death, permanent/ total disability or on retirement.

**8) Exercise price or pricing formula:**

The Committee is empowered to fix the exercise price considering inter-alia the market price of shares as defined in the ESOP Regulations and the discount to be offered, which is subject to a minimum of face value of the equity shares of the Company.

**9) Exercise period and the process of Exercise:**

The exercise period shall commence from the date of vesting and will expire not later than one year from the date of vesting. The options will be exercisable by the Eligible Employees by a written application to the Committee to exercise the options, in such manner, and on execution of such documents, in such manner, as may be prescribed by the Compensation Committee from time to time. The options will lapse if not exercised within the specified exercise period.

**10) The Lock-in period, if any:**

There shall be no lock-in period on shares issued to employee pursuant to exercise of option.

**11) Maximum number of options to be issued per employee and in aggregate:**

Maximum number of options to be issued per employee per year shall not exceed 2,00,000 and 25,00,000 in aggregate. The Maximum quantum of benefits to be issued per employee under the Scheme shall not exceed 2,00,000 per year.

**12) Whether the ESOS-2020 Scheme is to be implemented and administered directly by the Company or through a trust:**

The ESOS-2020 Scheme will be implemented and administered directly by the Company.

**13) Whether the ESOS-2020 Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both:**

The ESOS-2020 Scheme involves new issue of shares by the Company.

**14) The amount of loan to be provided for implementation of the ESOS-2020 Scheme by the Company to the trust, its tenure, utilization, repayment terms, etc: - *Not Applicable*-**

**15) Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purposes of the ESOS-2020 Scheme: - *Not Applicable*-**

**16) A statement to the effect that the Company shall conform to the accounting policies specified in Regulation:**

The Company hereby states that it shall conform to the accounting policies as specified in Regulation 15 of the ESOP Regulations as may be applicable from time to time.

**17) Method of valuing the Options:**

The Company will adopt the intrinsic value method to value the options granted under the ESOS-2020 Scheme.

### **18) Statement by the Company:**

The difference between the employee compensation cost so computed using intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Directors' report. As the ESOS-2020 Scheme will entail further shares to be offered to persons other than existing shareholders of the Company and also for making amendment as mentioned in the Resolution forming part of the notice in the ESOS-2020 Scheme, consent of the members is sought pursuant to the provisions of ESOP Regulations and Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder.

The options to be granted under the ESOS-2020 Scheme shall not be treated as an offer or an invitation made to public for subscription in the securities of the Company. You are requested to read the entire text of the ESOS-2020 Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions.

### **19) Others:**

- a. The proposed amendments are not detrimental to the interests of the current option grantees of the Company.
- b. **Terms & conditions for buyback, if any, of specified securities covered under these regulations:**  
As on date, no buyback of the options / specified securities is contemplated by the Company as a part of the ESOS-2020 Scheme.
- c. **Details of the employees who are beneficiaries of such variation:** All eligible employees to whom the options have been granted under the ESOS-2020 Scheme.

Relevant documents are open for inspection by the members at the Registered Office of the Company on all working days, during 11:00 a.m. to 1:00 p.m. up to August 31, 2022.

The Board accordingly recommends the resolutions at Item No. 1 & 2 for approval of the members as Special Resolutions.

None of the Directors/ Key Managerial Personnel of the Company/their relatives, are in any way, concerned or interested, financially or otherwise, in the aforesaid resolution set out at Item No. 1 & 2 of the Notice, except to the extent of their shareholding in the Company and their entitlements, if any.

### **Item No.3:**

Mr. M. Pavan Kumar was appointed as a Managing Director & Chief Executive Officer ("MD & CEO") of the Company for a period of 3(three) years with effect from June 01, 2019 and who hold office up to May 31, 2022.

Mr. M. Pavan Kumar comes with over three decades of operating and executive management experience working for Multinational & Indian organizations in agribusiness, chemicals and other sectors, building competitive and sustainable businesses.

Looking into his knowledge of various aspects relating to the Company's affairs and business experience and based on the recommendation of the Nomination & Remuneration Committee Meeting, the Board of Directors in their meeting held on May 12, 2022 was of the opinion that for a smooth, effective and efficient running of the business, the services of Mr. M. Pavan Kumar should be continued, to be available to the Company and re-appointed Mr. M. Pavan Kumar as MD & CEO of the Company for a period of 3 (three) years with effect from June 01, 2022 on the terms and conditions as set out herein below as well as in the resolution, subject to approval of Shareholders.

The main terms and conditions of appointment of Mr. M. Pavan Kumar, as MD & CEO are given below:

#### **A. Tenure of Appointment:**

The appointment as MD & CEO is for a period of three years with effect from June 01, 2022.

- B. Remuneration: ₹ 2,00,00,000/- per annum (it includes Basic Salary, HRA, Special Allowance and other allowances, Gratuity, Leave Travel Allowance (LTA), Mediciam Insurance coverage, Personal Accident Insurance etc). All the allowances are as per Company's Policy.
- C. Annual Performances Bonus:  
Annual Performances Bonus: 1% of the net profits of the Company. The Net profit here it means Consolidated Profit after Tax (PAT) of the Company, as per the Audited Financial Statements for the immediate preceding financial year.
- D. Other Perquisites and Benefits:  
The Company will provide to the MD & CEO, for the performance of his official duties, the following as per the applicable rules of the Company:
- i) A chauffeur driven car including running and maintenance expenses.
  - ii) Mobile phone and Telephone at residence.
  - iii) Reimbursement of business development expenses.
  - iv) Club subscription fees: Annual/Monthly club subscription fees payable subject to maximum of two clubs;
  - v) The MD & CEO shall also be entitled to the benefit or equity shares or stock options, granted or to be granted under various Employee Stock Option Scheme of the Company.
- E. Minimum Remuneration: If in any financial year during his aforesaid term of office as such, the Company has no profits as computed in accordance with Section 198 of the Companies Act 2013, or such profits are inadequate, Mr. M. Pavan Kumar shall be paid the above remuneration in terms of Section II of Part II of Schedule V of the Companies Act, 2013.
- F. Other terms of Appointment
- a) The Board of Directors/Nomination and Remuneration Committee are authorized to alter and vary any such terms and conditions of the said appointment and including remuneration as may be acceptable to between the Board and Mr. M. Pavan Kumar, subject to the same not exceeding overall limits or ceiling specified above in Schedule V to the Companies Act, 2013 (or any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and the agreement entered into, if any, between the Company and Mr. M. Pavan Kumar shall be suitably amended to give effect to such modifications, relaxation or variation.
  - b) The Agreement may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof.
  - c) Further in case of early termination of the agreement with the MD & CEO, the Board of Directors may consider paying the aforesaid remuneration on pro-rata basis or otherwise as it may deem fit and proper.
  - d) All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the MD & CEO, unless specifically provided otherwise.

The Company has received from Mr. M. Pavan Kumar a consent in writing for such appointment, an intimation in Form DIR-8 to the effect he is not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent for the said appointment.

Brief resume of Mr. M. Pavan Kumar, nature of his expertise in specific functional areas, names of Companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors inter-se as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the "Annexure" to this Notice.

A statement pursuant to Schedule V Part II Section II of the Companies Act, 2013, is annexed herewith as Annexure- II.

In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act and Listing Regulations, the proposed re-appointment and the terms of remuneration payable to Mr. M. Pavan Kumar require approval of members by passing Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

The Board recommends the resolutions at Item No. 3 of the Notice for approval of the Members of the Company. The above may be treated as a deemed memorandum setting out the terms of re-appointment of Mr. M. Pavan Kumar under Section 190 of the Act.

Save and except Mr. M. Pavan Kumar himself and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested financially or otherwise, in the Company resolution set out at the Item No. 3 of the Notice.

**Item No.4 & 5:**

Mr.C.Varada Rajulu, worked as Senior Vice President – Operations (Srikakulam Plant), has been at the forefront leading the flagship Srikakulam plant operations admirably for the last eight years. In his leadership and guidance, the Company has achieved record level of production building new production facilities, nurturing a capable team, managing the operating environment and aligning various stakeholders.

He started his career with Bharat Heavy Plate and Vessels Ltd. serving in project Department, later on he shifted to AV Birla Group of Industries for their Carbon black business taking care of Maintenance and Project functions.

Considering the rich experience of Mr. C. Varada Rajulu, the Board of Directors, based on the recommendation of Nomination & Remuneration Committee, in its meeting held on June 24, 2022 has appointed him as Additional and Whole Time Director, designated as “Executive Director – Corporate Affairs” of the Company for a period of 1 (one) year with effect from June 24, 2022 on the terms and conditions as set out herein below as well as in the resolution, subject to approval of Shareholders.

In terms of Section 160 of the Act, the Company has received notice in writing from a member proposing the candidature of Mr. C. Varada Rajulu for appointment.

The main terms and conditions of appointment of Mr. C. Varada Rajulu as a Whole-time Director are given below:

**A. Tenure of Appointment:**

The appointment as Whole Time Director designated as “Executive Director- Corporate Affairs” is for a period of 1 (one) year with effect from June 24, 2022.

**B. Remuneration: ₹ 60,00,000/- per annum (it includes Basic Salary, HRA, Special Allowance, Medical Insurance Premium and other allowances etc). All the allowances are as per Company’s Policy.**

**C. Other Perquisites and Benefits:**

- a) Leased Accommodation and Chaffeur driven Car (including fuel, running & maintenance expenses), subject to a maximum amount of Rs.1.00 lakhs per month.
- b) Mr. C. Varada Rajulu, shall be entitled to the benefit or equity shares or stock options, granted or to be granted under various Employee Stock Option Scheme(s) of the Company.

**D. Minimum Remuneration:**

If in any financial year during his aforesaid term of office as such, the Company has no profits as computed in accordance with Section 198 of the Companies Act 2013, or such profits are inadequate, Mr. Chantati Varada Rajulu shall be paid the above remuneration in terms of Section II of Part II of Schedule V as Minimum Remuneration in accordance with the allowable limits under Schedule V to the said of the Companies Act, 2013.

**E. Other terms of Appointment**

- a) The Board of Directors/Nomination and Remuneration Committee are authorized to alter and vary any such terms and conditions of the said appointment and including remuneration as may be acceptable to, between the Board and Mr. Chantati Varada Rajulu, subject to the same not exceeding overall limits or ceiling specified above in Schedule V to the Companies Act, 2013 (or any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and the agreement entered into, if any, between the Company and Mr. Chantati Varada Rajulu shall be suitably amended to give effect to such modifications, relaxation or variation.
- b) The Agreement may be terminated by either party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu thereof.

The Company has received from Mr. C. Varada Rajulu a consent in writing to act as Director, an intimation in Form DIR8 to the effect he is not disqualified from being appointed as Director in terms of Section 164 of the Act nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent for the said appointment.

Brief resume of Mr. C. Varada Rajulu, nature of his expertise in specific functional areas, names of companies in which he holds Directorships and Memberships / Chairmanships of Board Committees, shareholding and relationships amongst Directors inter-se as stipulated under SEBI's Listing Regulations, are provided in the "Annexure" to this Notice. In accordance with the provisions of Sections 196, 197 & other applicable provisions of the Act, read with Schedule V to the said Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the proposed appointment and the terms of remuneration payable to Mr. C. Varada Rajulu require approval of members by passing a Special Resolution. Hence, the members are requested to pass the Special Resolution accordingly.

A statement pursuant to Schedule V Part II Section II of the Companies Act, 2013, is annexed herewith as Annexure- II.

The Board commends the resolutions at Item No. 4 & 5 of the Notice for approval of the Members of the Company. The above may be treated as a deemed memorandum setting out the terms of appointment of Mr. C. Varada Rajulu under Section 190 of the Act.

Save and except Mr.C.Varada Rajulu himself and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way concerned or interested financially or otherwise, in the Company resolution set out at the Item No. 4 & 5 of the Notice.

**Item No.6:**

Mr. Sudhakar Kudva is currently an Independent Director of the Company, who was appointed by the shareholders at their 30<sup>th</sup> Annual General Meeting ("AGM") of the Company held on August 05, 2017 to hold office for a period of 5 (five) years with effect from August 05, 2017 and is eligible for re-appointment for second term on the Board of the Company as an Independent Director.

The tenure of appointment for the first term of Mr. Sudhakar Kudva as an Independent Director will be completed on August 04, 2022 and is being eligible for re-appointment for a second term on the Board of the Company as an Independent Director. Based on the performance evaluation of the Independent Director, the recommendations of the Nomination and Remuneration Committee ("NRC") and given his background, experience and contribution, the Board is of the opinion that Mr. Sudhakar Kudva's continued association would be of immense benefit to the Company and it is therefore desirable to continue to avail his services as an Independent Director.

Mr. Sudhakar Kudva will attain the 75 years on December 06, 2025 and therefore his continuation on the Board of the Company shall require approval of the shareholders.

Pursuant to the Section 149 and other applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as "Listing Regulations") and based on the recommendations of the NRC, the Board of Directors in its meeting held on July 28, 2022 has accorded its approval for the re-appointment of Mr. Sudhakar Kudva as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years commencing from August 05, 2022 and further recommended to the shareholders for its approval. The Company has received a notice from a Members proposing his candidature for the office of Director, in terms of Section 160(1) of the Act. The Company has received the consent from Mr. Sudhakar Kudva in writing to act as Director, an intimation in Form DIR 8 to the effect that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and other applicable provisions and a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. Mr. Sudhakar Kudva has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such

authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies. The Board of Director of your Company is also of the opinion that Mr.Sudhakar Kudva is independent of the management of the Company. Brief resume of Mr.Sudhakar Kudva, nature of expertise in specific functional areas and names of Companies in which he holds Directorships and Memberships/ Chairmanships of Board Committees, shareholdings and relationships between Directors inter-se as stipulated under Regulation 36(3) of Listing Regulations and Secretarial Standards on General meetings (“SS-2”) issued by the Institute of Company Secretaries of India (“ICSI”) is provided in the “Annexure” to this Notice.

The Board commends the Special Resolutions set out in Item No. 6 of the Notice for approval of the Members.

Save and except Mr. Sudhakar Kudva and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

**Item No.7:**

Mr. N. Vijayaraghavan (DIN: 02491073) has been holding office as a Non-Executive Non-Independent Director on the Board of the Company. Mr. N. Vijayaraghavan now meets with the criteria of ‘Independence’ as stipulated by section 149(6) of the Companies Act, 2013, and Regulation 16 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), Accordingly, the Board of Directors in its meeting held on July 28, 2022, based on the recommendation of the Nomination and Remuneration Committee, has appointed and re-designated Mr. N. Vijayaraghavan as an Independent Director for a period of 5 (five) years with effect from July 28, 2022.

Mr. N. Vijayaraghavan has given his consent to act as Director of the Company and further, has given a declaration that he meets the criteria of independence provided under the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. He has confirmed that he is neither disqualified in terms of section 164 of the Act from being appointed as a Director nor debarred from holding office of director by virtue of any SEBI order or any other such authority. The Board recommends the appointment after considering his skills and expertise and rich experience in Accounting, Finance, Audit, Taxation and Corporate Advisory. The Board is of the view that Mr. N.Vijayaraghavan’s association would be beneficial and in the interest of the Company and it is desirable to avail his services as an Independent Director. In the opinion of the Board, Mr. N. Vijayaraghavan fulfils the conditions specified in the Act and Listing Regulations for such appointment as an Independent Director and is independent of the Management. Accordingly, it is proposed to appoint Mr. N. Vijayaraghavan as an Independent Director of the Company, not liable to retire by rotation and to hold office for a first term of 5 (five) years on the Board of the Company from July 28, 2022 till July 27, 2027.

Mr. N. Vijayaraghavan will attain the 75 years on July 22, 2024 and therefore his continuation on the Board of the Company shall require approval of the shareholders. A brief profile of Mr. N. Vijayaraghavan and other information as required under Regulation 36 of SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India is provided as Annexure to this Notice.

Save and except Mr. N. Vijayaraghavan, being an appointee, none of the other Directors and Key Managerial Personnel (“KMP”) of the Company and their relatives in any way are concerned or interested (financially or otherwise) in the resolution set out at Item No. 7 of the Notice. The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

**ANNEXURE - I**

Details of Directors seeking appointment/re-appointment

(Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards - 2 on General Meeting)

<b>Resolution No.</b>	<b>3</b>	<b>4 &amp; 5</b>
Name of the Director	<b>Mr. M. Pavan Kumar</b>	<b>Mr. C. Varada Rajulu</b>
Directors Identification Number (DIN)	01514557	09219298
Age	62 years	64 years
Date of first appointment on the Board	June 01, 2019	June 24, 2022
Qualifications	Honours Graduate in Science with a Master's in Business Management from McGill University, Montreal, Canada.	He is an engineering graduate from Visakhapatnam and also possess PG Diploma in Industrial Management, from Kirloskar Institute of Management, Bangalore and qualified "Six Sigma black belt" from BMG group.
Brief Profile including expertise in specified functional areas.	He has more than 35 years of vast experience in various chemical industries and extensive experience in Pesticides, Agri, Fertilizers and other business and industrial sectors.	Mr. Rajulu has more than 40 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. Being an active member of Rotary International club, he has the privilege of representing the District as Regional Secretary.
Terms and conditions of appointment / re-appointment including Remuneration proposed to be paid	As detailed in the respective resolutions and explanatory statement.	As detailed in the respective resolutions and explanatory statement.
Details of remuneration last drawn during the FY 2021-22 (*).	₹ 1,85,93,475	₹ 1,14,66,040
No. of Board Meetings attended during the year.	6 (Six)	Not Applicable
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil
Shareholding in the Company as on March 31, 2022	49,667	79,645
List of other Companies in which Directorship (excluding Foreign, Private and Section 8 Companies).	LR Research Laboratories Private Limited	KLR Products Limited
Chairperson/Member of the Mandatory Committees of the Board of the Other Companies on which he is a Director.	Nil	Nil

**ANNEXURE - I**

Details of Directors seeking appointment/re-appointment

(Pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standards - 2 on General Meeting)

<b>Resolution No.</b>	<b>6</b>	<b>7</b>
Name of the Director	<b>Mr.Sudhakar Kudva</b>	<b>Mr. N. Vijayaraghavan</b>
Directors Identification Number (DIN)	02410695	02491073
Age	71 years	73 years
Date of first appointment on the Board	September 16, 2008	September 16, 2008
Qualifications	B.Com. (Hons), F.C.A	B.Tech (Metallurgy), PGDM from IIM-A
Brief Profile including expertise in specified functional areas.	Mr. Sudhakar Kudva, a Chartered Accountant, has over 4 decades of work experience in India and abroad in a wide range of industries including the Lakshmi Mittal Group. (in Arcelor Mittal Ltd., as Executive Director-Commercial). His areas of expertise are Finance, Treasury and General Management.	He has over 43 years of wide corporate experience. He worked in various senior positions in wide industry spectrum of Companies like L&T, ITW Signode, Nagarjuna Fertilisers and Chemicals Limited and Sterlite Industries. His experiences include various manufacturing fields, marketing and general management.
Terms and conditions of appointment / re-appointment including Remuneration proposed to be paid	As detailed in the respective resolutions and explanatory statement	As detailed in the respective resolutions and explanatory statement
Details of remuneration last drawn during the FY 2021-22 (*).	₹ 3,70,000	₹ 3,55,000
No. of Board Meetings attended during the year.	6 (Six)	6 (Six)
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Nil	Nil
Shareholding in the Company as on March 31, 2022	Nil	Nil
List of other Companies in which Directorship held (excluding Foreign, Private and Section 8 Companies).	Bhagiradha Chemicals and Industries Limited	Nil
Chairperson/Member of the Mandatory Committees of the Board of the Other Companies on which he is a Director	Bhagiradha Chemicals and Industries Limited <ul style="list-style-type: none"> <li>• Audit Committee (Chairperson)</li> <li>• Stakeholders Relationship Committee (Member)</li> </ul>	Nil

**ANNEXURE II**

Details as required under Schedule V Part II Section II of Companies Act, 2013

**A. General information:****1. Nature of industry:**

NACL established itself as an agrochemical Company in 1993. The Company started as an Active Ingredient manufacturer and has built a sizable business in Domestic Retail, B2B and Exports, with many of the customers being large MNCs with long-standing relationships. The Company has also emerged as a strong player in the formulations business with over 50 products covering all major crops. In formulations, the Company manufactures products in all major categories such as Insecticides, Herbicides, Fungicides and Plant Growth Regulators

**2. Date or expected date of commencement of commercial production:**

The Company has already commenced its commercial production. Company received certificate of commencement of business on November 11, 1986.

**3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

**4. Financial performance based on given indicators**

Particulars	Amount (₹ in lakhs)		
	FY 2021-22	FY 2020-21	FY 2019-20
Net Sales/Income from Operations	1,64,016	1,19,137	1,01,489
Profit from operations before other income	11,590	8,740	4,461
Finance costs and exceptional items			
Other Income	1,640	1,536	749
Finance Cost	2,984	2,880	2,916
Exceptional items	-	-	-
Profit /(loss) before tax	10,246	7,396	2,294

**5. Foreign investments or collaborations, if any.**

Not Applicable

**B. Information about the appointee:**

S. No.	Name of Director/ Particulars Background details	Mr. M.Pavan Kumar	Mr.C.Varada Rajulu
1)	Brief Resume of Director and nature of his expertise in specific functional areas	<p>Mr. M.Pavan Kumar is a Honours Graduate in Science with a Master's in Business Management from McGill University, Montreal, Canada.</p> <p>He has more than 35 years of vast experience in various chemical industries and extensive experience in Pesticides, Agri, Fertilizers and other business and industrial sectors.</p>	<p>Mr. C.Varada Rajulu is an engineering graduate from Visakhapatnam and also possess PG Diploma in Industrial Management, from Kirloskar Institute of Management, Bangalore and qualified "Six Sigma black belt" from BMG group.</p> <p>Mr. Rajulu has more than 40 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. Being an active member of Rotary International</p>

			club, he has the privilege of representing the District as Regional Secretary.
2)	Past Remuneration (In INR) (2021-22)	₹ 1,85,93,475	₹ 1,14,66,040
3)	Recognition or Awards	Nil	Nil
4)	Job profile and suitability	As Managing Director & Chief Executive Officer, Mr.M.Pavan Kumar is responsible for the complete operations of the Company.	Mr. C.V. Rajulu is responsible for the Corporate Affairs of the Company
5)	Remuneration proposed	As detailed in the respective resolutions and explanatory statement.	As detailed in the respective resolutions and explanatory statement.

**6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)**

Taking into consideration the size of the Company and the responsibilities shouldered by Mr.M.Pavan Kumar and Mr.C.V.Rajulu and of the enhanced business activities of the Company, the remuneration proposed to be paid commensurate with the remuneration packages paid to similar senior level appointees in other companies.

**7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

Besides the remuneration and the shareholdings specified above, no other pecuniary relationship exists.

**C. Other Information**

**1. Reason for loss or inadequate profits:**

Our business is seasonal in nature. Our company is engaged in the manufacturing of agro chemical / pesticides which is used for agriculture industry. Our business is influenced by the traditional crop seasons in India. In India, majority of the farmers depends on monsoon for cultivation. Rainfall usually occurs during Kharif and Rabi seasons and hence, the timing and seasonality of rainfall has an impact on the business of our Company. Thus, we are subject to seasonal factors, which makes our operating results unpredictable.

**2. Steps taken or proposed to be taken for improvement:**

The Company has embarked on a series of strategic and operational measures that are expected to result in the improvement in the present position. The inherent strengths of the Company are its reputation as a premier manufacturer and marketing organization expected to enable the Company to position itself well during adversities. The Company has also strategically planned to address the issue of productivity and increase profits and has put in place measures to reduce cost and improve the bottom-line.

**3. Expected increase in productivity and profits in measurable terms:**

The Company has taken various initiatives to maintain its growth trend, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve financial performance.

By order of the Board  
for **NACL Industries Limited**

Date: July 28, 2022  
Place: Hyderabad

**Satish Kumar Subudhi**  
Vice President – Legal & Company Secretary  
(FCS-9085)