



# NACL Industries Limited

Ref: NACL/SE/2022-23

May 12, 2022

**1) BSE Limited**

Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai, Maharashtra,  
**MUMBAI - 400001.**

Company 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.**

Script ID: NACLIND

Dear Sir,

**Sub: Outcome of the Board Meeting.**

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

We wish to inform you that the Board of Directors in their meeting held today i.e., on Thursday, May 12, 2022, has *inter-alia*;

- a) considered and approved the Audited Standalone and Consolidated Financial Results of the Company for the year ended March 31, 2022 and limited reviewed Financial Results for the quarter ended March 31, 2022, which are enclosed herewith along with the Audit Reports (including limited review reports) issued by M/s. Deloitte Haskins & Sells LLP, the Statutory Auditor of the Company.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), we would like to state that our Statutory Auditors M/s. Deloitte Haskins & Sells LLP issued the Auditor's Report with "unmodified opinion" on the Audited Standalone and Consolidated Financial Results for the year ended March 31, 2022.

The Audited Financial Results in forms prescribed under aforesaid Regulation and Auditor's Report & Declarations are enclosed.



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OUR COMMITMENT TO SUSTAINABILITY

- b) recommended Final Dividend of Re.0.15 per Equity Share (representing 15%) of Re.1 each for the financial year 2021-22. The dividend, if approved at the ensuing Annual General Meeting of the Company, will be paid to the shareholders within 30 days from the date of Annual General Meeting; and
- c) re-appointed Mr. M. Pavan Kumar, as the Managing Director & Chief Executive Officer (MD & CEO) of the Company for a further period of three (3) years with effect from June 01, 2022 subject to the necessary approval of shareholders at the ensuing Annual General Meeting of the Company.

The meeting commenced at 2.00 p.m. and concluded at 7.20 p.m.

Kindly take the same on record.

Thanking you,

for **NACL Industries Limited**

  
**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

Encl: As above



**NACL Industries Limited**

Regd. Office: Plot No.12-A, 'C' Block, Lakshmi Towers, No.8-2-248/1/7/78, Nagarjuna Hills, Punjagutta, Hyderabad 500 082, Telangana, India  
Phone: 040-24405100, Fax: 040-23358062, E-mail: info@naciind.com, Website: www.naciind.com  
CIN: L24219TG1986PLC016607

**Extract of the Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2022**

(₹ in Lakhs)

Sl. No.	Particulars	Standalone				Consolidated			
		Quarter ended 31.03.2022	Quarter ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021	Quarter ended 31.03.2022	Quarter ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Total Income from Operations	47,561	33,692	1,65,656	1,20,673	47,448	33,627	1,65,358	1,20,603
2	Net Profit for the period (before Tax & Exceptional and/or Extraordinary items)	2,796	2,239	10,246	7,396	2,732	2,274	9,984	7,466
3	Net Profit for the period before Tax, (after Exceptional and/or Extraordinary items)	2,796	2,239	10,246	7,396	2,732	2,274	9,984	7,466
4	Net Profit for the period after Tax, (after Exceptional and/or Extraordinary items)	2,102	1,714	7,604	5,029	2,038	1,749	7,342	5,099
5	Total Comprehensive Income for the period [Comprising (Loss)/Profit for the period (after tax) and Other Comprehensive Income (after tax)]	2,099	1,711	7,561	5,008	2,035	1,748	7,291	5,077
6	Paid-up Equity Share Capital	1,983	1,962	1,983	1,962	1,983	1,962	1,983	1,962
7	Earnings per Share (of ₹ 1 each)								
a)	Basic	1.06	0.89	3.84	2.60	1.03	0.90	3.71	2.63
b)	Diluted	1.06	0.88	3.83	2.60	1.03	0.90	3.70	2.63

**Notes:**

- These results were reviewed and recommended by the Audit Committee in their meeting held on May 11, 2022 and approved by the Board of Directors in their meeting held on May 12, 2022. The Statutory Auditors have issued an unmodified opinion on financial results for the year ended March 31, 2022 and have issued an unmodified conclusion in respect of the Limited Review for the quarter ended March 31, 2022.
- The Board of Directors in its meeting held on May 12, 2022 have recommended a final dividend of ₹ 0.15 per Equity Share of ₹ 1 each. The Board had earlier in its meeting held on August 5, 2021, October 29, 2021 and on January 28, 2022 approved interim dividend of ₹ 0.10, ₹ 0.15 and ₹ 0.15 per Equity Share of ₹ 1 each respectively. The total dividend is ₹ 0.55 per Equity Share of ₹ 1 each for the year ended March 31, 2022.
- The above is an extract of the detailed format of Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2022 filed with BSE Limited & NSE Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The full format of Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2022 is available on the website of BSE & NSE Limited and Company's website at www.naciind.com

Place : Hyderabad  
Date : May 12, 2022



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

**Standalone and Consolidated Balance Sheet**

(₹ in Lakhs)

Sl. No.	Particulars	Standalone		Consolidated	
		As at	As at	As at	As at
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
		(Audited)	(Audited)	(Audited)	(Audited)
I	<b>ASSETS</b>				
1	<b>Non-current assets</b>				
	(a) Property, plant and equipment	20,354	18,572	20,381	18,572
	(b) Right-to-use assets	461	349	3,331	3,249
	(c) Capital work-in-progress	955	2,748	10,456	2,846
	(d) Other intangible assets	109	149	109	149
	(e) Intangible assets under development	1,179	799	1,179	799
	(f) Financial assets				
	(i) Investments	5,760	3,022	1,263	1,559
	(ii) Other financial assets	408	401	412	401
	(g) Income tax assets (net)	469	461	474	467
	(h) Other non-current assets	1,804	1,056	929	257
	<b>Total non-current assets</b>	<b>31,499</b>	<b>27,557</b>	<b>38,534</b>	<b>28,299</b>
2	<b>Current assets</b>				
	(a) Inventories	41,071	22,830	41,071	22,830
	(b) Financial assets				
	(i) Trade receivables	52,897	33,582	52,897	33,582
	(ii) Cash and cash equivalents	4,455	6,663	6,994	6,805
	(iii) Other bank balances	3,210	821	3,210	821
	(iv) Other financial assets	614	392	614	392
	(c) Other current assets	7,287	4,950	7,728	4,830
	<b>Total current assets</b>	<b>1,09,534</b>	<b>69,238</b>	<b>1,12,514</b>	<b>69,260</b>
	<b>Total Assets</b>	<b>1,41,033</b>	<b>96,795</b>	<b>1,51,048</b>	<b>97,559</b>
II	<b>EQUITY AND LIABILITIES</b>				
1	<b>Equity</b>				
	(a) Equity share capital	1,983	1,962	1,983	1,962
	(b) Other equity	46,412	39,186	46,854	39,898
	<b>Total equity</b>	<b>48,395</b>	<b>41,148</b>	<b>48,837</b>	<b>41,860</b>
2	<b>Non-current liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	8,777	7,149	17,243	7,149
	(i)a) Lease liabilities	261	226	261	226
	(ii) Other financial liabilities	1,340	1,176	1,188	1,176
	(b) Provisions	1,039	749	1,039	749
	(c) Deferred tax liabilities (net)	1,013	1,076	1,013	1,076
	<b>Total non-current liabilities</b>	<b>12,430</b>	<b>10,376</b>	<b>20,744</b>	<b>10,376</b>
3	<b>Current Liabilities</b>				
	(a) Financial liabilities				
	(i) Borrowings	35,275	12,662	35,275	12,662
	(i)a) Lease liabilities	238	164	238	164
	(ii) Trade payables				
	(a) total outstanding dues of micro enterprises and small enterprises	1,891	1,108	1,891	1,108
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	36,997	26,298	37,000	26,343
	(iii) Other financial liabilities	3,484	3,006	4,730	3,006
	(b) Other current liabilities	1,644	1,338	1,654	1,345
	(c) Income tax liabilities (net)	398	452	398	452
	(d) Provisions	281	243	281	243
	<b>Total current liabilities</b>	<b>80,208</b>	<b>45,271</b>	<b>81,467</b>	<b>45,323</b>
	<b>Total equity and liabilities</b>	<b>1,41,033</b>	<b>96,795</b>	<b>1,51,048</b>	<b>97,559</b>





**NACL Industries Limited**  
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 Phone:040-24405100, Fax:040-23358062, E-mail:info@naclind.com, Website:www.naclind.com  
 CIN:L24219TG1986PLC016607

**Statement of Standalone and Consolidated Financial Results for the Quarter and Year ended March 31, 2022**

(₹ in Lakhs)

Sl. No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021	31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		(Unaudited) (Refer note 7)	(Unaudited)	(Unaudited) (Refer note 7)	(Audited)	(Audited)	(Unaudited) (Refer note 7)	(Unaudited)	(Unaudited) (Refer note 7)	(Audited)	(Audited)
1	Revenue from operations	47,287	39,976	33,043	1,64,016	1,19,137	47,287	39,976	33,043	1,64,016	1,19,137
2	Other income	274	504	649	1,640	1,536	161	431	584	1,342	1,466
3	<b>Total Income (1+2)</b>	<b>47,561</b>	<b>40,480</b>	<b>33,692</b>	<b>1,65,656</b>	<b>1,20,673</b>	<b>47,448</b>	<b>40,407</b>	<b>33,627</b>	<b>1,65,358</b>	<b>1,20,603</b>
4	<b>Expenses</b>										
	(a) Cost of materials consumed	37,330	29,213	20,479	1,23,767	81,479	37,330	29,213	20,479	1,23,767	81,479
	(b) Purchase of stock-in-trade	1,512	1,853	1,254	7,540	4,719	1,512	1,853	1,254	7,540	4,719
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,492)	(1,358)	1,668	(10,117)	(2,708)	(3,492)	(1,358)	1,668	(10,117)	(2,708)
	(d) Employee benefits expense	2,881	2,378	2,722	9,993	9,394	2,881	2,380	2,732	10,008	9,428
	(e) Finance costs	845	798	686	2,984	2,880	749	711	598	2,665	2,792
	(f) Depreciation and amortisation expense	636	631	596	2,495	2,530	637	631	596	2,496	2,530
	(g) Other expenses	5,053	4,829	4,048	18,748	14,983	5,056	4,828	4,042	18,735	14,954
	<b>Total Expenses</b>	<b>44,765</b>	<b>38,344</b>	<b>31,453</b>	<b>1,55,410</b>	<b>1,13,277</b>	<b>44,673</b>	<b>38,258</b>	<b>31,369</b>	<b>1,55,094</b>	<b>1,13,194</b>
5	Profit before share of profit of associate (3-4)	2,796	2,136	2,239	10,246	7,396	2,775	2,149	2,258	10,264	7,409
6	Share of (loss) / profit from Associate						(43)	(119)	16	(280)	57
7	Profit before tax (5+6)	2,796	2,136	2,239	10,246	7,396	2,732	2,030	2,274	9,984	7,466
8	Tax expense:										
	(a) Current tax	710	557	727	2,691	2,606	710	557	727	2,691	2,606
	(b) Deferred tax (net)	(16)	32	(202)	(49)	(239)	(16)	32	(202)	(49)	(239)
	<b>Tax Expense</b>	<b>694</b>	<b>589</b>	<b>525</b>	<b>2,642</b>	<b>2,367</b>	<b>694</b>	<b>589</b>	<b>525</b>	<b>2,642</b>	<b>2,367</b>
9	<b>Profit for the period (7-8)</b>	<b>2,102</b>	<b>1,547</b>	<b>1,714</b>	<b>7,604</b>	<b>5,029</b>	<b>2,038</b>	<b>1,441</b>	<b>1,749</b>	<b>7,342</b>	<b>5,099</b>
10	<b>Other Comprehensive Income/(Loss)</b>										
	<b>Items that will not be reclassified subsequently to statement of profit or loss</b>										
	Re-measurement of the defined benefit obligation	(36)	(29)	(26)	(143)	(92)	(36)	(37)	(24)	(151)	(93)
	Income tax expense on the above	9	7	-	36	23	9	7	-	36	23
	<b>Items that will be reclassified subsequently to statement of profit or loss</b>										
	Effective portion of gain on designated portion of hedging instrument in a cash flow hedge	33	23	25	86	64	33	23	25	86	64
	Income tax expense on the above	(9)	(5)	(2)	(22)	(16)	(9)	(5)	(2)	(22)	(16)
	<b>Total Other Comprehensive Loss net of tax</b>	<b>(3)</b>	<b>(4)</b>	<b>(3)</b>	<b>(43)</b>	<b>(21)</b>	<b>(3)</b>	<b>(12)</b>	<b>(1)</b>	<b>(51)</b>	<b>(22)</b>
11	<b>Total Comprehensive Income (9+10)</b>	<b>2,099</b>	<b>1,543</b>	<b>1,711</b>	<b>7,561</b>	<b>5,008</b>	<b>2,035</b>	<b>1,429</b>	<b>1,748</b>	<b>7,291</b>	<b>5,077</b>
12	Paid-up equity share capital (Face value of ₹ 1 per equity share)	1,983	1,978	1,962	1,983	1,962	1,983	1,978	1,962	1,983	1,962
13	Other Equity				46,412	39,186				46,854	39,898
14	Earnings Per Share (for the period not annualised)										
	(a) Basic (in ₹)	1.06	0.78	0.89	3.84	2.60	1.03	0.73	0.90	3.71	2.63
	(b) Diluted (in ₹)	1.06	0.78	0.88	3.83	2.60	1.03	0.73	0.90	3.70	2.63



Standalone and Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	10,246	7,396	9,984	7,466
<u>Adjustments for:</u>				
Depreciation and amortisation expense	2,495	2,530	2,496	2,530
Finance costs	2,984	2,880	2,665	2,792
Interest income	(444)	(352)	(175)	(282)
Share of (loss) / profit from associate			280	(57)
Excess provisions, no longer required, written back	(346)	(99)	(346)	(99)
Provision for credit impaired trade receivables and advances	572	758	572	758
Loss on sale of property, plant and equipment (net)	4	54	4	54
Intangible assets and intangible assets under development written off	69	343	69	343
Share-based payments	184	71	184	71
Unwinding of Guarantee commission	(30)	-	-	-
Credit impaired trade receivables and advances written off (net)	670	933	670	933
Unrealised forex loss / (gain)	173	(182)	173	(182)
<b>Operating profit before working capital changes</b>	<b>16,577</b>	<b>14,332</b>	<b>16,576</b>	<b>14,327</b>
<u>Changes in working capital:</u>				
Adjustment for (increase)/decrease in operating assets:				
Inventories	(18,241)	(6,380)	(18,241)	(6,380)
Trade receivables	(20,302)	1,097	(20,302)	1,097
Other financial assets	(169)	(165)	(173)	(165)
Other assets	(2,067)	(536)	(2,890)	(639)
Adjustment for increase/(decrease) in operating liabilities:				
Trade payables	11,725	676	11,683	712
Provisions	328	275	328	275
Other financial liabilities	3,024	(24)	3,024	(24)
Other liabilities	306	98	309	104
<b>Cash (used in) / generated from operations</b>	<b>(8,819)</b>	<b>9,373</b>	<b>(9,686)</b>	<b>9,307</b>
Income taxes paid (net)	(2,737)	(969)	(2,738)	(971)
<b>Net cash (used in) / flow from operating activities (A)</b>	<b>(11,556)</b>	<b>8,404</b>	<b>(12,424)</b>	<b>8,336</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on property, plant and equipment including capital advances	(4,997)	(1,498)	(13,793)	(1,596)
Proceeds from sale of property, plant and equipment	4	9	4	9
Investments in subsidiaries	(3,550)	(3,201)	8	-
Proceeds from sale of current investments	8	-	-	-
Movement in other deposits and margin money (net)	(2,673)	2,704	(2,673)	2,704
Interest income received	114	286	115	288
<b>Net cash (used in) / flow from investing activities (B)</b>	<b>(11,094)</b>	<b>(1,700)</b>	<b>(16,339)</b>	<b>1,405</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from allotment of share warrants	-	154	-	154
Proceeds from allotment of shares under ESOP	127	15	127	15
Proceeds on conversion of share warrants to equity shares	463	1,334	463	1,334
Proceeds from non-current borrowings	4,691	6,439	13,157	6,439
Repayment of non-current borrowings	(1,573)	(1,159)	(1,573)	(1,159)
Movement in current borrowings (net)	20,798	(11,472)	20,798	(11,472)
Payment of lease liabilities	(320)	(450)	(320)	(3,350)
Dividend paid including tax thereon	(1,088)	(487)	(1,088)	(487)
Finance costs paid	(2,656)	(2,768)	(2,612)	(2,768)
<b>Net cash (used in) / flow from financing activities (C)</b>	<b>20,442</b>	<b>(8,394)</b>	<b>28,952</b>	<b>(11,294)</b>
<b>Net (decrease) / increase in cash and cash equivalents (D) = (A+B+C)</b>	<b>(2,208)</b>	<b>(1,690)</b>	<b>189</b>	<b>(1,553)</b>
<b>Cash and cash equivalents at the beginning of the year (E)</b>	<b>6,663</b>	<b>8,353</b>	<b>6,805</b>	<b>8,358</b>
<b>Cash and cash equivalents at the end of the year (F) = (D)+(E)</b>	<b>4,455</b>	<b>6,663</b>	<b>6,994</b>	<b>6,805</b>

Notes:

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>1. Reconciliation of Long term borrowings (including current portions)</b>				
Opening balance	8,548	3,350	8,548	3,350
Proceeds/Additions	4,691	6,439	13,157	6,439
Repayments	1,573	1,159	1,573	1,159
Foreign currency translation	61	(82)	61	(82)
<b>Closing balance</b>	<b>11,727</b>	<b>8,548</b>	<b>20,193</b>	<b>8,548</b>
<b>2. Reconciliation of short-term borrowings</b>				
Opening balance	11,263	22,724	11,263	22,724
Proceeds/Additions	20,798	-	20,798	-
Repayments (net)	-	11,472	-	11,472
Foreign currency translation	264	11	264	11
<b>Closing balance</b>	<b>32,325</b>	<b>11,263</b>	<b>32,325</b>	<b>11,263</b>
<b>3. Reconciliation of lease liabilities</b>				
Opening balance	390	695	390	695
Proceeds/Additions	429	145	429	3,045
Repayments	320	450	320	3,350
<b>Closing balance</b>	<b>499</b>	<b>390</b>	<b>499</b>	<b>390</b>



**Notes :**

- 1 The above Standalone and Consolidated Financial results were reviewed and recommended by the Audit Committee in their meeting held on May 11, 2022 and approved by the Board of Directors in their meeting held on May 12, 2022. The Statutory Auditors have issued an unmodified opinion on financial results for the year ended March 31, 2022 and have issued an unmodified conclusion in respect of the Limited Review for the quarter ended March 31, 2022.
- 2 The Standalone and Consolidated Financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder, other accounting principles generally accepted in India and guidelines issued by the Securities and Exchange Board of India ("SEBI").
- 3 The Company is primarily engaged in the Farm Inputs Business, which in the context of Ind AS 108 "Operating Segments" is considered the only significant business segment.
- 4 The Company's Business is seasonal in nature and the performance can be impacted by weather conditions.
- 5 The Consolidated Financial Results include the results of the following:
  - i) Parent:
    - a) NACL Industries Limited, India
  - ii) Wholly Owned Subsidiaries:
    - a) LR Research Laboratories Private Limited, India
    - b) Nagarjuna Agrichem (Australia) Pty Limited, Australia
    - c) NACL Spec-Chem Limited, India
    - d) NACL Multichem Private Limited, India
  - iii) Associate:
    - a) Nasense Labs Private Limited, India
- 6 The Code on Social Security, 2020 relating to employee benefits during employment and post-employment received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 7 The figures for the current quarter and quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and March 31, 2021 respectively and published year to date figures up to third quarter ended December 31, 2021 and December 31, 2020 respectively.
- 8 The Board of Directors in its meeting held on May 12, 2022 have recommended a final dividend of ₹ 0.15 per Equity Share of ₹ 1 each. The Board had earlier in its meeting held on August 5, 2021, October 29, 2021 and on January 28, 2022 approved interim dividend of ₹ 0.10, ₹ 0.15 and ₹ 0.15 per Equity Share of ₹ 1 each respectively. The total dividend is ₹ 0.55 per Equity Share of ₹ 1 each for the year ended March 31, 2022.

**Place :** Hyderabad

**Date :** May 12, 2022



**M. Pavan Kumar**

Managing Director & CEO

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
NACL INDUSTRIES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Standalone Financial Results for the year ended March 31, 2022 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2022" of **NACL INDUSTRIES LIMITED** (the "Company"), (the "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Standalone Financial Results for the year ended March 31, 2022**

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2022:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2022**

With respect to the Standalone Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2022**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

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### **Management's Responsibilities for the Statement**

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities**

#### **(a) Audit of the Standalone Financial Results for the year ended March 31, 2022**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures

in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

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

**(b) Review of the Standalone Financial Results for the quarter ended March 31, 2022**

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Other Matters**

The Statement includes the results for the Quarter ended Month March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

  
Ganesh Balakrishnan  
Partner  
(Membership No. 201193)  
(UDIN: 22201193AIVYAH9114)

Place: Hyderabad  
Date: May 12, 2022

**INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF  
NACL INDUSTRIES LIMITED**

**Opinion and Conclusion**

We have (a) audited the Annual Consolidated Financial Results for the year ended March 31, 2022 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone and Consolidated Financial Results for the Quarter and Year Ended March 31, 2022 of **NACL INDUSTRIES LIMITED** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as the "Group"), and its share of the net loss after tax and total comprehensive loss of its associate for the quarter and year ended March 31, 2022, (the "Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

**(a) Opinion on Annual Consolidated Financial Results for the year ended March 31, 2022**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the separate financial statements / financial information of subsidiaries and associate referred to in Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2022:

- (i) includes the results of the following entities:
  - a. NACL Industries Limited, the Parent
  - b. Nagarjuna Agrichem (Australia) Pty Limited, Australia, Wholly owned subsidiary
  - c. LR Research Laboratories Private Limited, India, wholly-owned subsidiary
  - d. NACL Spec-Chem Limited, India, wholly-owned subsidiary
  - e. NACL Multi-Chem Private Limited, India, wholly-owned subsidiary
  - f. Nasense Labs Private Limited, India, associate
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2022.

**(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2022**

With respect to the Consolidated Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



# **Deloitte Haskins & Sells LLP**

## **Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2022**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group and its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

### **Management's Responsibilities for the Statement**

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2022, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group and its associate in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.

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

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

### **Auditor's Responsibilities**

#### **(a) Audit of the Consolidated Financial Results for the year ended March 31, 2022**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement



resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results/ Financial Information of the entities within the Group and its associate to express an opinion on the Annual Consolidated Financial Results. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

**(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2022**

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.



**Other Matters**

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- The consolidated financial results includes the unaudited financial statements / financial information of four subsidiaries, whose financial statements / financial information reflect total assets of ₹ 16,991 lakhs as at March 31, 2022 and total revenues of ₹ 4 lakhs and ₹ 38 lakhs for the quarter and year ended March 31, 2022 respectively, total net loss after tax of ₹ 32 lakhs and net loss of ₹ 32 lakhs for the quarter and year ended March 31, 2022 respectively and total comprehensive income of ₹ 32 lakhs and loss of ₹ 32 lakhs for the quarter and year ended March 31, 2022 respectively and net cash flows (net) of ₹ 2,397 lakhs for the year ended March 31, 2022, as considered in the Statement. The consolidated financial results also includes the Group's share of net loss after tax of ₹ 43 lakhs and ₹ 280 lakhs for the quarter and year ended March 31, 2022 and total comprehensive loss ₹ Nil lakhs and ₹ 8 lakhs respectively, as considered in the Statement, in respect of one associate, whose financial statements have not been audited by us. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion and conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements / financial information are not material to the Group.

Our report on the Statement is not modified in respect of the above matter with respect to our reliance on the financial statements / financial information certified by the Board of the Directors.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



Ganesh Balakrishnan  
Partner  
(Membership No. 201193)  
(UDIN: 22201193AIVWWR4424)

Place: Hyderabad  
Date: May 12, 2022



# NACL Industries Limited

## **DECLARATION**

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

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We do hereby declare and confirm that Auditors' Report on the Standalone and Consolidated Financial Results for the year ended March 31, 2022 are with "Unmodified Opinions"

Thanking you,

for **NACL Industries Limited**

**Satish Kumar Subudhi**

Vice President-Legal & Company Secretary

