



NACL Industries Limited

Ref: NACL/SE/2024-25

August 07, 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: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") - Comments of Board of Directors of the Company with respect to fines imposed by BSE Limited and National Stock Exchange of India Limited on the Company on account of its non-compliance with Regulation 33 of the Listing Regulations.

In terms of Regulation 33 of the Listing Regulations and in furtherance to our letter dated July 12, 2024, seeking a waiver of the fine imposed by the Stock Exchanges, we hereby inform that the Board of Directors of the Company at its meeting held on August 07, 2024, has inter alia considered and taken on record the following:

- 1) Letter dated June 28, 2024, received from the National Stock Exchange of India Limited, wherein the Exchange had informed the Company about the imposition of a fine amounting to ₹41,300 (inclusive of GST) on the Company on account of its non-compliance with Regulation 33 of the Listing Regulations for the quarter ended March 31, 2024, along with the waiver application filed by the Company via letter/email dated July 12, 2024.
- 2) E-mail dated July 01, 2024, received from BSE Limited, wherein BSE Limited had informed the Company about the imposition of a fine amounting to ₹41,300 (inclusive of GST) on the Company on account of its non-compliance with Regulation 33 of the Listing Regulations for the quarter ended March 31, 2024, along with the waiver application filed by the Company via letter/email dated July 12, 2024.



In this regard, the Board took note of the fact that the Statutory Auditors were unable to finalize the audit of the company's financial statements for the year ended March 31, 2024, by the original meeting date. As part of the audit process, they sent balance confirmation requests to customers and observed inconsistent audit evidence from some responses. The delay was further compounded by ongoing elections in parts of India and logistical challenges, which required field visits to certain dealer customers. The auditors discovered inconsistencies during these visits, necessitating additional time to complete the audit. Due to these issues, the need for an independent investigation, and additional provisions for potential losses, subsequent Board meetings were postponed until the audit could be satisfactorily completed. On June 6, 2024, the audit was finally completed, and the Board approved the financial statements on that date. Due to these unforeseen events, which were beyond the Company's control, the Company has opted to request the Stock Exchanges for a waiver of penalties.

You are requested to take the same on records.

for **NACL Industries Limited**



Satish Kumar Subudhi

Vice President-Legal & Company Secretary

