



NACL Industries Limited

Ref: NACL/SE/2024-25

May 23, 2024

BSE Limited

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

Company Code: 524709

National Stock Exchange of India Ltd

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

Symbol: NACLIND

Dear Sir/Madam,

Sub: Notice of Postal Ballot.

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

The Board of Directors of the Company vide Circular Resolution passed on May 17, 2024, has inter-alia approved the Postal Ballot Notice for seeking approval of members of the Company by way of remote e-voting on the Special Resolutions as set out in the said Notice.

Pursuant to Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith a copy of the Notice of Postal Ballot for seeking approval of Members of the Company for the following matters:

- 1) Amendment to NACL Employee Stock Option Scheme 2020 ("ESOS 2020 Scheme").
- 2) To approve the renewal of consultancy agreement entered with Mr.C.V Rajulu.

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, May 17, 2024 ("Cut-Off date").



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 Friday, May 17, 2024.

The remote e-voting period shall commence on Friday, May 24, 2024 at 09.00 a.m. (IST) and end on Saturday, June 22, 2024 at 5.00 p.m. (IST). This Postal Ballot Notice will also be available on the Company's website at www.naclind.com and on the website of CDSL at www.evotingindia.com.

You are requested to take the same on records.

Thanking you

for **NACL Industries Limited**



Satish Kumar Subudhi

Vice President-Legal & Company Secretary

Encl: As above.





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

NOTICE OF POSTAL BALLOT

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; 20/2021 dated December 08, 2021; 3/2022 dated May 5, 2022; 11/2022 dated December 28, 2022 and 09/2023 dated September 25, 2023 including any other circular issued in this regard ('relevant Circulars'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI 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 as set out in this Notice is 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 Saturday, June 22, 2024. The e-voting facility will be disabled by CDSL immediately thereafter.

An Explanatory Statement, pursuant to Sections 102(1), 110 of the Act and the relevant information required under Chapter III-B of the SEBI Master Circular SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 6(2) of the SEBI (Share Based Employee benefits and Sweat Equity) Regulations, 2021 and Rule 12(2) of the Companies (Share Capital and Debentures) Rules, 2014 setting out all material facts relating to the resolution 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, Annual General Meeting (AGM) held on September 24, 2021 and through Postal Ballot dated August 31, 2022 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) and based on the recommendations of the Nomination and Remuneration Committee and Board of Directors of the Company, 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 25,00,000 stock options to 30,00,000 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, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary in this regard.”

Item No.2

To approve the renewal of consultancy agreement entered with Mr.C.V Rajulu and in this regard, pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 188, 197(4) and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’), read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and based on the recommendations of the Nomination and Remuneration Committee, Audit Committee and Board of Directors of the Company, the approval of the members be and is hereby accorded for the consultancy arrangement, more specifically remuneration payable to Mr. C.V Rajulu (DIN:09219298), Non-Executive and Non-Independent Director (a “related party” holding office and a place of profit under Section 188(1)(f) of the Companies Act, 2013) by way of fixed consultancy fees of an amount not exceeding ₹ 3,50,000 per month (i.e ₹ 42,00,000 per annum), plus reimbursement of travel, out of pocket expenses and incidental expenses (subject to be pre-approved), in addition to fee payable to him for attending the meetings of the Board or Committees thereof, for a period of 1 (one) year commencing June 24, 2024, as per terms and conditions agreed upon, by and between the Company and Mr. C.V Rajulu under an agreement (and amendment thereto) and as approved by the Board.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary any such terms and conditions of the said appointment and consultancy fees or revise the consultancy fees in such manner as may be acceptable by the Board and Mr. Chantati Varada Rajulu, and such agreement shall be suitably amended to give effect to such modification, relaxation or variation.”

“RESOLVED FURTHER THAT the Board of Directors and/or any person authorised by the Board, be and is hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

sd/-

Date: May 17, 2024

Place: Hyderabad

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

Notes:

- 1) The Explanatory Statement, pursuant to Sections 102(1) and 110 of the Companies Act, 2013 ('the Act'), is annexed hereto. The relevant details of the person seeking appointment as a director, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") are also annexed to the Notice.
- 2) This Postal Ballot Notice is being sent to the members whose names appear on the Register of Members / list of Beneficial Owners as received from the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and whose email address is registered with the Company/RTA/Depository Participant(s), as on Friday, May 17, 2024 ("Cut-off Date"). A person who is not a member as on the Cut-off Date should treat this Postal Ballot Notice for informational purposes only. In compliance with Regulation 44 of the SEBI Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot forms. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope are not being sent to the Members for this Postal Ballot. The communication of the assent or dissent of the Members would only take place through the e-voting system.
- 3) Members may note that the Notice of the Postal Ballot will also be available on the Company's website www.naclind.com and websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>.
- 4) The Board of Directors of the Company has appointed Mr.S.Srikanth, Partner (M.No. A22119), representing M/s. B S S & Associates, Company Secretaries, as Scrutinizer to conduct the postal ballot e-voting process in a fair and transparent manner.
- 5) The voting shall commence on Friday, May 24, 2024, at 09:00 a.m. (IST) and shall end on Saturday, June 22, 2024, at 5:00 p.m. (IST). During this period, Members of the Company holding shares in physical or electronic form as on the Cut-Off Date may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. 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.
- 6) 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.
- 7) The Scrutinizer will submit his report to the Chairperson or a person authorized by her in writing. and the result will be announced within 2 (Two) working days from the conclusion of the e-voting period. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.naclind.com and on the website of CDSL. The results shall be simultaneously communicated to the Stock Exchanges.
- 8) The Resolution, if passed by the requisite majority through Postal Ballot, will be deemed to have been passed on the last date specified for voting i.e., June 22, 2024. Further, Resolution passed by the members through postal ballot are deemed to have been passed as if they are passed at a General Meeting of the Members. The Special Resolution 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.
- 9) The vote in this Postal Ballot cannot be exercised through proxy.
- 10) The Company has engaged the services of M/s. Central Depository Services (India) Limited (CDSL) as the Agency to provide e-voting facility.

11) Instructions about Voting:

In compliance with Regulation 44 of the SEBI Listing Regulations and Section 108 of the Act, 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 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:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi Tab. 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. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & 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.
Individual Shareholders holding securities in demat mode with NSDL Depository	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com 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. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ 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.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	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.

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 CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in 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.
 - 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 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:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
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"> • 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.
Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format)

OR
Date of Birth (DOB)

as recorded in your demat account or in the company records in order to login.

- 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.

- (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 relevant EVSN for ‘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 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.
 - 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 should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - 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.

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 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, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call at toll free no. 1800 22 55 33.

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

sd/-

Date: May 17, 2024
Place: Hyderabad

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

Annexure to the Notice
The Explanatory Statement as required under Section 102 of the Companies Act, 2013

Item No. 1:

The Company had introduced and implemented “NACL Employee Stock Option Scheme 2020” (ESOS-2020), 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.

In light of the Company's various earlier growth plans, including expanding existing capacity and establishing a new greenfield project in Dahej, which necessitated senior-level recruitment, the ESOS-2020 pool has been increased by 5 lakh options. This brings the total number of available options to 25 lakh effective August 31, 2022.

The Compensation Committee/Nomination and Remuneration Committee has actively awarded options under the ESOS-2020 plan to the Eligible Employee, with grants totaling 24,94,999 out of the total pool of 25,00,000 authorized. This leaves a remaining balance of 5,001 options available for future grants.

Keeping in view the Company's various future growth plans including expanding existing capacity, undertaking new projects, and entering the specialty/fine chemicals (including fluorination) space necessitate a robust Senior Management Team. Anticipated retirements within the leadership team further emphasize the need for proactive recruitment of highly qualified individuals, which will ensure leadership continuity and strength. While nurturing internal talent is crucial, identifying and promoting high-potential individuals requires competitive compensation. Current market realities dictate that external compensation packages for leadership roles often exceed what NACL currently offers. ESOPs can bridge this gap by providing a competitive deferred compensation element tied to company performance.

The proposed additional 5 lakh grant specifically targets attracting new leadership hires and promoting internal talent. This talent is critical for backfilling retiring leadership positions and spearheading expansion into new areas like fluorination and specialty chemicals. For the aforementioned reasons, we propose increasing the number of options in the ESOS-2020 by an additional 5,00,000 options. This will raise the total number of options from 25,00,000 to 30,00,000.

Based on the approval of Nomination and Remuneration Committee and the Board of Directors (subject to the approval of the Members), it is proposed that the ESOS-2020 be amended in order to comply with the regulatory requirements in terms of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the “ESOP Regulations”) and other matters as provided below. Accordingly, the following amendments were proposed to the ESOS 2020 Scheme:

Clause No.	Existing Provisions	New/Amended Provision	Rationale
6	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	The total number of options to be granted is 30,00,000 (Thirty 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	The Members are hereby informed that as against the 25,00,000 Options envisaged under the ESOS-2020, the 24,94,999 Options has already been granted, leaving behind a balance of 5,001 Options. Considering the new hiring and proposed grant of options to the eligible employees of the Company, it is proposed to

	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.	Options granted to the Participants under ESOS-2020 shall not exceed 30,00,000 (Thirty Lakhs) Equity Shares of the face value of Rs.1/- each.	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 25,00,000 (Twenty-Five Lakhs) in the aggregate.	Maximum number of options to be issued per employee per year shall not exceed 2,00,000 (Two Lakh) and 30,00,000 (Thirty Lakhs) in the aggregate.	

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

- 1) **Administration:** The Compensation Committee/Nomination and Remuneration 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:** 30,00,000 (Thirty 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/Nomination and Remuneration 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 which is subject to a minimum of face value of the equity shares of the Company considering inter-alia the market price of shares as defined in the ESOP Regulations and the discount to be offered.
- 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/Nomination and Remuneration 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 30,00,000 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 22 June, 2024.

Your Board of Directors recommends the Resolution at Item No. 1 for approval by the Members by way of 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 of the Notice, except to the extent of their shareholding in the Company and their entitlement to the employee stock options granted / may be granted to them, if any under the ESOS-2020.

Item No. 2:

Mr. C.V. Rajulu previously served as a Whole-Time Director (Executive Director–Corporate Affairs). Following his transition to a Non-Executive and Non-Independent Director role effective on June 24, 2023, the Company engaged him as a consultant for one year (ending June 23, 2024), leveraging his expertise in Corporate Affairs, EHS etc.

The existing terms of the consultancy agreement are given herein below for ready reference:

a)	Parties	i) M/s.NACL Industries Limited ii) Mr.C.V Rajulu
b)	Scope of Work	Corporate Affairs, EHS Compliance, Government Relations and Advocacy for the Company along with Special Projects as may be assigned by MD & CEO from time to time.
c)	Tenure	One Year. The agreement may be renewed for further period as may be mutually agreed upon by the parties.
d)	Fee	Rs.3.5 Lakhs per month (subject to TDS as per applicable provisions of Income Tax Act). In addition to the above, the travel, out of pocket expenses and incidental expenses will be reimbursed (subject to be pre-approved).

Based on the recommendation of Nomination and Remuneration Committee and Audit Committee, the Board of Directors vide circular resolution dated 17 May, 2024, approved the renewal of Consultancy Agreement for a period of one year commencing from June 24, 2024 by way of fixed consultancy fees of an amount not exceeding ₹ 3,50,000 per month (i.e ₹ 42,00,000 per annum) plus reimbursement of travel, out of pocket expenses and incidental expenses (subject to be pre-approved), in addition to fee payable to him for attending the meetings of the Board or Committees thereof, subject to the approval of the Shareholders.

As per Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to obtain the approval of members of the Company every year by way of Special Resolution for payment of remuneration to a single Non-Executive Director exceeding 50% of the total remuneration payable to all Non-Executive Directors of the Company.

At present, Company is availing the consultancy services from Mr. C.V Rajulu and the remuneration being proposed to be paid to him is benchmarked against prevailing rates for similar consultancies in Companies of comparable size. The proposed remuneration payable to Mr. C.V Rajulu is in excess of limits specified in the Act and hence the said remuneration will be paid with the prior approval of the Shareholders of the Company.

The details of the related party transactions pursuant to the SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S.No.	Particulars	Details
1.	Nature and material terms/Particulars of the contract or arrangement	Consultancy Agreement between: I. M/s.NACL Industries Limited II. Mr.C.V Rajulu The Company engaged him as a consultant for one year (ending June 23, 2024), leveraging his expertise in Corporate Affairs, EHS. Government Relations and Advocacy for the Company. However, it is proposed to extend the tenure of the agreement for a further period of one year.
2.	Maximum value of transactions	Rs.3.5 Lakhs per month (subject to TDS as per applicable provisions of Income Tax Act). In addition to the above, the travel, out of pocket expenses and incidental expenses will be reimbursed (subject to be pre-approved).

3.	Name of the related party	Mr. C.V Rajulu
4.	Nature of Relationship	Director
5.	Tenure, material terms and particulars	Being extended by one year commencing June 24, 2024. The agreement may be renewed for further period as may be mutually agreed upon, by the parties.
6.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year (i.e. FY 2023), that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	0.018%
7.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	NA
8.	Justification as to why the RPT is in the interest of the listed entity	Mr. C.V. Rajulu extensive experience in Corporate Affairs, EHS Compliance, Government relations etc. makes him uniquely qualified to provide valuable counsel to the company's senior management. By leveraging Mr. Rajulu's expertise, the Company can expect to improve operational efficiency, strengthen risk management, and make more informed strategic decisions. Ultimately, this engagement has the potential to contribute to the listed entity's long-term success and enhance stakeholder value.
9.	Any valuation or other external report relied upon by the listed entity in relation to the transactions	NA
10.	Any other information that may be relevant	All relevant / important information forms part of this Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013

The Board of Directors recognizes Mr. C.V. Rajulu's valuable contributions and expertise. To leverage this, it has been recommended to engage him as a consultant, with compensation details outlined in the resolution at Item No. 2 of the notice. Accordingly, the consent of the Members is sought for passing a Special Resolution as set out at Item No.2 of the Notice.

The Board commends the Special Resolution set out in Item No. 2 of the Notice for approval by the Shareholders.

Save and except Mr. C.V 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 resolution set out at the Item No. 2 of the Notice.

By order of the Board
for **NACL Industries Limited**
sd/-

Date: May 17, 2024
Place: Hyderabad

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