



# NACL Industries Limited

*(formerly known as 'Nagarjuna Agrichem Limited')*



Annual Report 2018-19



NACL Ethakota Formulation plant and Srikakulam Technical plant respectively bagged the “Best Management Awards” by the Government of Andhra Pradesh for Management Practices for yet another year 2018



NACL Srikakulam plant honoured with prestigious safety award “Prashansa Patra” by National Safety Council (NSC) for the year 2018



Crop Care Federation of India awarded NACL for the best “Safe Handling & Judicious use of Agro Chemical Awareness”



NACL Ethakota plant received NSC Safety Awards-2018



“Social Responsibility Excellence Runner Up Award - 2018” by Pesticides Manufacturers and Formulators Association (‘PMFA’).

## BOARD OF DIRECTORS

Mrs. K. Lakshmi Raju	: Chairperson
Mr. D. Ranga Raju	: Director (upto 13.06.2018)
Mr. Sudhakar Kudva	: Director
Mr. K. Raghuraman	: Director
Mr. N. Vijayaraghavan	: Director
Mr. Raghavender Mateti	: Director
Mr. R.S. Nanda	: Director
Mr. V. Vijay Shankar	: Managing Director (upto 31.05.2019)
Mr. K. Dorairaj	: Additional Director (w.e.f. 29.05.2019)
Mr. Atul Churiwal	: Investor Nominee Director (w.e.f. 29.05.2019)
Mr. Rajesh Kumar Agarwal	: Investor Nominee Director (w.e.f. 29.05.2019)
Mr. M. Pavan Kumar	: Managing Director & CEO (w.e.f. 01.06.2019)

## SENIOR MANAGEMENT

Mr. Amit Taparia	: Vice President - SCM & IT
Mr. C. Varada Rajulu	: Vice President - Manufacturing (SKLM)
Mr. G. Jagannadha Rao	: Executive Vice President - Exports
Mr. Harish Chandra Bijlwan	: Vice President - Operation & Technology
Mr. B.S. Rao	: Sr. General Manager - Manufacturing (Ethakota)
Mr. Manikkam Natarajan	: Executive Vice President - Marketing & Sales
Mr. R.K.S. Prasad	: Executive Vice President-Finance & Chief Financial Officer
Mr. Satish Kumar Subudhi	: Company Secretary & Head - Legal
Mr. S. Mani Prasad	: Head - Corporate HPD
Dr. Venkatesan Subbusamy	: Sr.General Manager - Registration & Regulatory Affairs



**Day :** Wednesday  
**Date :** 14<sup>th</sup> August, 2019  
**Time :** 10.00 a.m.  
**Venue :** FTAPCCI Auditorium,  
 M/s. Federation of Telangana and  
 Andhra Pradesh Chambers of  
 Commerce and Industry,  
 (FTAPCCI), Federation House,  
 11-6-841, FAPCCI Marg, Red Hills,  
 Hyderabad-500004, Telangana State,  
 Phone + 91-040 23395515

### 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.  
 Ph.040-33185100  
 e-mail: cs-nacl@naclind.com  
 Website: www.naclind.com

### FACTORIES:

Arinama Akkivalasa,  
 Etcherla Mandal, Srikakulam,  
 Andhra Pradesh.

Ethakota,  
 P.O: Ravulapalem,  
 East Godavari Dist.  
 Andhra Pradesh.

### R & D CENTRE:

Nandigaon Village,  
 Shadnagar,Kothur Mandal,  
 Mahaboobnagar Dist.  
 Telangana State.

### STATUTORY AUDITORS:

M/S. Deloitte Haskins & Sells  
 LLP, Chartered Accountants,  
 KRB Towers, Plot No 1 to 4,  
 1st and 2nd Floor,  
 Jubilee Enclave, Madhapur  
 Hyderabad-500081.  
 Telangana State.

### COST AUDITORS:

M/s. K.Narasimha Murthy & Co.,  
 Cost Auditors,  
 No. 3-6-365,  
 104 & 105,  
 Pavani Estate,  
 Himayathnagar,  
 Hyderabad-500029.  
 Telangana State.

### BANKERS:

State Bank of India.  
 HDFC Bank Ltd.  
 IDBI Bank Ltd.  
 New India Co-Op.Bank Ltd.  
 SVC Co-Op. Bank Ltd.  
 RBL Bank Ltd.  
 Karnataka Bank Ltd.

### SHARE REGISTRARS & TRANSFER AGENTS:

XL Softech Systems Ltd.  
 No.3, Sagar Society,  
 Road No.2,  
 Banjara Hills,  
 Hyderabad-500034.  
 Telangana State.  
 Ph.040-23545913/914/915  
 Fax:040-23553214  
 E-mail: xlfield@gmail.com

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## NOTICE

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of M/s. NACL Industries Limited will be held at 10:00 a.m. on Wednesday the 14<sup>th</sup> Day of August, 2019 at FTAPCCI Auditorium, M/s Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry, (FTAPCCI), Federation House, 11-6-841, FAPCCI Marg, Red Hills, Hyderabad-500004, Telangana State to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone and Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019, the Balance Sheet as on that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon and in this regard, pass the following resolutions as an Ordinary Resolutions:

- a) "RESOLVED THAT the Audited Standalone Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019, the Balance Sheet as on that date and the Cash Flow Statement for the year ended on that date and the Reports of Directors and Auditors thereon be and are hereby considered and adopted."
- b) "RESOLVED THAT the Audited Consolidated Profit and Loss Account for the year ended 31<sup>st</sup> March, 2019, the Balance Sheet as on that date and the Cash Flow Statement for the year ended on that date and the Report of Auditors thereon be and are hereby considered and adopted."

2. To appoint a Director in place of Mr.N.Vijayaraghavan (DIN: 02491073) who retires by rotation and being eligible, offer himself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013, Mr.N.Vijayaraghavan (DIN: 02491073), who retires by rotation, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

### SPECIAL BUSINESS:

3. To ratify the remuneration of the Cost Auditors for the financial year ended 31<sup>st</sup> March, 2020 and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and other applicable Rules, if any, (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.6,00,000/- (Rupees Six Lakhs only) plus applicable taxes and out-of-pocket expenses incurred in connection with the Cost Audit to be paid to M/s.K.Narasimha Murthy & Co., (Registration No.4042) the Cost Auditors, appointed to conduct the audit of the cost records of the Company for the financial year ended 31<sup>st</sup> March, 2020, as fixed by the Board on the recommendation of the Audit Committee, be and is hereby approved and ratified."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

4. Re-appointment of Mr.Raghavender Mateti (DIN: 06826653) as an Independent Director of the Company and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Sections 149 and 152 of the Companies Act, 2013 ('the Act') read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr.Raghavender Mateti (DIN: 06826653), who was appointed as an Independent Director of the Company at the 27<sup>th</sup> Annual General Meeting of the Company for a period of 5 (five) years with effect from 09<sup>th</sup> August, 2014 and holds office up to 08<sup>th</sup> August, 2019 and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations 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 re-appointed as



an Independent Director of the Company for a period of 5 (five) years with effect from 09<sup>th</sup> August, 2019, not liable to retire by rotation.”

5. Appointment of Mr.Dorairaj Kuppurangam (DIN: 00902788) as an Independent Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 149 and 152 of the Companies Act, 2013 (‘the Act’) read with Schedule IV of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable provisions of the Act (including any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as amended from time to time, Mr.Dorairaj Kuppurangam (DIN: 00902788), who has been appointed as an Additional Director (under Independent Category) with effect from 29<sup>th</sup> May, 2019 in terms of Section 161 of the Companies Act, 2013 read with Article 131 of Articles of Association of the Company and who shall hold office up to the date of this Annual General Meeting (“AGM”), and in respect of whom a notice has been received from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years with effect from 29<sup>th</sup> May, 2019, not liable to retire by rotation.”

6. Appointment of Mr.M. Pavan Kumar (DIN:01514557) as a Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 152, 160 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory amendment(s), modification(s) or re-enactment(s) thereto, from time to time) and based on the recommendation of the Nomination and the Remuneration Committee, Mr. M. Pavan Kumar (DIN:01514557) who has been appointed as an Additional Director (under Executive Category) with effect from 01<sup>st</sup> June, 2019 in terms of Section 161 of the Companies Act, 2013 read with Article 131 of Articles of Association of the Company and who shall hold office

up to the date of this Annual General Meeting (“AGM”), and in respect of whom a notice has been received from a member in writing under Section 160(1) of the Companies Act, 2013 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company with effect from date of the 32<sup>nd</sup> Annual General Meeting.”

7. Appointment of Mr.M. Pavan Kumar (DIN:01514557) as Managing Director & CEO 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 & 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 Articles of Association of the Company, and subject to necessary approvals to be obtained from the Central Government if required, approval be and is hereby accorded to the appointment of Mr.M. Pavan Kumar (DIN:01514557) as Managing Director & CEO of the Company, for a period of 3 (three) years with effect from 01<sup>st</sup> June, 2019 to hold office up to 31<sup>st</sup> May, 2022, upon the terms and conditions including remuneration as set out below and in the Agreement to be entered into between the Company and Mr.M. Pavan Kumar in this regard, with liberty to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution), to alter and vary any such terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. M. Pavan Kumar.”

I) Remuneration:

- a) Basic salary: Rs.4,00,000/- p.m;
- b) House Rent Allowance (HRA): Rs.1,60,000/- p.m. (in case the Company provides leased accommodation, the differential amount between cost of leased accommodation and the HRA will be paid as Special Allowance);
- c) Special Allowance (including Medical Allowances and reimbursement, if any): Rs. 2,39,400/- p.m;

- d) Leave Travel Assistance (LTA): LTA not exceeding Rs.4,00,000/- in a financial year. This will be paid at the time of the Annual Leave and subject to the LTA Rules of the Company. (In case the same is not availed or partially availed by the Managerial Person, equivalent amount of such non-availed portion of LTA will be paid as Special Allowance);
  - e) Medical Insurance Premium Rs.7,200/- p.a;
  - f) Performances pay aggregating Rs.50,00,000/- per annum (which comprises of Fixed component of Rs.10,00,000/- and variable component of Rs.40,00,000/-) at the end of every completed year of service. The Variable component of Performance pay, as specified, shall be subject to the appraisal of the performance by the Board of Directors of the Company during the aforesaid term of office;
  - g) Further, in case of early termination of the agreement with the Managing Director, the Board of Directors may consider paying the remaining unpaid fixed pay component of the aforesaid Performance pay on pro-rata basis or otherwise, as it may deem fit and proper;
  - h) Mediciam Insurance coverage shall be provided to Mr. M. Pavan Kumar and his spouse, children and dependent parents as per the rules of the Company;
  - i) Personal Accident Insurance: Coverage shall be provided to Mr. M. Pavan Kumar, under the company's Group Personal Accident Policy;
  - j) Club subscription fees: Annual/Monthly club subscription fees payable subject to maximum of two clubs;
- II) Others:
- The Company will provide to the Managing Director & 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.

### III) 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 as Minimum Remuneration in accordance with the allowable limits under Schedule V to the said Companies Act, 2013.

"RESOLVED FURTHER THAT the aforesaid constituents of Remuneration may be altered or interchangeable / modifiable within the overall ceiling specified above."

"RESOLVED FURTHER THAT the Board of Directors/Nominations and Remuneration Committee be and is hereby authorized to alter and vary any such terms and conditions of the said appointment and remuneration or revise the remuneration in such manner as may be acceptable to, between the Board and Mr. M. Pavan Kumar, subject to the same not exceeding limit or ceiling specified 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."

"RESOLVED FURTHER THAT the terms of appointment between the Company and Mr. M. Pavan Kumar shall carry a condition that it may be terminated by either party by giving to the other party three months' notice in writing and an Agreement shall be entered into between Mr. M. Pavan Kumar and the Company covering all the aspects as spelt out in this resolution and it shall be binding on both the parties."

"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."

8. Appointment of Mr. Rajesh Kumar Agarwal (DIN:00210719) as an Investor Nominee Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 161(3) and other applicable provisions of the Companies Act,

2013 read with the Rules made thereunder, Article 135 and other applicable provisions of the Article of Association of the Company and 'Share Subscription and Shareholders Agreement' ("SSSA") dated 08<sup>th</sup> February, 2019, entered into by and between the Company, Promoters and the Investors with respect to Company's issue of shares/warrants on preferential basis pursuant to resolutions passed by the shareholders in the Extraordinary General Meeting ("EGM") held on 07<sup>th</sup> March, 2019, Mr.Rajesh Kumar Agarwal (DIN: 00210719), the representative of the Investors, be and is hereby appointed as an Investor Nominee Director of the Company with effect from 29<sup>th</sup> May, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to do all acts, deeds, matter and things and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

9. Appointment of Mr. Atul Churiwal (DIN:00180595) as an Investor Nominee Director of the Company and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 161(3) and other applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, Article 135 and other applicable provisions of the Article of Association of the Company and 'Share Subscription and Shareholders Agreement' ("SSSA") dated 08<sup>th</sup> February, 2019, entered into by and between the Company, Promoters and the Investors with respect to Company's issue of shares/warrants on preferential basis pursuant to resolutions passed by the shareholders in the Extraordinary General Meeting ("EGM") held on 07<sup>th</sup> March, 2019, Mr.Atul Churiwal (DIN: 00180595), the representative of the Investors, be and is hereby appointed as an Investor Nominee Director of the Company with effect from 29<sup>th</sup> May, 2019, not liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Director of the Company be and is hereby authorized to do all acts, deeds, matter and things and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution."

10. To approve the material related party transactions with M/s. Krishi Rasayan Exports Private Limited and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013

('Act') read with Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of law (including any amendment(s), modification(s) or re-enactment(s) thereto, from time to time) the Members of the Company do hereby ratify and also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted/ empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out and/or continuing with arrangements and transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) with M/s.Krishi Rasayan Exports Private Limited ("KREPL") being a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions or otherwise including purchase and sale of raw materials, intermediate products and finished goods, agro inputs, bio pesticides, Active Ingredients (AI), Technical, Formulations, , transactions with regard to contract manufacturing, various funding and Research & Development activities and other business related activities, entering into such contracts and agreement (manufacturing, loan licensing etc.) and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period, notwithstanding the fact that all these transactions within the financial year 2019-20 in aggregate may exceed 10% (ten percent) of the annual turnover of the Company as per the last audited financial statements or any materiality threshold as may be applicable from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/ or officer(s)/employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution."

11. To approve the material related party transactions with M/s.Agro Life Science Corporation, a registered Partnership Firm and in this regard, pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 188 and other applicable provisions of the Companies Act, 2013

('Act') read with Rules made thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and any other applicable provisions of law (including any amendment(s), modification(s) or re-enactment(s) thereto, from time to time), the Members of the Company do hereby ratify and also accord further approval to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee constituted/empowered/to be constituted by the Board from time to time to exercise its powers conferred by this resolution) for carrying out and/or continuing with arrangements and transactions (whether individual transactions or transactions taken together or series of transactions or otherwise) with M/s. Agro Life Science Corporation ("ALSC"), a registered partnership firm, being a related party within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, whether by way of renewal(s) or extension(s) or modification(s) of earlier arrangements/transactions or otherwise including purchase and sale of raw materials, intermediate products and finished goods, agro inputs, bio pesticides, Active Ingredients (AI), Technical, Formulations, transactions with regard to contract manufacturing, various funding and Research & Development activities and other business related activities, entering into such contracts and agreement (manufacturing, loan licensing etc.) and such other transactions as may be disclosed in the notes forming part of the financial statements for the relevant period, notwithstanding the fact that all these transactions within the Financial Year 2019-20 in aggregate may exceed 10% (ten percent) of the annual turnover of the Company as per the last audited financial statements or any materiality threshold as may be applicable from time to time."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign and execute all such documents, deeds and writings and to do all such acts, deeds, matters and things as may be deemed necessary, expedient and incidental thereto and to delegate all or any of its powers herein conferred to any Committee of Directors and/or director(s) and/or officer(s)/employee(s) of the Company/ any other person(s) to give effect to the aforesaid resolution."

12. To consider the adoption of new set of Memorandum of Association and in this regard, pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to Section 4, 13 and 15 and all other applicable provisions, if any, of the

Companies Act 2013, read with applicable Rules and Regulations framed thereunder (including any amendment(s), modification(s) or re-enactment(s) thereto from time to time), or any other applicable law(s), regulation(s), guideline(s), and subject to the approvals, consents, sanctions and permissions of the Central Government/ Stock exchange(s)/appropriate regulatory and statutory authorities if required, consent of the members of the Company be and is hereby accorded for adoption of new set of Memorandum of Association of the Company ("MOA") in accordance with Table A of Schedule I of the Companies Act, 2013, effecting the following modifications and amendments in the existing MOA:

- a) The words 'Companies Act, 1956' in the existing MOA shall be substituted with the words 'Companies Act, 2013', wherever required under the applicable statutory provisions;
- b) Part A of the Clause III of MOA shall now be titled as "The Objects to be pursued by the Company on its Incorporation";
- c) Merging the Objects of the Company mentioned under part C of Clause III – "Other Objects" with part B of Clause III – "Objects Incidental or Ancillary to the attainment of the Main Objects" and consequently changing the object numbering as may be appropriate, and further the aforesaid part B (after merger) of the Clause III of MOA shall be titled as "Matters which are necessary for furtherance of the Objects specified in Part A".

"RESOLVED FURTHER THAT a copy of the new MoA which is placed before the meeting and duly initialed by the Chairman for the purposes of identification be and are hereby approved and adopted as the Memorandum of Association of the Company with effect from date of this Annual General Meeting and they be the MoA of the Company in place, in substitution and to the entire exclusion of the existing MoA."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds or things as may be deemed necessary to give effect to this resolution."

**By order of the Board**

**Satish Kumar Subudhi**

Place: Hyderabad  
Date: 03<sup>rd</sup> July, 2019

Company Secretary & Head-Legal  
(FCS-9085)



## Notes:

1) **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a Member of the Company:**

2) **Proxies/Power of Attorney forms, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy Form is attached herewith.**

3) **Explanatory Statement:**

The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, ("Act") relating to the Special Business item is given below and forms part hereof.

4) **Director proposed to be appointed/re-appointed:**

Details of Directors retiring by rotation or seeking appointment/re-appointment at the ensuing Meeting are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India (ICSI).

5) **Book Closure:**

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, 03<sup>rd</sup> August, 2019 to Wednesday, 14<sup>th</sup> August, 2019 (both days inclusive).

6) **Unclaimed Dividend and Transfer of shares to IEPF:**

a) The Members are hereby informed that the Company would transfer the dividends, which remains unpaid/ unclaimed for a period of 7 (seven) years, to the Investors Education and Protection Fund (IEPF) constituted by the Central Government under Section 125 of the Companies Act, 2013.

b) The Company has duly transferred the unpaid or unclaimed dividends declared up to financial year 2010-11 to the IEPF during the previous years. Members may please refer to "Corporate Governance Report" (forms part hereof) for details of unclaimed dividend amount credited to IEPF account during the previous years. Further the Company shall not entertain the claims of the Shareholders for the unclaimed dividends which have been transferred to IEPF.

c) The unclaimed dividend in respect of financial year 2011-12 (Final) is due for transfer in October, 2019 to the IEPF. The Shareholders are advised to send their requests for payment of unpaid dividend pertaining to the years from FY 2011-12 (Final Dividend) to FY 2017-18 (Final Dividend) to the Share Transfer Agent (RTA) office or to the Registered Office of the Company at Hyderabad, for issue of cheques/ demand drafts before the due dates for transfer to the IEPF. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company, as on 06<sup>th</sup> August, 2018 (i.e. date of previous Annual General Meeting), on the website of the Company [www.naclind.com](http://www.naclind.com) and also on the website of Ministry of Corporate Affairs.

d) **Transfer of Shares to IEPF Suspense Account:**

Attention of the members is drawn to the provisions of Section 124(6) of the Act which require a Company to transfer in the name of IEPF Authority all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more.

In accordance with the aforesaid provision of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has already transferred all shares, in respect of which dividend declared for the financial year 2010-11, has not been paid or claimed by the members for 7 (seven) consecutive years or more. Members are advised to visit the website [www.naclind.com](http://www.naclind.com) to ascertain details of shares liable for transfer in the name of IEPF authority.

- e) Members/claimants whose shares, unclaimed dividends, etc., have been transferred to the IEPF demat account or the fund, as the case may be, may claim the shares or apply for refund by making an application to the IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee as decided by the IEPF Authority from time to time. The Members/Claimant can file only one consolidated claim in a financial year as per the IEPF Rules.
- b) The members may please visit the Company's Website: [www.naclind.com](http://www.naclind.com) to find more information about the Company.
- c) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail addresses by submitting the e-mail Registrations Form attached with this Annual Report.

## 7) Members Nomination:

- a) Members are advised to avail themselves of nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them.
- b) Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination may submit the same in Form No.SH-14. Both the Forms for "Nominations" and "Cancellation or Variation of Nomination" can be availed from the RTA or can be downloaded from the Company's website.
- c) Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents (RTA). The members holding shares dematerialized form are requested to file the Nomination/Cancellation or Variation in Nomination forms with their respective Depository Participants in the prescribed form.
- d) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS)/National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
- e) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA of the Company for assistance in this regard.

## 8) Corporate Members:

Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representatives for voting purpose and to attend at the Annual General Meeting (AGM).

## 9) Important Communication to Members:

- a) All communications relating to the shares may be addressed to our Share Transfer Agent (RTA) Office i.e.,  
  
M/s. XL Softech Systems Limited,  
(Unit: NACL Industries Limited) No.3,  
Sagar Society, Road No.2, Banjara Hills,  
Hyderabad-500034, Telangana;  
Telephone No: 040-23545913/914/915;  
Fax No.040-23553214,  
e-mail ID: [xlfield@gmail.com](mailto:xlfield@gmail.com).
- f) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
- g) Electronic copy of the Annual Report for 2018-19 is being sent to all members whose email addresses are registered with the Company/Depository Participants for communication purposes, unless any members has requested for a hard copy of the same. For members who