



NACL Industries Limited

Ref: NACL/SE/2024-25

June 20, 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,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Initiation of Forensic Audit by M/s. Ernst & Young LLP – reg.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), we wish to inform that in furtherance to the notice issued under Section 143(12) of the Companies Act, 2013 by M/s BSR and Co, Statutory Auditors, and subsequent to their Report with a qualified opinion on the Financial Statements for the financial year ended March 31, 2024, the Company has taken decisive steps to address potential discrepancies. The Company has made a provision in the books of account, to account for potential losses and evaluates evidence to determine the recoverability of affected receivables.

The Auditors' observations and concerns have prompted the initiation of internal enquiry and subsequent independent investigation. Based on our findings of the irregularities and misconduct in business dealings, the Company has terminated the concerned Employee. In this regard, a police complaint has also been filed against the Employee, to ensure a thorough legal examination, underscoring the Company's commitment to pursuing legal action if further investigation confirms criminal wrongdoing.



Further, in terms of approval accorded by the Audit Committee, the Company has engaged M/s. Ernst & Young LLP as the Investigation Agency to conduct a thorough forensic audit effective today and they are mandated to investigate the observations made by the Statutory Auditors regarding irregularities in trade receivables.

Upon completion of this forensic investigation, the Company will reassess the situation to determine if further adjustments and disclosures are necessary. Based on the findings, appropriate legal actions will be taken against any employee(s), or third parties found to be involved in the irregularities. This is in line with our commitment to uphold the highest standards of corporate governance and protect the interests of our stakeholders.

We request you to take note of this disclosure and record it accordingly.

for **NACL Industries Limited**


Satish Kumar Subudhi

Vice President-Legal & Company Secretary

