



NPL Chemicals Limited



# NPL CHEMICALS LIMITED

Annual Report 2022-23

# ▶ *Across the pages*

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## NOTICE

**Disclaimer:** This document contains statements about expected future events and financials of NPL Chemicals Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

# ▶ Corporate Information

## KEY MANAGERIAL PERSONNEL

### Rajiv Arora

Chief Executive Officer

### Pravin Shetty

Chief Financial Officer

### CS Heena Shah

Company Secretary

## BANKER

Standard Chartered Bank

## SOLICITORS AND ADVOCATES

M/s. Khaitan & Co.

M/s. Crawford Bayley & Co.

## STATUTORY AUDITORS

Kalyaniwalla & Mistry LLP

## INTERNAL AUDITORS

M/s. PKF Sridhar and Santhanam LLP

## COST AUDITORS

Desai Diwanji & Co.

## SECRETARIAL AUDITORS

M/s. Parikh & Associates

## REGISTERED OFFICE

Neville House, J. N. Heredia Marg,

Ballard Estate, Mumbai - 400001

Phone: 022-22678301

## HEAD OFFICE

The Island City Center (ICC), G. D. Ambekar Marg,

Dadar (East), Mumbai - 400014

Phone: 022-61010515

## FACTORY

N. R. C. Road, P. O. Atali,

Via Mohone, Kalyan - 421102,

Dist. Thane, Maharashtra

Phone: 0251-2278000

## REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited

Unit: National Peroxide Limited.

C-101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai - 400083

Phone: +91 8108116767

E-mail ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



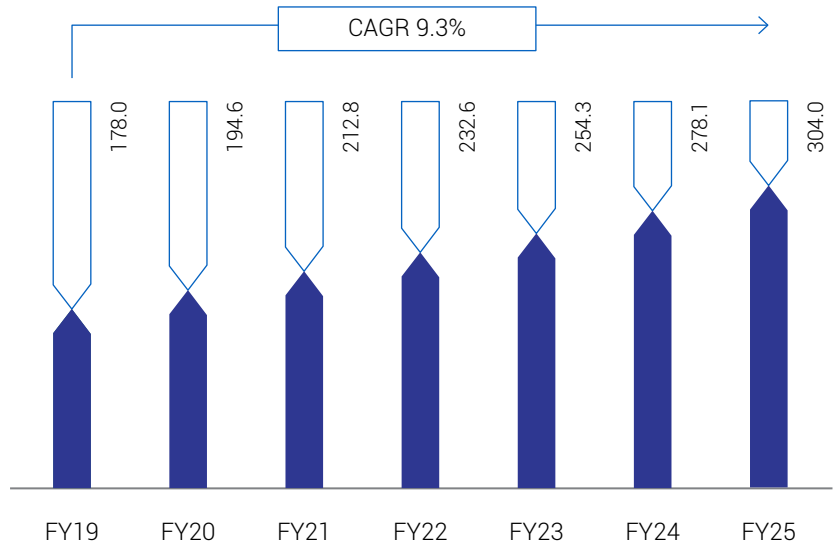
# Industry Outlook

## Chemical Industry Overview

Over the past decade, India's chemical industry has witnessed remarkable global success with substantial demand growth and shareholder wealth creation. The chemical industry is a vast and diverse sector encompassing the production of a wide range of chemicals, from sulfuric acid and chlorine to more specialized products like pharmaceuticals and agrochemicals. The chemical industry can be broadly divided into two main categories: inorganic and organic. Peroxygen chemicals, such as hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>), peracetic acid (PAA), and sodium percarbonate, constitute inorganic chemicals that liberate oxygen during chemical reactions.

Chemical Industry Market Size

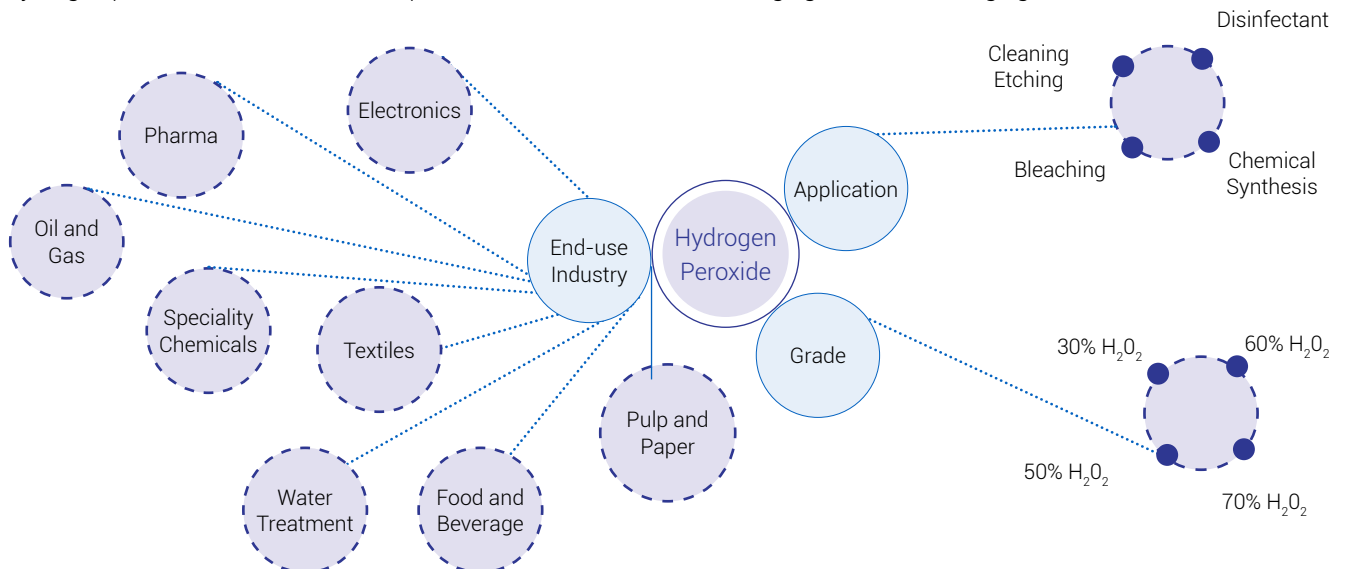
(US\$ billion)



(Source: <https://www.ibef.org/industry/chemical-industry-india>)

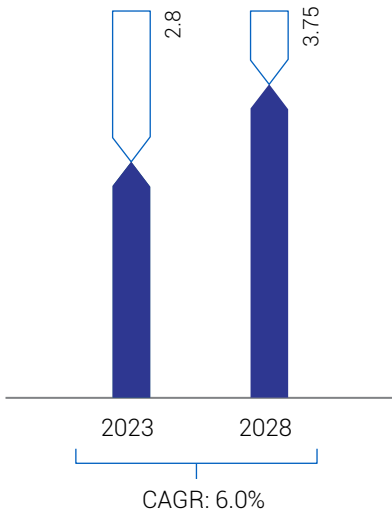
## Hydrogen Peroxide Industry

Hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>) is a simple peroxide compound characterized by an oxygen-oxygen single bond. In various fields, hydrogen peroxide serves as an antiseptic, disinfectant, oxidizer, bleaching agent, and reducing agent.



### Global Market Size of Hydrogen Peroxide

(in US\$ bn)



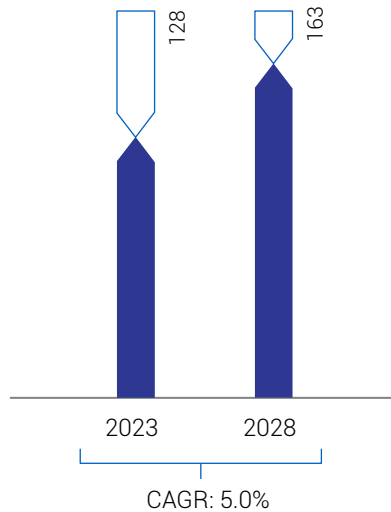
(Source: <https://www.marketsandmarkets.com/Market-Reports/hydrogen-peroxide-market-66522823.html#:~:text=The%20global%20hydrogen%20peroxide%20market,role%20in%20the%20chemical%20industry>)

Global hydrogen peroxide market - anticipated to reach

**US\$ 3.75** bn by 2028

### Indian Market Size of Hydrogen Peroxide

(in US\$ mn)



(Source: <https://www.imarcgroup.com/india-hydrogen-peroxide-market>)

Indian hydrogen peroxide market - anticipated to reach

**US\$ 163** mn by 2028

### Trends in Global Hydrogen Peroxide Market

- ⦿ The paper & pulp & textile industry extensively uses hydrogen peroxide as a bleaching agent to create various pulp types and textile fabrics.
- ⦿ Food-grade hydrogen peroxide is employed as a disinfectant agent in aseptic packaging for Food Industry.
- ⦿ Future trends are finding for application in Electronics, PV Segment and Disinfectant.

### Peracetic Acid Industry

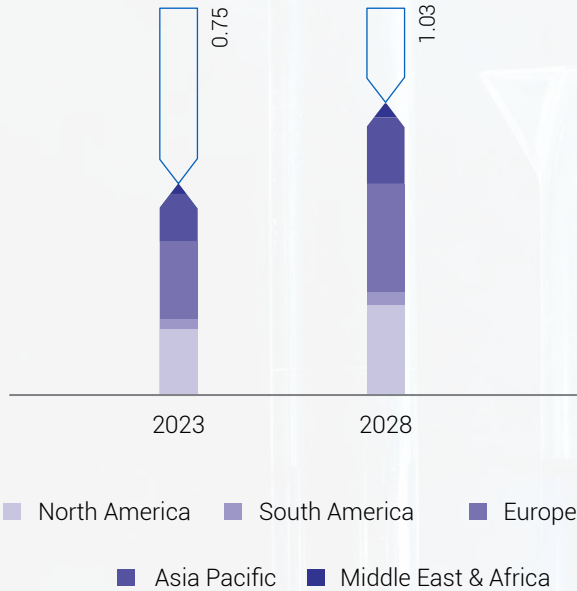
Peracetic acid, commonly known as PAA, is a highly acidic and colorless liquid. It is primarily manufactured through hydrogen peroxide and acetic acid synthesis.

It serves as a microbial disinfectant and food preservative for treating poultry, meat, fishery products, and processed or frozen foods requiring antimicrobial agents. Moreover, it is used in various beverage processing applications.



### Global Market Size of Peracetic Acid

(in US\$ bn)



(Source: <https://www.marketsandmarkets.com/Market-Reports/peracetic-acid-market-1111.html>)

Global peracetic acid market - anticipated to reach

**US\$ 1.03** bn by 2028

### Trends in Global Peracetic Acid Market

Peracetic acid finds diverse applications across various end-user sectors, including but not limited to foods & beverages, healthcare, and other related industries.

## ► Chemical Industry Outlook

The chemical industry is undergoing a transformation driven by emerging technologies, changing consumer preferences, exploring new use cases, and regulatory scrutiny, among others. New technologies are enabling more sustainable processes, while existing chemicals are finding new

applications. Sustainability is a key focus, with companies aligning with the UN SDGs and circular economy principles. Furthermore, the industry faces additional challenges stemming from fluctuations in commodity prices and the volatile global economic and political landscape, which introduce a

layer of uncertainty into the business environment.

Despite challenges, the industry is poised for growth, and companies that adapt to change and embrace sustainability are expected to thrive.

## ► Company Overview

Pursuant to the effectiveness of the Composite Scheme of Arrangement amongst National Peroxide Limited ('the Demerged Company') and Naperol Investments Limited ('the Transferor Company') and NPL Chemicals Limited ('the Company' or 'Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ('the Scheme') on September 11, 2023, the chemical business of National Peroxide Limited was transferred and vested in the Company, with effect from the Appointed Date i.e. April 1, 2022. During the fiscal ended March 31, 2023, the chemical business witnessed notable expansion, marked by a substantial increase in the export of hydrogen peroxide (H<sub>2</sub>O<sub>2</sub>) to over 30 countries, thereby enhancing our international footprint. This has This

has helped boost sales and elevated recognition, resulting in a higher level of prominence in both domestic and international markets.

NPL Chemicals has experienced substantial growth, primarily fueled by our dedication to product quality, customer service, cost-effectiveness, and the professional development of our employees. By carefully examining procedures, optimizing allocation of resources, and using technology, we have invested in making our operations more efficient. This entailed strategic management of raw material procurement and cost hedging, enhancing processes, implementing rigorous quality control mechanisms, and continually seeking ways to improve.

Various initiatives were implemented to improve products, services, and

operations, which have translated into better sales, realizations, and margins. Additionally, the investment in employees through leadership training, coaching, and managerial skill development programs, has helped create a cohesive culture of collaboration and teamwork. These investments were further aimed at enhancing self-awareness, acting as a pivotal tool in enabling growth at the executive levels. Moreover, the rollout of managerial skill development programs across various organizational levels has been important in augmenting overall effectiveness and performance. These concerted efforts across multiple fronts have contributed significantly to our Company's continuous advancement.

## ► Financial Performance

For the year under review, i.e. as on March 31, 2023, NPL Chemicals reported a revenue of ₹ 38,472.86 lakhs. Our PBT for the year stood at ₹ 5,350.13 lakhs, PAT for the year stood at ₹ 3,950.16 lakhs, while

EBIDTA stood at ₹ 6,736.91 lakhs. The Board has recommended a dividend of ₹ 17.50 (175%) per equity share, reflecting our commitment to delivering value for the esteemed shareholders. This further serves as

a testament to our financial strength, prudent management practices, and confidence in our strategic initiatives.

*\*Note: It is to be noted that it is NPL Chemicals which is referred to as Our Company throughout the document*

# ▶ CEO's Message



I would like to extend my gratitude to our clients, vendors, and partners, along with our senior leadership team, directors, and everyone whose firm belief in our abilities has been instrumental in transforming us into a world-class organization."

## Dear Shareholders,

It gives me great pleasure to present to you the 2022-23 Annual Report of NPL Chemicals Limited. This is the first report of our Company, after the successful completion of the demerger from National Peroxide Limited, approved as per the Scheme of Arrangement in September 2023. This document encapsulates our journey and our strategic direction as we embark on a new chapter dedicated to excellence in the peroxygen chemical industry.

As we delve into the specifics of our strategic direction owing to the Scheme of the Arrangement, it is imperative to recognise the growing significance of peroxygen chemicals, driven by their myriad applications and environmentally

conscious attributes. The demand for peroxygen chemicals is rising due to their diverse applications across various industries, their effectiveness as oxidizing agents, and their eco-friendly nature. Peroxygen chemicals contribute to sustainability by reducing hazardous chemicals, improving wastewater quality, and extending food shelf life. Their adoption also lowers greenhouse gas emissions and improves air quality. In today's market landscape, the increased demand for peroxygen chemicals has presented a significant opportunity for us to leverage our position as one of the foremost producers and one of the country's largest exporters of Hydrogen Peroxide (H<sub>2</sub>O<sub>2</sub>). The market for hydrogen peroxide in India is experiencing significant growth,

primarily driven by its increasing applications in the food processing industry and pulp and paper sector, including water treatment, chemical synthesis, cleaning and disinfection, medical and first aid.

## Financial Performance

I am delighted to share our numbers post-demerger, showcasing our robust performance bolstered by favorable industry trends and a promising outlook. For the year under review, i.e. as on March 31, 2023, we reported a standalone revenue of ₹ 38,472.86 lakhs. Our PBT for the year stood at ₹ 5,350.13 lakhs, PAT for the year stood at ₹ 3,950.16 lakhs, while our EBIDTA stood at ₹ 6,736.91 lakhs. The Board has recommended a dividend of ₹ 17.50 (175%) per equity share, reflecting our commitment



to delivering value for the esteemed shareholders. This further serves as a testament to our Company's financial strength, prudent management practices, and confidence in our strategic initiatives.

### Restructuring

Pursuant to the effectiveness of the Composite Scheme of Arrangement amongst National Peroxide Limited ('the Demerged Company'), Naperol Investments Limited ('the Transferor Company') and NPL Chemicals Limited ('the Company' or Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ('the Scheme') on September 11, 2023, the chemical business of the Demerged Company was transferred and vested in the Company and the Transferor Company was amalgamated with the Demerged Company, respectively, with effect from the Appointed Date i.e. April 1, 2022, resulting in the formation of two distinct and separate entities. This strategic move aims to unlock the intrinsic value of each business, providing investors with flexibility, focused growth strategies, and distinct risk-return profiles. The brief details of the companies are as under:

#### National Peroxide Limited,

'Transferee Company' or 'Demerged Company', is a public company incorporated under the provisions of the Indian Companies Act, 1913. The Transferee/Demerged Company is engaged in (i) manufacturing, distribution and dealing of peroxygen chemicals; and (ii) making long-term investments and corporate lending directly and/or through its wholly

owned subsidiary viz., the Transferor Company.

#### NPL Chemicals Limited,

the 'Company' or 'Resulting Company', is incorporated to carry on the business of manufacturing, distributing, and selling peroxygen chemicals. The Resulting Company was a wholly owned subsidiary of the Demerged Company.

#### Naperol Investments Limited,

the 'Transferor Company', was a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company was engaged in long-term investment and corporate lending. The Transferor Company was a wholly owned subsidiary of the Transferee Company.

#### Benefits of the Scheme include:

- ⦿ Unlocking the value of each of the businesses for the shareholders of the Transferee/Demerged Company, attracting investors and providing better flexibility in accessing capital
- ⦿ Segregating different businesses having different risk and return profiles and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile
- ⦿ Enabling focused growth strategy for each of the businesses to exploit opportunities specific to each business

#### Sustainability

In today's world, sustainability is a responsibility we embrace wholeheartedly. From implementing eco-friendly production processes

to investing in renewable energy sources, we continuously strive to innovate. Our priorities revolve around ensuring the health and safety of our employees. We have undertaken multiple third-party audits to ensure that protection and welfare measures align with the highest industry standards. Adhering strictly to legal requirements, we have implemented comprehensive safety procedures across our office and facility to create a secure working environment for everyone involved.

#### Way Forward

As we look forward, we focus on leveraging our strengths, exploring new avenues, and ensuring sustainable growth. The strategic initiatives undertaken post-demerger will propel us towards excellence, and we are poised to capitalise on emerging opportunities in the chemical industry.

#### Note of Thanks

I would like to extend my gratitude to our clients, vendors, and partners, along with our senior leadership team, directors, and everyone whose firm belief in our abilities has been instrumental in transforming us into a world-class organization. It is your consistent support that has propelled us forward. The strong fundamentals of our Company form a solid foundation, allowing us to sustain remarkable growth potential. We aim to continue reaching for greater heights, aspiring to achieve even more in the future.

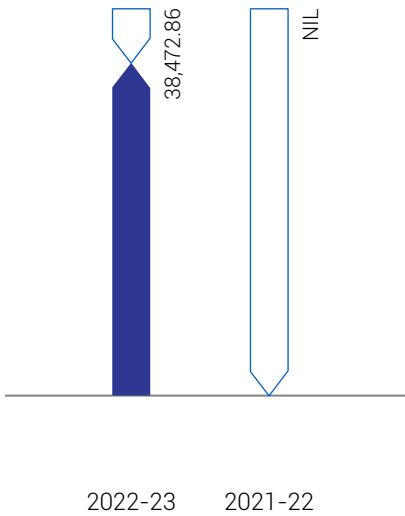
Warm regards,

**Rajiv Arora,**

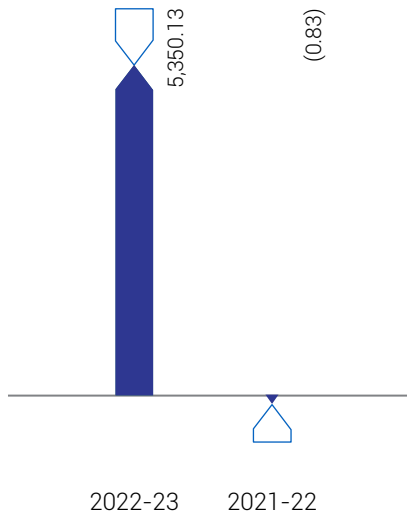
Chief Executive Officer & Director

# ▶ Financial Performance

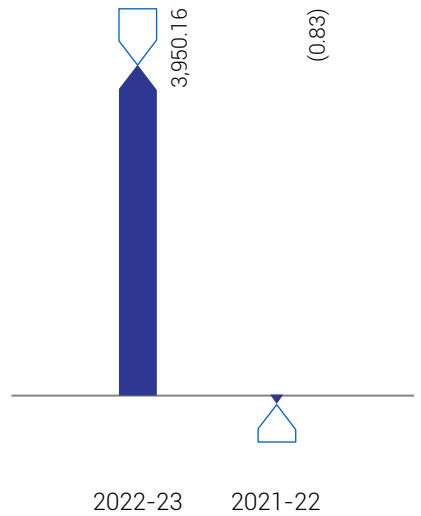
**Revenue** (₹ in lakhs)



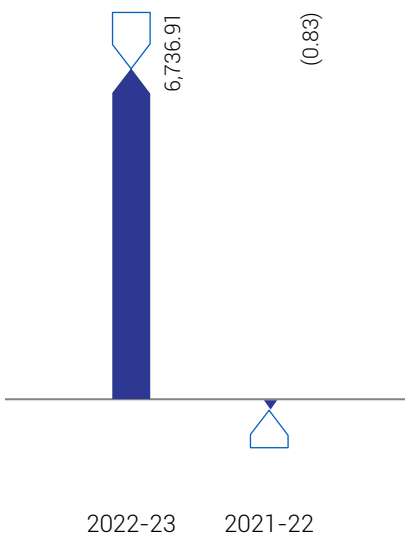
**PBT** (₹ in lakhs)



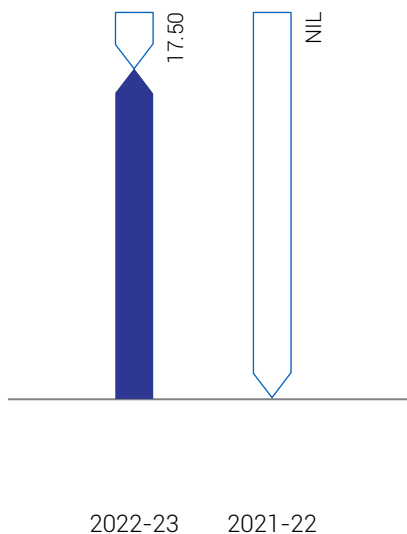
**PAT** (₹ in lakhs)



**EBITDA** (₹ in lakhs)



**Dividend** (₹ in lakhs)



\*Note: Pursuant to the Scheme and transfer of the businesses, the numbers are not comparable to previous year 2021-22.

# ▶ Board of Directors



**Mr. Ness N. Wadia**

Chairman/Non-Executive &  
Non-Independent Director



**Mr. Viraf Mehta**

Non-Executive &  
Independent Director



**Dr. Mrs. Minnie Bodhanwala**

Non-Executive &  
Non-Independent Director



**Ms. Parvathi Menon**

Non-Executive &  
Independent Director



**Mr. Jaivir Singh**

Non-Executive &  
Independent Director



**Mr. Rajiv Arora**

CEO & Director

# Directors' Report to The Members

The Directors take pleasure in presenting their Third Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended March 31, 2023.

## 1. FINANCIAL RESULTS

(₹ In lakhs)

Particulars	Financial Year Ended	
	March 31, 2023	March 31, 2022
Total Income	38,472.86	-
Profit before tax and exceptional items	4,054.97	(0.83)
Exceptional Items	1,295.16	-
Profit before tax after exceptional items	5,350.13	(0.83)
Tax Expense	1,399.97	-
Net Profit after Tax	3,950.16	(0.83)
Dividend paid on Equity Shares	-	-

## 2. DIVIDEND

Your Directors have recommended a dividend of ₹ 17.50 (175%) per equity share of ₹ 10.00 each for the FY 2022-23, to be paid, if declared by the Members at the Annual General Meeting (AGM) to be held on Thursday, December 21, 2023. The total dividend pay-out amounts to ₹ 1,005.73 lakhs.

## 3. TRANSFER TO RESERVES

During the year under review, no transfers were made to reserves.

## 4. COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors at its meeting held on March 09, 2021 and September 21, 2022 approved the draft Composite Scheme of Arrangement and the amendments thereto respectively, amongst the National Peroxide Limited ('the Transferee Company') and Naperol Investments Limited ('the Transferor Company') and NPL Chemicals Limited ('the Resulting Company') and their respective shareholders and creditors under Sections 230 to 232 of the Companies Act, 2013 ('the Scheme'). The Scheme, inter alia, provided for:

- the demerger, transfer and vesting of the Demerged Undertaking from the Transferee Company into the Resulting Company on a going concern basis and the consequent issue of shares by the Resulting Company in the manner set out in the Scheme;

- the amalgamation of the Transferor Company with the Transferee Company in the manner set out in the Scheme; and
- the reduction of the share capital of the Resulting Company in the manner set out in this Scheme.

The Scheme was approved by the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") on May 04, 2023. The Scheme was made effective on September 11, 2023 upon receipt of all requisite approvals, with the Appointed Date of the Scheme being April 01, 2022. Pursuant to the Scheme, the name of the Company will be changed to National Peroxide Limited or such other name as may be approved by the Ministry of Corporate Affairs.

## 5. STATE OF COMPANY'S AFFAIRS

### A. EFFECT OF SCHEME IN PREPARATION OF ACCOUNTS

The revised financial statements describe the basis of preparation of Accounts considering the Scheme. As explained in Note No. 4, these revised financial statements for the year ended March 31, 2023 have been prepared pursuant to the Scheme for Demerger, transfer and vesting of Demerged undertaking (as defined under the Scheme) from the Demerged Company into the Resulting Company from the Appointed date i.e. April 01, 2022, as approved by the NCLT, vide its certified order dated May 25, 2023. The Company

## Directors' Report to The Members (Contd.)

has accounted for such Scheme in accordance with provision of Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and any amendments issued thereunder and in accordance with generally accepted accounting principles.

### B. PROFITABILITY

Pursuant to the Scheme, the chemical business which was erstwhile operated by National Peroxide Limited stands transferred into the Company and the financial statements for the year ended March 31, 2023 are revised to give impact to the Scheme. Accordingly, the results of operations in FY 2022-23 are strictly not comparable with the FY 2021-22.

During the FY 2021-22 there were no business operations of the Company.

Total income for the FY 2022-23 is ₹ 38,472.86 lakhs. Earnings before exceptional Income, interest, taxes, depreciation and amortization ('EBITDA') for the FY 2022-23 is ₹ 6,736.91. lakhs. Profit before tax (PBT) for the year was ₹ 5,350.13 lakhs and Net Profit after tax (PAT) for the year was ₹ 3,950.16 lakhs. Basic and diluted earnings per share was ₹ 68.73 per share respectively, during the financial year 2022-23.

### C. FINANCIAL LIQUIDITY

Cash and Cash equivalent as at March 31, 2023 was ₹ 642.67 lakhs. The Company's working capital management is based on a well-organised process of continuous monitoring and controls on receivables, inventories and other parameters.

### D. SHARE CAPITAL

The authorised share capital of the Company was increased from ₹ 1,00,000/- (Rupees One lakh only) being 10,000 equity shares of ₹ 10/- each to ₹ 10,00,00,000/- (Rupees Ten crores only) being 1,00,00,000 equity shares of ₹ 10/- each through ordinary resolution passed by the shareholders at their Extra-Ordinary General meeting held on May 19, 2023. Pursuant to the Scheme and on

September 27, 2023, 57,47,000 equity shares of ₹ 10/- each amounting to ₹ 5,74,70,000 (Rupees Five crores Seventy Four lakhs Seventy Thousand Only) were issued and allotted to the shareholders of National Peroxide Limited who held shares on the record date i.e. September 25, 2023, in the ratio of 1:1. Further, pursuant to the Scheme, the share capital of ₹ 1,00,000 consisting of 10,000 equity shares of ₹ 10 each held by National Peroxide Limited was cancelled and the amount is credited to the capital reserve of the Company and accordingly ceased to be a subsidiary of National Peroxide Limited with effect from the Appointed date.

The paid up share capital of the Company increased from ₹ 1,00,000 (Rupees One lakh only) to ₹ 5,74,70,000 (Rupees Five crores Seventy Four lakhs Seventy Thousand Only) being 57,47,000 equity shares of ₹ 10/- each.

### E. AUDITORS REPORT

There is no qualification, reservation or adverse remarks or disclaimer made by the Auditors in their report on the revised financial statement of the Company for the Financial Year ended on March 31, 2023.

### 6. CHANGE(S) IN THE NATURE OF BUSINESS, IF ANY

During the Financial Year 2022-2023 there was no change in the nature of business. However, pursuant to the effectiveness of the Scheme on September 11, 2023, the chemical business of National Peroxide Limited was transferred and vested in the Company, with effect from the Appointed Date i.e. April 01, 2022.

### 7. MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED DURING THE FINANCIAL YEAR AND BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material events have occurred after the Balance sheet date and up to the approval of financial statements other than those disclosed in Note No. 4 of the revised financial statements.

## Directors' Report to The Members (Contd.)

### 8. PUBLIC DEPOSITS

During the year under review, your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Act, read with Companies (Acceptance of Deposits) Rules, 2014.

### 9. DETAILS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

As on March 31, 2023, the Company was a wholly owned subsidiary of National Peroxide Limited. Pursuant to the effectiveness of the Scheme, the Company ceased to be the subsidiary of the Company on September 27, 2023. Pursuant to the Scheme, the accounting treatment of the cessation as subsidiary of National Peroxide Limited is given in the revised Financial Statements with effect from the Appointed Date i.e. April 01, 2022.

As on date there is no Subsidiary, Associate or Joint Venture Company of the Company and hence the reporting of highlights of performance of Subsidiaries, Associates and Joint Venture companies and their contribution to overall performance of the Company pursuant to Rule 8(5)(iv) of the Companies (Accounts) Rules, 2014 during the period is not applicable. The provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of The Companies (Accounts) Rules, 2014 pertaining to AOC-1 and Section 136 pertaining to placing the financials of the subsidiaries on the website of the Company are not applicable.

### 10. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Act are not applicable to the Company.

### 14. DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointment

The Board of Directors appointed the following Additional Directors whose appointments are proposed to be regularised at the ensuing Annual General Meeting:

Sl. No.	Name and DIN of Director	Designation	Date of Appointment
1.	Mr. Ness N. Wadia (00036049)	Non-Executive Non-Independent Director	October 26, 2023
2.	Dr. Mrs. Minnie Bodhanwala (00422067)	Non-Executive Non-Independent Director	October 26, 2023
3.	Mr. Viraf Mehta (00352598)	Non-Executive Independent Director	October 26, 2023
4.	Ms. Parvathi Menon (02874749)	Non-Executive Independent Director	October 26, 2023
5.	Mr. Jaivir Singh (01362930)	Non-Executive Independent Director	November 20, 2023

### 11. RELATED PARTY TRANSACTIONS

During the year under review, the Company did not enter into any contracts / arrangements / transactions of the nature prescribed under Section 188(1) of the Act read with the rules made thereunder. All the related party transactions were in the ordinary course of business and on an arm's length basis and therefore, disclosure in Form AOC-2 is not applicable to the Company. The Related Party Transactions Policy as approved by the Board has been uploaded on the Company's website. In accordance with Ind AS-24, the Related Party Transactions are disclosed under Note No. 40 of the Notes to Financial Statements for the financial year 2022-23.

### 12. RISK MANAGEMENT

During the year under review, there were no major risks affecting the existence of the Company. On effectiveness of the Scheme, the Company has adopted a well-defined risk management policy. The Company has in place a mechanism to inform the Board about the risk assessment and minimization procedures and undertakes periodical review of the same to ensure that the risks are identified and controlled by means of properly defined framework.

### 13. DETAILS OF BOARD MEETINGS

During the year under review, 9 (Nine) meetings of the Board of Directors were held on April 19, 2022; May 09, 2022, July 05, 2022, August 05, 2022, September 07, 2022, September 08, 2022, September 21, 2022, November 07, 2022 and January 31, 2023.

## Directors' Report to The Members (Contd.)

Pursuant to the effectiveness of the Scheme, the services of Mr. Rajiv Arora (DIN - 08730235), CEO and Director, were transferred from National Peroxide Limited with effect from September 11, 2023. On September 25, 2023, he was appointed as Additional (Whole Time) Director on the Board of the Company and the appointment was approved by the Members at their Extra-Ordinary General Meeting held on September 26, 2023.

The Board recommends the appointment of the aforesaid Directors for the consideration of the Members of the Company at the forthcoming AGM. The relevant details are included separately in the Notice of AGM.

### Cessation of Directors

Mr. Rajesh Batra, (DIN – 00020764), Mr. Jairaj Bham (DIN – 02806038) and Mr. Girish Advani (DIN – 05264838), ceased to be the Directors of the Company effective October 26, 2023. The Board places on record its appreciation for the invaluable contribution and guidance rendered by them during their tenure as Directors of the Company.

### Retirement by rotation

In accordance with the provisions of Section 152 of the Act, Mr. Rajiv Arora (DIN: 08730235), CEO & Director of

the Company, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Nomination and Remuneration Committee and the Board of Directors at their Meeting held on November 27, 2023, recommended the re-appointment of Mr. Rajiv Arora for approval of the Members at the ensuing AGM of the Company. The Board recommends re-appointment of Mr. Rajiv Arora for the consideration of the Members of the Company at the forthcoming AGM. Brief Profile and other information of Mr. Rajiv Arora as required under Regulation 36(3) of Listing Regulations and Secretarial Standard - 2 are given in the Notice of the 3rd AGM of the Company. The above proposal for re-appointment forms part of the Notice of the 3rd AGM.

### Key Managerial Personnel

Pursuant to the effectiveness of the Scheme, the services of Mr. Rajiv Arora, CEO, Mr. Pravin Shetty, Chief Financial Officer and CS Heena Shah, Company Secretary and Compliance Officer, were transferred to the Company with effect from September 11, 2023 and the Board of Directors at its Meeting held on September 25, 2023 appointed them as Key Managerial Personnel of the Company with effect from September 25, 2023.

### Board Committees:

The following Committees were constituted by the Board of Directors of the Company w.e.f. October 26, 2023

Sl. No	Name of Committee	Composition
1.	Audit Committee	1. Mr. Viraf Mehta – Chairman 2. Ms. Parvathi Menon – Member 3. Dr. (Mrs.) Minnie Bodhanwala – Member
2.	Nomination and Remuneration Committee	1. Mr. Viraf Mehta – Chairman 2. Ms. Parvathi Menon – Member 3. Mr. Ness Wadia - Member
3.	Stakeholders' Relationship Committee	1. Dr. (Mrs.) Minnie Bodhanwala – Chairperson 2. Mr. Viraf Mehta – Member 3. Mr. Rajiv Arora – Member
4.	Risk Management Committee	1. Mr. Viraf Mehta – Chairman 2. Dr. (Mrs.) Minnie Bodhanwala - Member 3. Mr. Rajiv Arora – Member
5.	Corporate Social Responsibility Committee	1. Mr. Ness Wadia – Chairman 2. Ms. Parvathi Menon - Member 3. Dr. Mrs. Minnie Bodhanwala – Member

## Directors' Report to The Members (Contd.)

### 15. DECLARATION BY INDEPENDENT DIRECTORS:

Your Company has received the Declaration of Independence from all the Independent Directors stating that they meet the independence criteria as prescribed under Section 149(6) of the Act, Rule 6 of The Companies (Appointment and Qualification of Director) Rules, 2014 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Further, the Company's Independent Directors have affirmed that they have followed the Code for Independent Directors as outlined in Schedule IV to the Act.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. they have prepared the Annual Accounts on a 'going concern' basis;
5. they have laid down internal financial controls to be followed by the Company and that such internal controls are adequate and were operating effectively; and
6. they have devised proper systems to ensure compliance with the provisions of all applicable

laws and that such systems were adequate and were operating effectively.

### 17. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Act, a copy of the Annual Return of the Company is uploaded on the website of the Company at [www.naperol.com](http://www.naperol.com).

### 18. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has laid down internal financial controls for ensuring proper maintenance, accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statement and such internal financial controls are adequate and ensure that financial statement presents a true and fair view and is correct and in compliance with applicable laws.

### 19. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act, are given in Note No. 10, 19 and 21 of the Notes to the revised Financial Statements.

### 20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

The NCLT has approved the Scheme vide its order dated May 04, 2023. Apart from the above, there has been no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status and the Company's operations in future.

### 21. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016, DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF FINANCIAL YEAR

There are no applications made or any proceeding pending during the year under review under the Insolvency and Bankruptcy Code, 2016.



## Directors' Report to The Members (Contd.)

### 22. DIFFERENCE BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONGWITH THE REASONS THEREOF

During the year under review, there was no instance of one-time settlement with banks or financial institutions.

### 23. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Upon the Scheme became effective, with effect from September 11, 2023, the demerged undertaking, i.e. chemical business is transferred by National Peroxide Limited and vested into the Company with effect from Appointed Date i.e. April 01, 2022. The details pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings appended as 'Annexure I'.

## 24. AUDITORS AND AUDIT REPORTS

### 24.1 Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166), had been appointed as the Statutory Auditors of the Company, from the conclusion of the 1st Annual General Meeting (AGM) held on August 25, 2021, upto the conclusion of the 6th Annual General Meeting to be held in the FY 2025-26. The remuneration payable to the Auditors shall be determined by the Board of Directors in consultation with the Statutory Auditors.

There are no qualifications, reservations or adverse remarks made in the Statutory Auditors' Report for the FY 2022-23.

### 24.2 Internal Auditors:

The Board of Directors at their Meeting held on October 26, 2023 have appointed M/s. PKF Sridhar and Santhanam, LLP as Internal Auditors of the Company for FY 2023-24. Internal Audit was not applicable for the FY 2022-23.

### 24.3 Cost Auditors

During the year under review, the cost records were maintained pursuant to Section 148 of the Act, read with Rule 14 of the Companies (Cost Records and

Audit) Amendment Rules, 2014 pertaining to chemical business by National Peroxide Limited. Pursuant to the effectiveness of the Scheme and transfer and vesting of chemical business undertaking to the Company effective from September 11, 2023 with effect from Appointed Date April 01, 2022, the Cost Audit report pertaining to chemical business is addressed to the Board of Directors of the Company.

The Board of Directors at their meeting held on September 25, 2023, appointed M/s. D. C. Dave & Co. Cost Accountants (Firm Registration No. 000611), to audit the cost records of the Company for the financial year ending on March 31, 2024, on a remuneration of ₹ 5.00 lakhs plus applicable taxes and out-of-pocket expenses as incurred by them for the purpose of Audit. The remuneration payable to the Cost Auditor is required to be ratified by the Shareholders at this AGM.

There are no qualifications, reservations or adverse remarks made in the Cost Auditors' Report for the FY 2022-23.

### 24.4 Secretarial Auditors and Secretarial Audit Report

In terms of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Parikh & Associates, Practicing Company Secretaries, have been appointed as Secretarial Auditors of the Company to carry out Secretarial Audit. The Report of the Secretarial Auditors is appended as 'Annexure II'.

The Company has complied with Secretarial Standards issued by The Institute of Company Secretaries of India on Board and General Meetings.

There are no qualifications, reservations or adverse remarks made in the Secretarial Auditors' Report for the FY 2022-23.

## 25. REPORTING OF FRAUDS

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act.

## Directors' Report to The Members (Contd.)

### 26. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As on March 31, 2023, the Company has no employees. However, in respect of the employees of the demerged company who have been transferred to the company pursuant to the scheme becoming effective, with effect from appointed date, April 01, 2022, necessary compliances were complied by the demerged company and no complaints were received during the year under review by the demerged company.

### 27. NOMINATION AND REMUNERATION POLICY

The details of the Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees is disclosed on the website of the Company [www.naperol.com](http://www.naperol.com)

### 28. PARTICULARS OF EMPLOYEES

Upon the Scheme becoming effective, the demerged undertaking, i.e. chemical business along with its employees including Key Managerial Personnel (KMP), were transferred and vested to the Company with effect from the Appointed Date April 01, 2022. The details required as per the annexure are not comparable

with that of previous year, the statement containing the details of the Remuneration of Directors, KMPs and Employees as required in terms of provisions of Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided as Annexure III.

### 29. ACKNOWLEDGEMENTS

Your Directors would like to express their sincere appreciation to the Customers, Vendors, Bankers, Shareholders, Central and State Governments and Regulatory Authorities for their continued co-operation and support. Your Directors also take this opportunity to acknowledge the dedicated efforts made by employees for their contribution to the achievements of the Company.

On behalf of Board of Directors

**Ness N. Wadia**

Chairman

(DIN: 00036049)

Mumbai, November 27, 2023

## Annexure I to The Directors' Report

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

#### A. Conservation of Energy:

##### (a) The steps taken or impact on conservation of energy:

Several measures for conservation of energy were undertaken during the year. Some of the key measures are highlighted as under:

- Reduction in compressed process air to oxidizer by reduction in O2 content was achieved – Saved around 1.8 million energy units.
- Optimization of CW pump operation by re-adjusting the CW stream flow in plant was done – Saved around 0.43 million energy units.
- Use of optimal combination of available process air compressors for overall reduction of power.

Due to such energy saving actions taken up in plant, the specific power consumption got reduced from avg 400 kWh/ Ton in quarter Q1 of FY 2022-23 to avg 335 kWh/ MT in quarter Q4 of FY 2022-23. These measures, along with the measures taken during the past few years, have resulted in significant reduction in energy consumption.

#### Total energy consumption & energy consumption per unit of production:

##### • POWER AND FUEL CONSUMPTION

Sl. No.	Particulars	FY 2022-23	FY 2021-22
1.	<b>Electricity</b>		
	<b>a. Purchased:</b>		
	Units (KWH)	4,28,19,560	N.A.
	Total Amount (₹ lakhs)	3,981	N.A.
	Rate/Unit (₹/KWH)	9.29	N.A.
	<b>b. Own Generation:</b>		
	(i) Through diesel generator Units (KWH)	16,824	N.A.
	Units/litre of diesel oil (KWH)	2.463	N.A.
	Cost of diesel /Unit (₹/KWH)	39.37	N.A.
	(ii) Through steam turbine/ generator (KWH)	0	N.A.
2.	<b>Coal</b>	N.A.	N.A.
3.	<b>Fuel</b>		
	<b>a. Natural Gas</b>		
	Quantity (MMBTU)	65,666	N.A.
	Total amount (₹ lakhs)	960.70	N.A.
	Average rate (₹/MMBTU)	1462.86	N.A.
4.	<b>Other / Internal Generation</b>	N.A.	N.A.

## Annexure I to The Directors' Report (Contd.)

### • CONSUMPTION PER UNIT OF PRODUCTION

Sl. No.	Particulars	FY 2022-23	FY 2021-22
1.	Electricity (KWH/MT)	373.3	N.A.
2.	Fuel		
	a. Furnace Oil (Kgs/MT)	0.00	N.A.
	b. Natural Gas (MMBTU/MT)*	0.57	N.A.

\*The consumption of fuel is calculated on the basis of annual production. The equivalent fuel oil specific consumption on gross calorific value basis for FY 2021-22 and FY 2022-23 works out to 15.40 and 19.50 of Fuel Oil Kgs/MT respectively.

#### (b) The steps taken by the Company for utilising alternate sources of energy:

The Company is in the process of evaluating the utilisation of alternate sources of energy.

#### (c) The capital investment on energy conservation equipment:

Amount of ₹ 438.00 lakhs were invested for implementing energy conservation initiatives during the year under review.

### B. TECHNOLOGY ABSORPTION:

#### (a) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- The details of technology imported: N.A
- The year of import: N.A
- Whether the technology been fully absorbed: N.A.
- If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A

#### (b) The expenditure incurred on Research and Development:

- Capital expenditure : NIL
- Recurring expenditure : NIL
- Total expenses : NIL
- Total as % of turnover : NIL

### C. FOREIGN EXCHANGE EARNING AND OUTGO:

The foreign exchange earned in terms of actual inflows and the foreign outgo in terms of actual outflows, during the year, are as follows:

(₹ In lakhs)

Particulars	FY 2022-23	FY 2021-22
Foreign exchange earned	11,822.83	-
Foreign exchange used	9,177.02	-

## Annexure II to The Directors' Report

### FORM No. MR-3

#### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

#### **NPL Chemicals Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by NPL Chemicals Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2023 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not applicable to the Company during the audit period)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (Not applicable to the Company during the audit period)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

## Annexure II to The Directors' Report (Contd.)

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) As represented by the Company, there are no other laws applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following which have been generally complied:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings. During the year, under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc., as mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with Non-Executive Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Board of Directors of the Company at their meeting held on March 09, 2021, inter alia, approved the Composite Scheme of Arrangement ("the Scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for demerger, transfer and vesting of the Demerged Undertaking (as defined under the Scheme) from National Peroxide Limited (holding Company) into the Company, on a going concern basis and the merger of Naperol Investments Limited into National Peroxide Limited. The aforesaid Scheme filed with the Hon'ble National Company Law Tribunal, Mumbai Bench {"NCLT"} was amended by the Board of Directors of the Company at their meeting held on September 21, 2022, which inter-alia amended (i) change in Appointed Date from October 01, 2020 to April 01, 2022 and (ii) to include provisions in relation to lease of land by NPL to the Company. The Composite Scheme of Arrangement has been sanctioned by NCLT vide their Order dated May 04, 2023 and is effective on September 11, 2023.
2. The Company at its Extra Ordinary General Meeting held on September 08, 2022, increased the borrowing limits of under section 180(1) (c) of the Act.

For **Parikh & Associates**  
Company Secretaries

**Shalini Bhat**  
Partner

FCS No: 6484 CP No: 6994  
UDIN: F006484E001676075  
PR No.: 1129/2021

Place: Mumbai  
Date: November 06, 2023

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

## Annexure II to The Directors' Report (Contd.)

**'Annexure A'**

To,

The Members,

**NPL Chemicals Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**  
Company Secretaries

**Shalini Bhat**  
Partner

FCS No: 6484 CP No: 6994  
UDIN: F006484E001676075  
PR No.: 1129/2021

Place: Mumbai  
Date: November 06, 2023

## Annexure III to The Directors' Report

### DETAILS OF THE REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The percentage increase in remuneration of each Director, during the FY 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr.No.	Name of Director / KMP and Designation	Remuneration paid during the FY 2022-23 (₹ in lakhs)	% increase in Remuneration in the FY 2022-23	Ratio of remuneration of each Director / KMP to median remuneration of employees
1.	*Mr. Rajesh Batra Non-Executive & Non-Independent Director	Nil	-	-
2.	*Mr. Jairaj Bham Non-Executive & Non-Independent Director	Nil	-	-
3.	*Mr. Girish Advani Non-Executive & Non-Independent Director	Nil	-	-
4.	#Mr. Rajiv Arora Chief Executive Officer & Director	224.63	-	22.42
5.	#Mr. Conrad Fernandes Chief Financial Officer	74.92	-	7.48
6.	#CS Heena Shah Company Secretary	20.66	-	2.06

#### Notes:

\*Resigned with effect from October 26, 2023.

#Pursuant to the Composite Scheme of Arrangement amongst the Company and Naperol Investments Limited and National Peroxide Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Act ("the Scheme"), the services of the KMP's were transferred to the Company with effect from September 11, 2023, effective April 01, 2022 (the "Appointed Date"). Accordingly, the remuneration paid / payable to them during the FY 2022-23 forms part of Annual report of the Company.

#### 1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

The median remuneration of employees of the Company during the financial year was ₹ 10.02 lakhs and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year is provided in the above table.



## Annexure III to The Directors' Report (Contd.)

- 2. The percentage increase in the median remuneration of employees in the financial year, the number of permanent employees on the rolls of the Company, Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.**

Pursuant to the Scheme, the employees forming part of Chemical Business were transferred to the Company from National Peroxide Limited with effect from September 11, 2023, effective April 01, 2022 (the "Appointed Date"). 120 permanent employees on the rolls of National Peroxide Limited as on March 31, 2023, were transferred to the Company. Hence this data is not comparable with the previous financial year.

- 3. Affirmation that the remuneration is as per the remuneration policy of the Company**

It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On Behalf of the Board of Directors

**Ness N. Wadia**

Chairman

DIN: 00036049

Mumbai, November 27, 2023

# Revised Independent Auditor's Report

## To the Members of NPL Chemicals Limited

### Report on the Audit of the Revised Financial Statements

**This Report supersedes our report dated May 19, 2023.**

#### Opinion

We have audited the revised financial statements of the **NPL Chemicals Limited** ("the Company"), which comprise the revised balance sheet as at March 31, 2023 and revised statement of profit and loss (including other comprehensive income), revised statement of changes in equity and revised statement of cash flows for the year then ended, and notes to the revised financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "revised financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid revised financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standard) Rule, 2015, as amended, ("Ind AS") and accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis of Opinion

We conducted our audit in accordance with Standard on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' Responsibilities for the Audit of the revised financial statements section of our report. 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 revised financial statements 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the revised financial statements.

#### Emphasis of Matter

We draw attention to Note 4 of the revised financial statements which describes the basis of preparation and the Composite Scheme of Arrangement (the "Scheme") between National Peroxide Limited ("Demerged"/ "Transferee Company"), Naperol Investments Limited ("Transferor Company") and NPL Chemicals Limited ("Resulting Company"/ "The Company"). As explained in detail therein, these revised financial statements for the year ended March 31, 2023 have been prepared pursuant to the Scheme for Demerger, transfer and vesting of Demerged undertaking (as defined under the Scheme) from the Demerged Company in to the Resulting Company from the Appointed date i.e. April 1, 2022, as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide its certified order dated May 25, 2023 (the "Order"). The Company has accounted for such Scheme in accordance with provision of Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles.

We issued a separate auditor's report dated May 19, 2023 on the financial statements to the members of the Company. The aforesaid Order having been approved by applicable regulatory authority subsequent to May 19, 2023, the Company has now prepared revised financial statements incorporating the impact for transfer of assets and liabilities related to the Demerged undertaking to the Resulting Company from the Appointed date i.e. April 1, 2022. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the financial statements, have been carried out solely on this matter and no additional procedures have been carried out for any other events occurring after May 19, 2023 (being the date of our earlier audit report on the earlier financial statements). Our earlier audit report dated May 19, 2023 on the earlier financial statements is superseded by this revised report on the revised financial statements.

Our opinion on the revised financial statements and our report on Other Legal and Regulatory Requirement below, is not modified in respect of the above matter.

## Revised Independent Auditor's Report (Contd.)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the revised financial statement of the current period. These matters were addressed in the context of our audit of the revised financial statement, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**Description of Key Audit Matter**

Key Audit Matter	How the matter was addressed in our audit
<p><b>1. Revenue Recognition - Refer note no. 2(e) and 27 to the Revised Financial Statements.</b></p> <p>Revenue is recognized at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customers upon dispatch or delivery, in accordance with the terms of customer contracts.</p> <p>Revenue recognition includes determination of pricing, effect of various discounts, sales returns and adjustments for freight reimbursements.</p> <p>We have considered risk of misstatement related to transactions occurring close to the year end, as these transactions could be recorded in the incorrect accounting period (cut-off assertion). Accordingly, revenue recognition is considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of the revenue recognition accounting policies by comparing them with applicable accounting standards.</li> <li>Testing the design, implementation and operating effectiveness of the Company's general IT controls and key IT/manual application controls over the Company's systems which govern recording of revenue and discounts in the general ledger accounting system.</li> <li>Performing substantive testing (including year end cut-off testing) by selecting samples of revenue transactions recorded during the year (and before and after the financial year end) by verifying the underlying documents, which included sales invoices, contracts and shipping documents.</li> <li>We assessed manual journals posted to revenue to identify unusual items.</li> <li>Evaluated the adequacy of presentation and disclosures made in revised financial statements in respect of revenue.</li> </ul>
<p><b>2. Business Combination - Demerger of Chemical Business from National Peroxide Limited and transferred to the Company - Refer Note no. 4 of Revised Financial Statements.</b></p> <p><b>Accounting for Composite Scheme of Arrangement:</b></p> <p>As per the Composite Scheme of Arrangement ("the Scheme") between National Peroxide Limited ("Demerged/ Transferee Company"), Naperol Investments Limited ("Transferor Company") and NPL Chemicals Limited ("Resulting Company"/ "The Company") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder</p> <p>The Scheme, inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined under the Scheme) from the Demerged Company into Resulting Company, on a going concern basis from the Appointed date April 1, 2022.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>We obtained and read the key documents relating to the transfer of the Demerged Undertakings (Composite Scheme of Arrangement and approval granted by NCLT).</li> <li>We have evaluated whether the method of accounting followed by the Company is in accordance with the Scheme approved by NCLT and in accordance with the relevant accounting guidelines.</li> <li>We have verified underlying working used in accounting calculations for arriving at the balances of assets and liabilities of the demerged undertaking and adjustment to the reserves as per Composite Scheme of Arrangement.</li> </ul>

## Revised Independent Auditor's Report (Contd.)

Key Audit Matter	How the matter was addressed in our audit
<p><b>2. Business Combination - Demerger of Chemical Business from National Peroxide Limited and transferred to the Company - Refer Note no. 4 of Revised Financial Statements.</b></p> <p><b>Accounting for Composite Scheme of Arrangement:</b></p> <p>The aforesaid Scheme filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") was amended by the Board of Directors of the Company at their meeting held on September 20, 2022, which inter-alia amended (i) change in Appointed Date from October 1, 2020 to April 1, 2022 and (ii) to include provisions in relation to lease of land by the Demerged Company to the Company. Accordingly, the Appointed date is April 01, 2022.</p> <p>Subsequent to the year end, Mumbai Bench of the NCLT, through its certified order dated May 25, 2023 (the "Order"), has approved the Scheme and The Company has filed certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on June 08, 2023.</p> <p>The Company received the final approval from the Bombay Stock Exchange (BSE) on September 11, 2023, thereby the Scheme becomes effective w.e.f. September 11, 2023.</p> <p>Accordingly, the Company has given effect to the Scheme for the year ended March 31, 2023, from the Appointed date April 1, 2022, by revising the financial statements approved by the Board of Directors on May 19, 2023.</p> <p>This has been identified as a key audit matter since it is a significant event, requiring compliance of the terms of the Scheme, accounting as per the relevant Ind AS and also complexities involved in the presentation in revised financial statements.</p>	<p><b>Our audit procedures included:</b></p> <ul style="list-style-type: none"> <li>We assessed the adequacy and appropriateness of the disclosures in the revised financial statements, relating to the transfer of demerged undertaking and the transfer of segment, as required by the accounting standards.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the revised financial statements and our revised auditor's report thereon. The annual report is expected to be made available to us after the date of this revised auditor's report.

Our opinion on the revised financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the revised financial statements, our responsibility is to read the other information

and, in doing so, consider whether the other information is materially inconsistent with the revised financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report as specified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### Responsibilities of Management and Those Charged with Governance for the Revised Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these revised financial

## Revised Independent Auditor's Report (Contd.)

statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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 revised financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the revised financial statements, the Management and 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 is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Revised Financial Statements

Our objectives are to obtain reasonable assurance about whether the revised financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a revised 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these revised financial statements.

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 revised financial statements, 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. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to revised financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting in preparation of revised financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability 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 revised financial statements 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 earlier 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 revised financial statements, including the disclosures, and whether the revised financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Revised Independent Auditor's Report (Contd.)

Materiality is the magnitude of misstatements in the revised financial statements that, individually or in aggregate, makes it probable that the economic decisions of the users of the revised financial statements 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 revised financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the revised financial statements of the current period and are therefore the key audit matters. We describe these matters in our revised auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The revised balance sheet, the revised statement of profit and loss (including other comprehensive income), revised statement of changes in equity and the revised statement of cash flows dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid revised financial statements comply with the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to revised financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B.
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2023 on its financial position in its revised financial statements - Refer Note 46 to the revised financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2023.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

## Revised Independent Auditor's Report (Contd.)

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as discussed in Note to the revised financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material misstatement.
- v. (a) The Company has neither declared nor paid any dividend in the previous year in accordance with Section 123 of the Act, as applicable.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 as amended is not applicable.
- (C) With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) of the Act which are required to be commented upon by us.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No. 104607W/W100166

Jamshed K. Udwadia

Partner

Membership No.: 124658

UDIN: 23124658BGXLUZ9380

Mumbai, October 26, 2023

## Annexure A to the Independent Auditor's Report

Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our Revised Independent Auditor's Report to the members of the Company on the revised financial statements for the year ended March 31, 2023:

This Report supersedes our report dated May 19, 2023.

### Statement on Matters specified in paragraphs 3 & 4 of the Companies (Auditor's Report) Order, 2020:

- i) a) A) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
    - B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular program of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over the period of three years. In accordance with this program, certain Property, Plant and Equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us and based on the audit procedures performed by us, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the revised financial statements are held in the name of the Company.
  - d) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not revalued its Property, Plant and Equipment or intangible assets or both during the year.
  - e) According to the information and explanations provided to us and based on verification of the books and records of the Company, no proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii) a) The Management has conducted physical verification of inventory (excluding goods-in-transit) at reasonable intervals. In our opinion, the frequency of such verification is reasonable, the procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate of each class of inventory.
    - b) According to the information and explanations given to us and basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such a banks are in agreement with the books of account of the Company.
  - iii) According to the information and explanations given to us and based on records of the Company examined by us, the Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the year. Hence, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
  - iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans to the parties covered under Section 185 of the Companies Act, 2013. In our opinion and according to the information and explanations to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees or securities to the parties covered under Section 186 of the Act.
  - v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the



## Annexure A to the Independent Auditor's Report (Contd.)

public. Accordingly, reporting under provisions of paragraph 3(v) of the Order is not applicable to the Company.

- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 148 of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii) a) According to the information and explanations given to us and based on the audit procedures

performed by us, in our opinion, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Profession Tax, Cess and other statutory dues have regularly deposited by the Company with the appropriate authorities wherever applicable, and there are no such outstanding dues as at March 31, 2023, for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us and on the basis of our examination statutory dues relating to value added tax and sales tax which have not been deposited on account of any dispute are as follows:

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount Relates	Forum where Dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	479.39*	FY 2006-07	Deputy Commissioner of Sales Tax (Appeal)
Central Sales Tax Act, 1956	Sales Tax	1,656.58**	FY 2006-07	Joint Commissioner of Sales Tax (Appeal)

\* net of ₹ 8.33 lakhs paid as deposit

\*\* net of ₹ 59.32 lakhs paid as deposit

- viii) According to the information and explanations given to us and based on the audit procedures performed by us, we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix) a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not defaulted in repayment of any loans or other borrowings or in the payment of interest thereon to any lender.
- b) According to the information and explanations given to us and based on the audit procedures by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- c) According to the information and explanations given to us, the Company has not taken any term loan during the year and there are no unutilised

term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

- d) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not raised any funds on short-term basis during the year and hence, reporting under clause (ix)(d) of the Order is not applicable.
- e) The Company does not have any subsidiary, associates, or joint venture and hence reporting under clause 3(ix)(e) of the Order is not applicable.
- f) The Company does not have any subsidiary, associate or joint venture and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions of paragraph 3(x)(a) of the Order are not applicable to the Company.

## Annexure A to the Independent Auditor's Report (Contd.)

- b) The Company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year. Accordingly, reporting under provisions of paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi) a) Based upon the audit procedures performed by us for the purpose of reporting the true and fair view of the revised financial statements and according to the information and explanations given by the Management, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- b) In view of what is reported above in paragraph xi(a), the reporting under paragraph xi(b) of the Order is not applicable.
- c) According to the information and explanations given to us and as represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, reporting under provisions of paragraphs 3(xii) (a) to (c) of the Order is not applicable to the Company.
- xiii) According to the information and explanations and records made available to us by the Company and audit procedures performed by us, all transactions with related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the revised financial statements, as required by the applicable accounting standards.
- xiv) In our opinion, the company is not required to have Internal audit system as per section 138 of the companies Act, 2013, as there were no business operations during the preceding year. Hence, the provisions of paragraph 3(xiv) (a) and (b) of the Order are not applicable.
- xv) According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of Section 192 of the Act are not applicable to the Company.
- xvi) a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and accordingly, reporting under provisions of paragraph 3(xvi)(a) of the Order is not applicable.
- b) The Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, reporting under provisions of paragraph 3(xvi)(b) of the Order is not applicable.
- c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under provisions of paragraph (xvi)(c) of the Order is not applicable.
- d) According to the information and explanations given to us, the Group does not have more than one Core Investment Company (CIC). Therefore, reporting under clause 3 (xvi)(d) of the Order is not applicable to the Company.
- xvii) The Company has not incurred cash losses in the current financial year covered by our audit, but has incurred cash loss of Rs. 0.83 lakhs in the immediately preceding financial year.
- xviii) There is no resignation of statutory auditor of the Company during the year and accordingly, reporting under provision of paragraph 3 (xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee

**Annexure A to the Independent Auditor's Report (Contd.)**

nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx) According to the information and explanations given to us, although the Company fulfilled the criteria as specified under Section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under provisions of paragraph 3(xx) (a) and 3(xx) (b) of the Order is not applicable to the Company.

- xxi) The Company does not have any subsidiary, associate or joint venture and hence reporting under clause 3(xx) of the Order is not applicable.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No. 104607W/W100166

**Jamshed K. Udawadia**

Partner

Membership No.: 124658

UDIN: 23124658BGXLUZ9380

Mumbai, October 26, 2023

## Annexure B to the Revised Independent Auditor's Report

Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our Revised Independent Auditor's Report to the members of the Company on the revised financial statements for the year ended March 31, 2023.

### **Revised Report on the Internal Financial Controls with reference to Revised Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

This Report supersedes our report dated May 19, 2023.

We have audited the internal financial controls with reference to the revised financial statements of **NPL Chemicals Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the revised financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to revised financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of Internal Financial Controls with reference to revised financial statements, both issued

by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to revised financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to revised financial statements and their operating effectiveness. Our audit of internal financial controls with reference to revised financial statements included obtaining an understanding of internal financial controls with reference to revised financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the revised financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our revised audit opinion on the Company's internal financial controls system with reference to revised financial statements.

### **Meaning of Internal Financial Controls with reference to Revised Financial Statements**

A Company's internal financial control with reference to revised financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of revised financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to revised financial statements includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of revised financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

## Annexure B to the Independent Auditor's Report (Contd.)

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the revised financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Revised Financial Statements

Because of the inherent limitations of internal financial controls with reference to revised financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to revised financial statements to future periods are subject to the risk that the internal financial controls with reference to revised financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Emphasis of Matter

We draw attention to Note 4 of the revised financial statements which describes the basis of preparation and the Composite Scheme of Arrangement (the "Scheme") between National Peroxide Limited ("Demerged Company"/"Transferee Company"), Naperol Investments Limited ("Transferor Company") and NPL Chemicals Limited ("Resulting Company"/ "The Company"). As explained in detail therein, these revised financial statements for the year ended March 31, 2023 have been prepared pursuant to the Scheme for Demerger, transfer and vesting of Demerged undertaking (as defined under the Scheme) from the Demerged Company in to the Resulting Company from the Appointed date i.e. April 1, 2022, as approved by the National Company Law Tribunal (NCLT), Mumbai Bench, vide its certified order dated May 25, 2023 (the "Order"). The Company has accounted for such Scheme in accordance with provision of Indian Accounting Standard (Ind AS) specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, and any amendments issued thereunder and in accordance with generally accepted accounting principles.

We issued a separate auditor's report dated May 19, 2023 on the financial statements to the members of the Company. The aforesaid Order having been approved by applicable regulatory authority subsequent to May 19, 2023, the Company has now prepared revised financial statements incorporating the impact of the demerger from Appointed date i.e. April 1, 2022. In accordance with the provisions of Standard on Auditing 560 (Revised) 'Subsequent Events' issued by The Institute of Chartered Accountants of India, our audit procedures, in so far as they relate to the revision to the financial statements with respect to the adequacy and operating effectiveness of internal financial controls with reference to the revised financial statements therein are restricted solely to the aforesaid matter relating to the Scheme and no effect have been given for any other events, if any, occurring after May 19, 2023 (being the date of our earlier audit report on the earlier standalone financial statements). Our earlier audit report dated May 19, 2023, on the earlier financial statements is superseded by this revised report on the revised financial statements.

Our opinion is not modified in respect of this matter.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to revised financial statements and such internal financial controls were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note.

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No. 104607W/W100166

Jamshed K. Udawadia

Partner

Membership No.: 124658

UDIN: 23124658BGXLUZ9380

Mumbai, October 26, 2023

# Balance Sheet as at March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	32,635.27	-
Right of use assets	5.1	905.05	-
Capital work-in-progress	5	262.13	-
Intangible assets	6	24.15	-
Financial assets			
- Other financial assets	7	80.31	-
Other non current assets	8	86.40	-
<b>Total non-current assets</b>		<b>33,993.31</b>	<b>-</b>
<b>Current assets</b>			
Inventories	9	3,614.69	-
Financial assets			
- Investments	10	3,995.91	-
- Trade receivables	11	2,426.70	-
- Cash and cash equivalents	12	642.67	0.21
- Bank balances other than above	13	54.55	-
- Other financial assets	14	26.28	-
Other current assets	15	592.75	-
<b>Total current assets</b>		<b>11,353.55</b>	<b>0.21</b>
Asset held for sale	16	7.69	-
<b>Total assets</b>		<b>45,354.55</b>	<b>0.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	17	-	1.00
Equity share capital suspense	17	574.70	-
Other equity	18	34,624.65	(1.55)
		<b>35,199.35</b>	<b>(0.55)</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	19	1,036.42	-
- Lease liability	5.1	927.54	-
Provisions	20	316.45	-
Deferred tax liabilities (net)	36	3,822.58	-
<b>Total non-current liabilities</b>		<b>6,102.99</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
- Borrowings	21	355.94	-
- Lease liabilities	5.1	21.83	-
- Trade payables	22		
Total outstanding dues of micro enterprises and small enterprises; and		151.86	0.75
Total outstanding dues to creditors other than micro and small enterprises		2,153.91	0.01
- Other financial liabilities	23	610.37	-
Contract liabilities		141.68	-
Other current liabilities	24	270.46	-
Provisions	25	126.85	-
Income tax liabilities (net)	26	219.31	-
<b>Total current liabilities</b>		<b>4,052.21</b>	<b>0.76</b>
<b>Total liabilities</b>		<b>10,155.20</b>	<b>0.76</b>
<b>Total equity and liabilities</b>		<b>45,354.55</b>	<b>0.21</b>

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Registration No.104607W/W100166

Jamshed K. Udawadia  
Partner  
Membership No: 124658

For and on behalf of the Board of Directors of  
**NPL Chemicals Limited**  
CIN:-U24290MH2020PLC342890

Rajiv Arora  
Chief Executive Officer & Director  
DIN: 08730235

Pravin Shetty  
Chief Financial Officer

Ness N. Wadia  
Chairman  
DIN: 00036049

Heena Shah  
Company Secretary

Place: Mumbai  
Date: October 26, 2023

Place: Mumbai  
Date: October 26, 2023

## Statement of Profit and Loss for the year ended March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income</b>			
Revenue from operations	27	37,587.44	-
Other income	28	885.42	-
<b>Total income</b>		<b>38,472.86</b>	<b>-</b>
<b>Expenses</b>			
Cost of raw materials and packing materials consumed	29	19,126.02	-
Purchase of stock in trade		131.39	-
Changes in inventories of stock-in-trade and finished goods	30	(1,149.14)	-
Power, fuel and water		5,376.45	-
Employee benefit expenses	31	2,645.08	-
Finance costs	32	701.99	-
Depreciation and amortisation expense	33	1,979.95	-
Other expenses	34	5,606.15	0.83
<b>Total expenses</b>		<b>34,417.89</b>	<b>0.83</b>
<b>Profit before exceptional items and tax</b>		<b>4,054.97</b>	<b>(0.83)</b>
Exceptional income	35	1,295.16	-
<b>Total Exceptional Items</b>		<b>1,295.16</b>	<b>-</b>
<b>Profit before tax</b>		<b>5,350.13</b>	<b>(0.83)</b>
<b>Tax expense:</b>	36		
Current tax		991.78	-
Deferred tax		408.19	-
<b>Total tax expense</b>		<b>1,399.97</b>	<b>-</b>
<b>Profit for the year</b>		<b>3,950.16</b>	<b>(0.83)</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit obligations		35.02	-
Income tax relating to above item		(9.45)	-
Items that will be reclassified to profit or loss			
Effective portion of gain on cash flow hedge		41.24	-
Income tax relating to above item		(10.38)	-
<b>Other comprehensive income for the year, net of tax</b>		<b>56.43</b>	<b>-</b>
<b>Total comprehensive income/ (loss) for the year</b>		<b>4,006.59</b>	<b>(0.83)</b>
<b>Earnings per share</b>			
- Basic and diluted	37	<b>68.73</b>	<b>(8.30)</b>
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Registration No.104607W/W100166

Jamshed K. Udawadia  
Partner  
Membership No: 124658

For and on behalf of the Board of Directors of  
**NPL Chemicals Limited**  
CIN:-U24290MH2020PLC342890

Rajiv Arora  
Chief Executive Officer & Director  
DIN: 08730235

Pravin Shetty  
Chief Financial Officer

Ness N. Wadia  
Chairman  
DIN: 00036049

Heena Shah  
Company Secretary

Place: Mumbai  
Date: October 26, 2023

Place: Mumbai  
Date: October 26, 2023

## Revised Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### A. Equity share capital

Particulars	Amount
<b>Balance as at March 31, 2021</b>	<b>1.00</b>
Changes in equity share capital during the year	-
<b>Balance as at March 31, 2022</b>	<b>1.00</b>
Less: Shares cancelled pursuant to the Composite Scheme of Arrangement (Refer note 4)	(1.00)
<b>Balance as at March 31, 2023</b>	<b>-</b>

### B. Equity share capital suspense

Particulars	Amount
<b>Balance as at March 31, 2021</b>	<b>-</b>
Add: Movement during the year	-
<b>Balance as at March 31, 2022</b>	<b>-</b>
Add: Addition pursuant to Composite Scheme of Arrangement (Refer note 4)	574.70
<b>Balance as at March 31, 2023</b>	<b>574.70</b>

### C. Other equity

Particulars	Reserves and Surplus		Items of OCI	
	Capital reserve	Retained earnings	Cash flow hedge reserve	Total other equity
<b>Balance as at April 01, 2021</b>	-	(0.72)	-	(0.72)
Profit for the year	-	(0.83)	-	(0.83)
Other comprehensive income / (loss) (net of tax)	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(0.83)	-	(0.83)
<b>Balance as at March 31, 2022</b>	-	(1.55)	-	(1.55)
Addition pursuant to Composite Scheme of Arrangement (Refer note 4)	30,649.47	-	(30.86)	30,618.61
Shares cancelled pursuant to the Composite Scheme of Arrangement (Refer note 4)	1.00	-	-	1.00
<b>Restated Balance as at April 01, 2022</b>	<b>30,650.47</b>	<b>(1.55)</b>	<b>(30.86)</b>	<b>30,618.06</b>
Profit for the year	-	3,950.16	-	3,950.16
Other comprehensive income / (loss) (net of tax)	-	25.57	30.86	56.43
<b>Total comprehensive income for the year</b>	-	<b>3,975.73</b>	<b>30.86</b>	<b>4,006.59</b>
<b>Balance as at March 31, 2023</b>	<b>30,650.47</b>	<b>3,974.18</b>	<b>-</b>	<b>34,624.65</b>

Significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report attached  
For **Kalyaniwalla & Mistry LLP**  
Chartered Accountants  
Firm Registration No.104607W/W100166

For and on behalf of the Board of Directors of  
**NPL Chemicals Limited**  
CIN:-U24290MH2020PLC342890

Jamshed K. Udawadia  
Partner  
Membership No: 124658

Rajiv Arora  
Chief Executive Officer & Director  
DIN: 08730235

Ness N. Wadia  
Chairman  
DIN: 00036049

Pravin Shetty  
Chief Financial Officer

Heena Shah  
Company Secretary

Place: Mumbai  
Date: October 26, 2023

Place: Mumbai  
Date: October 26, 2023



## Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>		
<b>Profit/(Loss) before tax</b>	<b>5,350.13</b>	<b>(0.83)</b>
Adjustments for:		
Depreciation and amortisation expense	1,979.95	-
Finance costs	701.99	-
Interest income	(1.81)	-
(Gain)/Loss on sale of property, plant and equipment	(24.65)	-
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	(339.06)	-
Loss allowances	(22.07)	-
Net unrealized foreign exchange loss	5.79	-
<b>Operating cashflow before working capital changes</b>	<b>7,650.27</b>	<b>(0.83)</b>
<b>Change in operating assets and liabilities</b>		
(Increase) in inventories	(690.43)	-
(Increase) in trade receivables	(522.78)	-
Decrease in non-current financial asset	272.24	-
Decrease in other non current assets	29.44	-
(Increase) in current financial asset	(12.50)	-
(Increase) in other current assets	(51.54)	-
Increase in trade payables	911.68	0.44
Increase in provisions	59.19	-
(Decrease) in other current financial liabilities	(30.36)	(0.40)
Increase in other current liabilities	86.07	-
(Decrease) in contract Liability	(217.80)	-
<b>Cash generated from/(used in) operations</b>	<b>7,483.48</b>	<b>(0.79)</b>
Income taxes paid (net)	(772.47)	-
<b>Net cash generated from operating activities</b>	<b>6,711.01</b>	<b>(0.79)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment (including capital work-in-progress and advances)	(599.04)	-
Proceeds from sale of property, plant and equipment	32.52	-
Payment for purchase of investments	(21,322.36)	-
Proceeds from sale of investments	24,402.22	-
Interest received	1.81	-
Fixed Deposits (placed)/matured (net)	(36.64)	-
<b>Net cash generated from investing activities</b>	<b>2,478.51</b>	-

## Statement of Cash Flows for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flows from financing activities</b>		
Receipts of intercorporate deposit	3.00	-
Repayment of long term borrowings	(7,965.87)	-
Interest paid	(633.17)	-
<b>Net cash (used in) financing activities</b>	<b>(8,596.04)</b>	<b>-</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>593.48</b>	<b>(0.79)</b>
Cash and cash equivalents at the beginning of the year	0.21	1.00
Cash and cash equivalents received pursuant to Composite Scheme of Arrangement	48.98	-
<b>Cash and cash equivalents at the end of the year</b>	<b>642.67</b>	<b>0.21</b>
<b>Cash and cash equivalents comprises of:</b>		
Cash and cash equivalents (Refer note 12)	642.67	0.21
	<b>642.67</b>	<b>0.21</b>

### Note:

- The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7- "Cash Flow Statements" as notified under Companies (Accounts) Rules, 2015.
- For disclosure requirement pertaining to change in liability arising from financing activities in accordance to Ind AS 7 (Refer Note 5.1 and Note 19)

As per our report attached

For **Kalyaniwalla & Mistry LLP**

Chartered Accountants

Firm Registration No.104607W/W100166

Jamshed K. Udawadia

Partner

Membership No: 124658

For and on behalf of the Board of Directors of

**NPL Chemicals Limited**

CIN:-U24290MH2020PLC342890

Rajiv Arora

Chief Executive Officer & Director

DIN: 08730235

Pravin Shetty

Chief Financial Officer

Ness N. Wadia

Chairman

DIN: 00036049

Heena Shah

Company Secretary

Place: Mumbai

Date: October 26, 2023

Place: Mumbai

Date: October 26, 2023

## Notes to the Financial Statements as of and for the year ended March 31, 2023

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 1) General information:

NPL Chemicals Limited ("NCL", "the Company") is a public limited Company incorporated on July 29, 2020 under the provisions of the Companies Act, 2013 with ROC-Mumbai with CIN U24290MH2020PLC342890. The Company's registered office is situated at Neville House, J.N. Heredia Marg, Ballard Estate, Mumbai - 400001.

As per the Composite Scheme of Arrangement ("the Scheme") between National Peroxide Limited ("the Demerged Company") and NPL Chemicals Limited ("the Company" or "the resulting company") and their respective shareholders under Sections 230 to 232 and all other applicable provisions of the Companies Act, 2013, the Chemical Business Undertaking of the Demerged Company was demerged into the Company. Consequent thereto, the Company will continue to be manufacturer of Hydrogen Peroxide in India, with an installed capacity of 150 KTPA on 50% w/w. basis.

### 2) Significant accounting policies and critical accounting estimates and judgements:

#### Basis of preparation, measurement and significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

##### (i) Compliance with Ind AS

These financial statements are the separate financial statements of the Company and comply in all material aspects with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 ("the Act"), read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time, relevant provisions of the Act and other accounting principles generally accepted in India.

The demerger of the Chemical Business Undertaking is on a going concern basis and accounted by applying Ind AS 103: Business Combinations and as per the Scheme approved by the regulator. The accounting policies followed

for the said Chemical Business Undertaking by the Demerged Company have been consistently applied except where a newly issued accounting standard initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use (Refer note 4) and the disclosures in respect of significant accounting policies are made accordingly.

##### (ii) Historical cost convention

The financial statements have been prepared on historical cost basis, except for the following:

- Certain financial assets and financial liabilities are measured at fair value (including derivative instruments);
- Defined benefit plans – plan assets are measured at fair value.
- Assets held for sale – measured at fair value less cost to sell.

##### (iii) Recent pronouncements-

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact on its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact on its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

None of the amendments notified by MCA, which are applicable from April 01, 2023, are expected to have any material impact on the financial statements of the Company.

#### (iv) Current vis-à-vis non-current classification

The assets and liabilities reported in the balance sheet are classified on a “current / non-current basis”.

An asset is classified as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realised within twelve months after the reporting period, or cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company has determined its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

Deferred tax assets and liabilities, and all assets and liabilities which are not current are classified as non-current assets and liabilities.

The derivatives designated in hedging relationship and separated embedded derivatives are classified basis the hedged item and host contract respectively.

#### (b) Business Combination

The acquisition method of accounting is used to account for all business combinations (other than common control business combinations), regardless of whether equity instruments or other assets are acquired. The acquisition date is the date on which control is transferred to the acquirer. Judgement is applied in determining the acquisition date and determining whether control is transferred from one party to another. The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Business combinations arising from transfers of interests in entities that are under common control are accounted for using the pooling of interest method and as per the provisions of the Scheme approved by the regulator. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognized in Capital reserve.

#### (c) Segment reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM).

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

The Board of Directors of NPL Chemicals Limited have been identified as CODM and they are responsible for allocating resources, assessing the financial performance and position of the Company and make strategic decisions.

The Company has identified one reportable segment 'manufacturing of peroxygens' based on information reviewed by the CODM. Refer note 39 for segment information presented.

### (d) Foreign currency translation:

#### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is the Company's functional and presentation currency.

#### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

### (e) Revenue recognition:

#### Revenue from sale of goods

Revenue is generated primarily from sale of peroxygens. Revenue is recognized at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer upon dispatch or delivery, in accordance with the terms of customer contracts. Revenue is recognized at an amount that the Company expects to receive from customers that is net of trade discounts and goods and service tax (GST).

A contract liability is the obligation to transfer goods to the customer for which the Company has received consideration from the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

### (f) Income tax:

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax is measured using tax rates that have been enacted by the end of reporting period for the amounts expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognized in Profit or Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

### (g) Leases

#### As a lessee

Leases are recognized as a right-of-use asset and corresponding liability at the date which the lease asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on relative stand-alone prices.

The Company assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement about whether there is an identified asset, whether the Company has the right to direct the use of the asset and whether the Company obtains substantially all the economic benefits from the use of that asset.

Assets and liabilities arising from lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable

- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the Company under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Company, which does not have recent third party financing.
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company use that rate as a starting point to determine the incremental borrowing rate.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Variable lease payments that depend on any key variable/condition are recognized in profit or loss in the period in which the condition that triggers those payment occurs.

Right-of-use assets are measured at cost comprising the following

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement of date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Company has elected not to apply the requirements of IND AS 116 Leases to short-term leases of all assets that, at the commencement date, have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

### (h) Impairment of non-financial assets:

Assets are tested for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### (i) Cash and Cash Equivalents:

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand, and short-term

deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cashflow cash and cash equivalent consist of cash and short-term deposit as defined above.

### (j) Trade Receivables:

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

### (k) Inventories:

Inventories are valued at lower of cost and net realizable value. In the case of raw materials, packing materials, traded goods and stores and spares parts, cost is determined in accordance with the moving weighted average principle. Costs include the purchase price, non – refundable taxes and delivery and handling costs. Cost of finished goods includes all costs of purchases, direct materials, direct labour and appropriate proportion of variable and fixed overheads expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

### (l) Non-Current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for subsequent

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

increase in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of de-recognition.

Non-Current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### (m) Investments and other financial instruments:

#### (i) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

#### **Initial recognition and measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than those measured at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of Profit or loss.

#### (ii) Classification and subsequent measurement of financial assets

The classification of a financial asset depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost

#### **Financial assets measured at amortised cost**

Financial assets that are held for the collection of contractual cash flow where those cash flows

represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

#### **Financial assets measured at fair value through other comprehensive Income (FVTOCI)**

Assets that are held for the collection of contractual cash Flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Changes in fair value of instrument is taken to other comprehensive income which are reclassified to the statement of profit or loss.

#### **Financial assets measured at fair Value through profit or loss (FVTPL)**

Financial assets that do not meet the criteria for amortised cost or FVTOCI are measured as fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss. Dividend income from these financial assets is included in other income once the Company's right to receive the dividend is established and it is probable that the economic benefits associated with the dividend will flow to the entity.

#### **Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income for investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserve equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. Dividends on these investments in equity instruments are recognized in the statement of profit and loss All



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

the equity instruments held by the Company are measured at FVTOCI.

### Impairment of Financial Assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109- 'Financial Instruments', which requires expected lifetime losses to be recognized from initial recognition of the receivables.

### Derecognition of Financial Assets

A financial assets is derecognized only when the Company has transferred the right to receive cash flows from the financial assets or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### (iii) Financial Liabilities & Equity Instruments

An instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Dividend paid on equity instruments are directly reduced from equity.

### Financial Liabilities

#### Subsequent measurement of financial liabilities

#### Financial liabilities at fair value through profit and loss

Financial liabilities at fair value through profit and loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial recognition at fair value through profit and loss.

#### Financial liabilities measured at amortised cost

All the financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. Company does not owe any financial liabilities which is held for trading.

#### Derecognition of Financial Liabilities

A financial liability (or, where applicable, a part of a financial liability) is primarily derecognized when, and only when, the obligation under the liability is discharged or cancelled or expires.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income/ interest expenses over the relevant

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/ payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### (iv) **Derivatives and hedging activities**

The Company enters into derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks such as cross currency interest rate swaps.

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

The Company designates derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities (cash flow hedges). The Company has designated the cross-currency interest rate swap as a cash flow hedge for changes in both interest rate and foreign exchange rates.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset

or liability when the remaining maturity of the hedged item is less than 12 months.

### **Cash flow hedges that qualify for hedge accounting**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within other gains/(losses).

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and are included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is reclassified immediately in profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

### Derivatives that are not designated as hedges

The Company enters certain derivative contracts to hedge risk which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses).

### (n) Offsetting Financial Instruments:

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### (o) Income recognition:

#### Interest income

Interest income from financial assets is recognized using the effective interest rate method.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### Dividend

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognized as other income in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

### (p) Property, plant and equipment:

All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenditure incurred on assets which are not ready for their intended use comprising direct cost, related incidental expenses and attributable borrowing cost are disclosed under Capital Work-in-Progress.

### Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using Straight Line Method (SLM) to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management, which is in line with those specified by Schedule II to the Companies Act, 2013. The residual values are at 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

The estimated useful lives of the property, plant and equipment are as under:

Sr No	Class of assets	Estimated useful life
a	Freehold Building	05 - 60 years
b	Furniture and fixtures	10 years
c	Plant and equipment	05 - 25 years
d	Office equipment	03 - 05 years
e	Computer	3 years
f	Vehicles	05 - 08 years

### (q) Intangible assets:

Intangible assets being computer software, are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognized as income or expense in the Statement of Profit and Loss.

Cost of software is amortised over a period of 5 years being the estimated useful life.

### (r) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless the payment is not due within 12 months of reporting period. Trade and other payables are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method.

### (s) Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the

proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

### (t) Borrowing costs:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

### (u) Provisions and Contingencies:

#### (i) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

### (ii) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or reliable estimate of the amount cannot be made, is termed as contingent liability.

### (iii) Contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognized but disclosed only when an inflow of economic benefits is probable.

## (v) Employee benefits:

### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### (ii) Post Employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity, pension and provident fund contributions made to a trust in case of certain employees
- defined contribution plans such as provident fund and superannuation fund.

### Pension and gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Gratuity contributions are made to a trust ('National Peroxide Limited Employees' Gratuity Fund') administered by the Company.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in Other Comprehensive Income. They are included in Retained Earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Provident fund contributions made to a trust administered by the Company

In respect of certain employees, provident fund contributions are made to a trust ('National Peroxide Limited Employees' Provident Fund') administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of the interest earnings of the fund is determined based on actuarial valuation.

### Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation contributions to superannuation fund. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

### (iii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Statement of Profit or Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least

twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### (w) Contributed Equity

Equity shares are classified as equity.

Incremental cost directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax from the proceeds.

### (x) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (y) Earnings per share:

#### Basic Earnings per share

Basic earnings per share is calculated by dividing:

- the net profit for the period attributable to the owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

#### Diluted Earnings per share

Diluted Earnings per share adjust the figures used in the determination of basic earnings per share to take into account;

- the after-income tax effect of interest and other financing cost associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### (z) Exceptional items:

Exceptional items include income or expense that are of such significance and nature that separate disclosure enables the user of the financial statements to understand the impact in a more meaningful manner. Exceptional items are identified by virtue of their size, nature and incidence.

If the management believes that losses/ gain are material and is relevant to an understanding of the entity's financial performance, it discloses the same as an exceptional item.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (aa) Rounding of amounts:

All amounts disclosed in financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

### 3) Critical accounting estimates and judgements:

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items, which are more likely to be materially adjusted due to estimates and assumptions turning out to be different from those originally assessed.

- **Estimation of useful life**

Useful lives of property, plant and equipment are based on the management's estimation. The useful lives as estimated are same as prescribed in Schedule II of the Companies Act, 2013.

The useful lives of Company's assets are determined by management at the time the asset is acquired/capitalised and reviewed annually for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life such as changes in technology.

- **Estimation of defined benefit obligation**

The present value of obligations under defined benefit plan is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual development in the future. These include the determination of the discount rate, future salary escalations, attrition rate and mortality rates etc. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer note 41 for the details of the assumptions used in estimating the defined benefit obligation.

- **Impairment of trade receivables**

The impairment provisions for trade receivables are based on assumptions about risk of default

and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

- **Fair value measurements and valuation processes**

Some of the assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, fair values are determined on the basis of the third-party valuations. The models used to determine fair values including estimates/judgements involved are validated and periodically reviewed by the management. Refer note 42 to the financial statements.

- **Inventory obsolescence**

The Company writes down inventories to net realizable value based on an estimate of the realizability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not be realized. The identification of write-downs requires the use of estimates of net selling prices of the down-graded inventories. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimate has been changed.

- **Taxes**

Deferred tax assets are recognized for temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 4 Particulars, Accounting and Disclosures of the Composite Scheme of Arrangement

The Board of Directors of the Company at their meeting held on March 09, 2021, inter alia, approved the Composite Scheme of Arrangement ("the Scheme") between National Peroxide Limited ("Demerged Company"/ "Transferee Company"), Naperol Investments Limited ("Transferor Company") and NPL Chemicals Limited ("Resulting Company"/ "the Company") and their respective shareholders and creditors under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for-

- a) Part II – deals with transfer and vesting of the Demerged Undertaking (as defined under the Scheme) from the Demerged Company into Resulting Company, on a going concern basis and consideration thereof.
- b) Part III – deals with the amalgamation of Naperol Investments Limited into the Transferee Company.
- c) Part IV – deals with the reduction and cancellation of the existing equity share capital of the Resulting Company held by the Demerged Company;

The aforesaid Scheme filed with the Hon'ble National Company Law Tribunal, Mumbai Bench ("NCLT") was amended by the Board of Directors of the Company at their meeting held on September 20, 2022, which inter-alia amended (i) change in Appointed Date from October 01, 2020 to April 01, 2022 and (ii) to include provisions in relation to lease of land by the Demerged Company to the Company. Accordingly, the Appointed date is April 01, 2022.

After the year end, NCLT through its Order dated May 04, 2023 (the "Order") has sanctioned the Scheme.

The financial statements of the Company for the year ended March 31, 2023 were approved by the Board of Directors at their meeting held on May 19, 2023 without giving effect to the Scheme, since the Company was yet to receive and accordingly file the certified copy of the Order with the Registrar of Companies ("ROC") and the requisite regulatory approvals as specified in the Scheme were also pending as on that date. On May 25, 2023, the Company has received the certified copy of the Order and filed certified true copy of the Order with the Ministry of Corporate Affairs (the "MCA") on June 08, 2023. Further, the Company has received final regulatory approval from the BSE on September 11, 2023, thereby the Scheme becomes effective from September 11, 2023. Since the said financial statements, approved by the Board of Directors, were yet to be adopted by the shareholders of the Company, the Company has now prepared the revised financial statements for the year ended March 31, 2023, to give effect to the Scheme for transfer and vesting on a going concern basis of the Demerged Undertaking into the Company.

As per the clarification issued by Ministry of corporate Affairs vide circular no.09/2019 dated August 21, 2019 (MCA Circular), the Company has recognized the effect of the Composite Scheme of Arrangement for demerger with effect from the Appointed date, April 01, 2022.

The Board of Directors in its meeting held on October 26, 2023, has approved these Revised Financial Statements as of March 31, 2023.

The Company has obtained an extension of three months from Registrar of Companies for the date of conducting Annual General Meeting ("AGM").

The Financial Information for the year ended March 31, 2022, has been extracted from the audited financial statements of the Demerged Company, for the year ended March 31, 2022, which have been audited by the predecessor auditors of the Demerged Company.

In line with the above, wherever the term "Financial statements" is mentioned, it should be referred to as "Revised financial statements".



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Accounting of Transfer of Demerged undertaking as per approved Composite Scheme of Arrangement:

- (i) The assets and liabilities (including cashflow hedge reserve) pertaining to the Demerged Undertaking, transferred to and vested in the Resulting Company pursuant to the Scheme are recorded at their respective carrying values as appearing in the books of Demerged Company.
- (ii) As per the share swap ratio approved in the Scheme, the Company is in the process of issuing equity shares of ₹ 10 each in the ratio of 1:1 to the shareholders of Demerged Company. The Company has increased its authorized equity share capital by 99,90,000 shares of ₹ 10 each to 1,00,00,000 equity shares to give effect to the Scheme and issue new equity shares. The shares of the Company shall be separately listed. Further, the share capital of ₹ 1,00,000 consisting of 10,000 shares of ₹ 10 each held by Demerged Company stand cancelled the amount is credited to capital reserve and the Company has ceased to be a subsidiary of the Demerged Company from the Appointed date.
- (iii) The difference between the net assets transferred from the Demerged Company, and the aggregate of the fresh share capital issued by the Company has been credited to Capital Reserves (Refer Table 1 below) as provided under the Scheme. For the purpose of the Scheme, "Net Assets" means the difference between the book value of assets and liabilities (including cash flow hedge reserves) as on Appointed date.

**Table 1 - The difference between the net assets transferred from the Demerged Company, and the aggregate of the fresh share capital issued by the Company is credited to Capital reserve as under:**

Particulars	₹ in lakhs
	Amount
Assets of the demerged undertaking	<b>46,864.95</b>
Less: Liabilities of the demerged undertaking	(15,671.64)
Cash flow hedge reserve (Debit Balance)	30.86
<b>Net assets of the demerged undertaking (A)</b>	<b>31,224.17</b>
Face value of fully paid-up equity shares issued to the shareholders of demerged company (B)	574.70
<b>Net amount credited to Capital reserve (C) = (A) -(B)</b>	<b>30,649.47</b>

**Table 2 - Summary of the Assets and Liabilities of the Chemical Business Undertaking, transferred and vested with the Company as at April 01, 2022 is as under:**

Particulars	₹ in lakhs
	Amount
<b>Non-current assets</b>	
Property, plant and equipment	33,715.14
Capital work-in-progress	398.67
Intangible assets	45.14
<b>Financial assets</b>	
- Other financial assets	317.55
Other non current assets	167.40
<b>Sub-Total</b>	<b>484.95</b>
<b>Total non- current assets</b>	<b>34,643.90</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	₹ in lakhs
	Amount
Inventories	2,924.26
Financial assets	
- Investments	6,736.71
- Trade receivables	1,887.64
- Cash and cash equivalents	48.98
- Bank balances other than above	52.91
- Other financial assets	13.78
Other current assets	541.21
<b>Sub-Total</b>	<b>9,281.23</b>
<b>Total current assets</b>	<b>12,205.49</b>
Asset held for sale	15.56
<b>Total assets (A)</b>	<b>46,864.95</b>
<b>LIABILITIES</b>	
<b>Non-current liabilities</b>	
Financial liabilities	
- Borrowings	1,377.08
Provisions	323.47
Deferred tax liabilities (net)	3,394.56
<b>Total non-current liabilities</b>	<b>5,095.11</b>
<b>Current liabilities</b>	
Financial liabilities	
- Borrowings	8,030.29
- Trade payables	
Total outstanding dues of micro enterprises and small enterprises; and	63.08
Total outstanding dues to creditors other than micro and small enterprises	1,230.25
- Other financial liabilities	613.38
Contract liabilities	359.48
Other current liabilities	184.39
Provisions	95.66
Income tax liabilities (net)	-
<b>Total current liabilities</b>	<b>10,576.53</b>
<b>Total liabilities (B)</b>	<b>15,671.64</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 5 Property, plant and equipment

(a) Particulars	Freehold Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work-in-progress
<b>Gross block</b>							
<b>Balance as at April 01, 2022</b>	-	-	-	-	-	-	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	1,008.34	39,397.50	199.32	93.17	42.31	<b>40,740.64</b>	398.67
Additions	80.98	85.59	-	37.60	-	<b>204.17</b>	483.35
Assets written off	-	-	-	-	-	-	-
Disposals	-	(7.55)	-	(7.90)	(3.85)	<b>(19.30)</b>	-
Transfer	11.82	497.01	111.06	-	-	<b>619.89</b>	(619.89)
<b>Balance as at March 31, 2023</b>	<b>1,101.14</b>	<b>39,972.55</b>	<b>310.38</b>	<b>122.87</b>	<b>38.46</b>	<b>41,545.40</b>	<b>262.13</b>
<b>Accumulated depreciation and impairment</b>							
<b>Balance as at April 01, 2022</b>	-	-	-	-	-	-	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	230.89	6,659.43	57.35	51.44	26.39	<b>7,025.50</b>	-
Depreciation charge for the year	57.88	1,783.58	26.00	20.54	6.36	<b>1,894.36</b>	-
Assets written off	-	-	-	-	-	-	-
Disposals	-	(2.74)	-	(6.63)	(0.36)	<b>(9.73)</b>	-
<b>Balance as at March 31, 2023</b>	<b>288.77</b>	<b>8,440.27</b>	<b>83.35</b>	<b>65.35</b>	<b>32.39</b>	<b>8,910.13</b>	-
<b>Net carrying amount as on March 31, 2023</b>	<b>812.37</b>	<b>31,532.28</b>	<b>227.03</b>	<b>57.52</b>	<b>6.07</b>	<b>32,635.27</b>	<b>262.13</b>

- i) Refer note 47(i) for disclosure of contractual commitments.
- ii) For details of Property, plant and equipment which are pledged as security for borrowings - Refer note 19 Non-current borrowings.
- iii) Plant and equipment includes computers gross block ₹ 136.07 lakhs , accumulated depreciation ₹ 92.47 lakhs and written down value ₹ 43.54 lakhs , acquired pursuant to the Composite Scheme of Arrangement (Refer note 4).
- iv) Since, all the immovable properties comprising of building have been acquired pursuant to the Composite Scheme of Arrangement (Refer note 4) the title deeds thereof are being held in the name of National Peroxide Limited ("Demerged Company"). The Company is in the process of transferring the title deeds of buildings in its own name.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Title deeds of immovable property not held in the name of the Company as at March 31, 2023

Relevant line item in the Balance Sheet	Description of the property	Net carrying amount (₹ in lakhs)	Whether title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director	Property held since	Reason for not being held in the name of the Company
Property, plant and equipment	Buildings	812.37	Entity within the promoter group	April 01, 2022	Demerger of undertakings had taken place from the appointed date April 01, 2022 which became effective on September 11, 2023. The immovable properties of Demerged Undertaking continue to be held by National Peroxide Limited ("Demerged Company") as at March 31, 2023. Necessary steps are being taken by the Company to get the legal formalities completed for transferring the ownership in its name in the Government records.

### 5 Ageing of Capital work-in-progress:

#### (b) (i) Amount in capital work-in-progress for:

As at March 31, 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	242.61	19.48	0.04	-	262.13
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>242.61</b>	<b>19.48</b>	<b>0.04</b>	<b>-</b>	<b>262.13</b>

#### (ii) Completion schedule for capital work-in-progress where completion is overdue or has exceeded its cost compared to its original plan:

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Caustic & Sulphuric Tank	111.10	-	-	-	111.10
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>111.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>111.10</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 5.1 Right to use assets and lease liabilities

#### As Lessee

#### (i) Carrying value of right of use assets at the year end by class

Particulars	Land
<b>Gross block</b>	
<b>Balance as at April 01, 2022</b>	-
Additions (Refer note (d) below)	969.65
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>969.65</b>
<b>Accumulated depreciation and impairment</b>	
<b>Balance as at April 01, 2022</b>	-
Depreciation charge for the year	64.60
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>64.60</b>
<b>Net carrying amount as on March 31, 2023</b>	<b>905.05</b>

#### (ii) The following is the break-up of lease liability as at reporting date

Particulars	As at March 31, 2023
Current lease liability	21.83
Non-current lease liability	927.54
<b>Total</b>	<b>949.37</b>

#### (iii) The following is the movement of lease liability during the year

Particulars	For year ended March 31, 2023
<b>Balance as at April 01, 2022</b>	-
Additions	969.65
Deletions	-
Finance cost incurred	79.72
Transferred to trade payable	(100.00)
Payment of lease liabilities	-
<b>Closing balance as at March 31, 2023</b>	<b>949.37</b>

#### (iv) The table below provides details regarding the contractual maturities of lease liabilities as at reporting date on an undiscounted basis:

Particulars	As at March 31, 2023
Less than one year	100.00
One to five years	424.00
More than five years	1,135.98
<b>Total</b>	<b>1,659.98</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (v) Amount recognized in revised Statement of Profit and Loss

Particulars	For year ended March 31, 2023
Interest on lease liability (Refer note 32)	79.72
Expense relating to short-term leases and low value assets (Refer note 34)	56.33
Depreciation (Refer note 33)	64.60
	<b>200.65</b>

#### Notes:

- a) Total cash outflow for leases for the year ended March 31, 2023 was ₹ Nil.
- b) There are no variable lease payments included in the measurement of lease liability.
- c) Extension and termination options: Extension and termination options are included in the lease contracts of the Company. These are used to maximise operational flexibility in terms of managing the assets of the Company. All the extension and termination options held are exercisable both by the Company and the respective lessor.
- d) Pursuant to the composite scheme of arrangement approved by NCLT, as per para 4.4 of the scheme, on the same becoming effective and w.e.f. appointed date i.e. April 01, 2022 as per scheme, National Peroxide Limited ("NPL") shall effect the lease of land as specified in schedule IB to the scheme in the name of the Company. Accordingly, the Company has considered commencement date for the lease from April 01, 2022 for 15 Years or extended as agreed between NPL and the Company.

## 6 Intangible assets

Particulars	Computer Software
<b>Balance as at April 01, 2022</b>	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	104.96
Additions	-
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>104.96</b>
<b>Accumulated amortisation</b>	
<b>Balance as at April 01, 2022</b>	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	59.82
Charge for the year	20.99
Disposals	-
<b>Balance as at March 31, 2023</b>	<b>80.81</b>
<b>Net carrying amount as on March 31, 2023</b>	<b>24.15</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 7 Other non-current financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	45.31	-
Bank deposits with more than 12 months maturity	35.00	-
	<b>80.31</b>	-

### 8 Other non-current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Prepayments	19.76	-
Capital advances	6.79	-
Balances with government authorities#	124.10	-
Less : Provision for sales tax#	(64.25)	-
	<b>86.40</b>	-

#Provision of ₹ 64.25 lakhs towards sales tax matters based on estimation for probable liabilities arising out of pending disputes / liabilities with indirect tax authorities. The said provision has been assumed pursuant to the Composite Scheme of Arrangement.

### 9 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials and packing materials#	1,109.28	-
Finished goods	1,346.36	-
Traded goods	0.63	-
Stores and spares#	1,158.42	-
	<b>3,614.69</b>	-

# Write-down of inventories to net realizable value amounted to ₹ 109.93 lakhs for FY 2023. These were recognized as an expense during the year and included in 'Other expenses - Consumption of stores and spares' and 'Cost of Raw Material and Packing Material Consumed' in Statement of Profit and Loss.

### 10 Current investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investment in mutual funds (Unquoted Investments - FVTPL)^</b>		
98,005.79 units (March 31, 2022: Nil) of ICICI Prudential Overnight Fund Direct Plan Growth of ₹ 10 each	1,184.38	-
33,337.57 units (March 31, 2022: Nil) of HDFC Overnight Fund - Direct Plan - Growth Option of ₹ 10 each	1,109.62	-
95,138.35 units (March 31, 2022: Nil) of Bandhan Overnight Fund Direct Plan# - Growth of ₹ 10 each	1,137.49	-
47,203.53 units (March 31, 2022: Nil) of Kotak Overnight Direct Plan Growth of ₹ 10 each	564.42	-
	<b>3,995.91</b>	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	3,995.91	-
Aggregate amount of impairment in value of investments	-	-
	<b>3,995.91</b>	-

#Erstwhile known as IDFC Overnight Fund

^ The above investment in Mutual Funds have been acquired under the Composite Scheme of Arrangement (Refer note 4) from National Peroxide Limited ("Demerged Company") and due to the pending completion of legal formalities for transfer of Investments held in the name of Demerged Company

### 11 Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers	2,493.35	-
Less: Expected Credit Loss allowance	(66.65)	-
	<b>2,426.70</b>	-
Breakup of security details		
Secured, considered good	-	-
Unsecured, considered good	2,426.70	-
Significant increase in credit risk	-	-
Credit impaired	66.65	-
	<b>2,493.35</b>	-
Loss allowance	(66.65)	-
<b>Total trade receivables</b>	<b>2,426.70</b>	-

#### Ageing of Trade receivables:

##### As at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following period from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	2,286.60	137.99	1.98	0.13	-	-	<b>2,426.70</b>
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	1.29	65.36	<b>66.65</b>
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>2,286.60</b>	<b>137.99</b>	<b>1.98</b>	<b>0.13</b>	<b>1.29</b>	<b>65.36</b>	<b>2,493.35</b>

Note :- For the purpose reporting of ageing of trade receivables, due date has been considered as applicable in Demerged Company.



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 12 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Cash in hand	2.22	-
Balances with banks in current accounts	640.45	0.21
	<b>642.67</b>	<b>0.21</b>

### 13 Bank balances other than above

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits with maturity of less than three months <sup>^</sup>	54.55	-
	<b>54.55</b>	-

<sup>^</sup>Under lien with Maharashtra Pollution Control Board

### 14 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	26.28	-
	<b>26.28</b>	-

### 15 Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Advances to suppliers	123.71	-
Advances for expenses	45.88	-
Prepayments	384.83	-
Receivable Demerged entity on account of Composite Scheme of Arrangement	37.95	-
Balances with government authorities	0.38	-
	<b>592.75</b>	-

### 16 Asset held for sale

Particulars	As at March 31, 2023	As at March 31, 2022
Capital work in progress	7.69	-
	<b>7.69</b>	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 17 Equity Share Capital

#### 17 (a) Authorised capital

Particulars	Number of shares	Amount
Equity share of ₹ 10 each		
<b>As at March 31, 2021</b>	<b>10,000</b>	<b>1.00</b>
Movement during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>10,000</b>	<b>1.00</b>
Add:- Increase in Authorized Equity share capital on account of Composite Scheme of Arrangement (Refer note 4)	99,90,000	999.00
Movement during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>1,00,00,000</b>	<b>1,000.00</b>

#### 17 (b) Issued, subscribed and fully paid-up

Particulars	Number of shares	Amount
Equity share of ₹ 10 each		
<b>As at March 31, 2021</b>	<b>10,000</b>	<b>1.00</b>
Movement during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>10,000</b>	<b>1.00</b>
Less: Shares cancelled pursuant to the Composite Scheme of Arrangement <sup>^</sup>	(10,000)	(1.00)
Movement during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>-</b>

#### 17 (c) Equity Share Capital Suspense

Particulars	Number of shares	Amount
Equity share of ₹ 10 each		
<b>As at March 31, 2021</b>	<b>-</b>	<b>-</b>
Movement during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>-</b>
Add:- Addition on account of Composite Scheme of Arrangement <sup>^</sup>	57,47,000	574.70
<b>Balance as at March 31, 2023</b>	<b>57,47,000</b>	<b>574.70</b>

<sup>^</sup> The Composite Scheme of Arrangement has become effective on September 11, 2023 and as per the terms of the Scheme, one equity share of ₹ 10 each is to be allotted to the existing shareholders of National Peroxide Limited ("NPL") whose name appear in register of members of NPL as on the record date. Till the shares are allotted the same would appear in equity share capital suspense account. The Company has allotted 57,47,000 equity shares on September 27, 2023 to the existing shareholders of National Peroxide Limited as on record date. Since the effect of the Scheme is given in the financial statement, 10,000 equity shares of ₹ 10 each originally allotted to the Company's shareholder stand cancelled.

#### Notes:

##### i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:

##### Equity shares

Particulars	Number of shares	Amount
<b>Balance as at March 31, 2021</b>	<b>10,000</b>	<b>1.00</b>
Movement during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>10,000</b>	<b>1.00</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Number of shares	Amount
Less: Shares cancelled in pursuant to Composite Scheme of Arrangement (Refer note 4)	(10,000)	(1.00)
<b>Balance as at March 31, 2023</b>	-	-

### ii) Rights, preferences and restrictions attached to equity shares:

The Company has one class of equity share having a par value of ₹ 10 per share. Every holder of equity shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholdings.

### iii) Since the shares are pending for allotment pursuant to Composite Scheme of Arrangement as on balance sheet date, the disclosure related to shareholding more than 5% of equity share of Company and shares held by promoters is not presented.

### iv) Details of shares allotted without payment being received in cash in last five years:

The Company has not made any buy-back, nor there has been an issue of shares by way of bonus share nor issue of share pursuant to contract without payment being received / paid in cash for the period of five years immediately preceding the balance sheet date. However, 57,47,000 equity shares of ₹ 10 each has been allotted on September 27, 2023 to the existing shareholders of National Peroxide Limited as on record date (Refer note 4) without payment received in cash.

## 18 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
i) Capital Reserve	30,650.47	-
ii) Retained earnings	3,974.18	(1.55)
iii) Cash flow hedge reserves	-	-
	<b>34,624.65</b>	<b>(1.55)</b>

### i) Capital Reserve

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	-	-
Addition pursuant to Composite Scheme of Arrangement (Refer note 4)	30,649.47	-
Shares cancelled pursuant to the Composite Scheme of Arrangement (Refer note 4)	1.00	-
Add: Addition during the year	-	-
Less: Reduction during the year	-	-
<b>Balance at the end of the year</b>	<b>30,650.47</b>	-

Capital reserve was created on transfer of demerged undertaking under the Composite Scheme of Arrangement.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### ii) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	<b>(1.55)</b>	<b>(0.72)</b>
Add: Net Profit/(Loss) for the year	3,950.16	(0.83)
Add: Other comprehensive income (net of tax)	25.57	-
<b>Balance at the end of the year</b>	<b>3,974.18</b>	<b>(1.55)</b>

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Further, it also includes the impact of remeasurements of the defined benefit obligations, net of tax.

### iii) Cash flow hedge reserves

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Balance at the beginning of the year</b>	-	-
Add: Transfer in pursuant to Composite Scheme of Arrangement (Refer note 4)	(30.86)	-
Add: Other comprehensive income (net of tax)	30.86	-
<b>Balance at the end of the year</b>	-	-

Cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivatives that qualify as cash flow hedges. Amount are subsequently reclassified to statement of profit and loss as appropriate.

## 19 Non-current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term loan from bank:		
Foreign currency loan (USD) (Refer note I (a) below)	-	-
Rupee loan (Refer note I (b) below)	1,389.36	-
	<b>1,389.36</b>	-
Less: Current maturities of long term debt (Refer note 21) (included in current borrowings)	(352.94)	-
	<b>1,036.42</b>	-

### I) Term of repayment

- The foreign currency loan was repayable in 16 equal quarterly instalments of US \$ 1,312,500 beginning from June 06, 2020 and the last quarterly instalment being payable on February 27, 2024. This loan had a variable interest rate of 3 months USD-LIBOR-BBA plus 1.25% per annum payable on quarterly basis. The loan had a put and call option at the end of second year from the date of drawdown (i.e. March 06, 2019) and annually thereafter. The loan was foreclosed on March 06, 2023 amounting to US \$ 5.25 million and as a result the hedge instrument related to this loan has been

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

terminated. The realized gain on the hedge instrument amounting to US \$ 0.56 million has been credited by the bank to the Company. The conversion rate at the time of prepayment ₹ 81.69/US \$. The initial hedging rate was fixed at ₹ 72.45/US \$.

- b) The sanctioned amount of Rupee term loan from bank is ₹ 1,500 lakhs (March 31, 2022: ₹ 1,500 lakhs). This facility carries floating interest rate of 8.55% to 8.70%. The loan is repayable in 17 equal quarterly instalments commencing from the end of 12th month from date of first drawdown (i.e. January 07, 2022).

### II) Nature of security

The above loans are secured by a pari passu charge on entire movable fixed assets including plant and machinery of the Company located in Kalyan, Maharashtra. In respect of the secured loan transferred to the Company pursuant to the Composite Scheme of Arrangement, the process and transfer of charges is in progress.

### III) Change in liability arising from financing activities

Particulars	As at March 31, 2022	Transfer in pursuant to Composite Scheme of Arrangement (Refer note 4)	Cash Flows	Foreign Exchange (Gain)/ Loss (Non Cash)	As at March 31, 2023
Borrowings	-	9,407.37	(7,976.77)	(41.24)	1,389.36
	-	<b>9,407.37</b>	<b>(7,976.77)</b>	<b>(41.24)</b>	<b>1,389.36</b>

### 20 Non-current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
For employee benefits (Refer note 41)		
Leave encashment and compensated absence	250.35	-
Pension	66.10	-
	<b>316.45</b>	<b>-</b>

### 21 Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term loan:		
From bank		
Current maturities of long term borrowings^	352.94	-
<b>Unsecured</b>		
Loans from related party#	3.00	-
	<b>355.94</b>	<b>-</b>

^ includes interest accrued on borrowings.

# The Unsecured Borrowings represents Inter corporate deposit taken from National Peroxide Limited. The rate of interest on the borrowings is 9.25% p.a. payable on quarterly basis and the borrowings is repayable on demand or completion of 360 days whichever is earlier.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 22 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 45)	151.86	0.75
Total outstanding dues to creditors other than micro and small enterprises*	2,153.91	0.01
	<b>2,305.77</b>	<b>0.76</b>

\* Includes Amount payable to related parties - Refer note 40

#### Ageing of trade payables:

##### As at March 31, 2023

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	4.25	147.61	-	-	-	-	<b>151.86</b>
(ii) Undisputed dues - Others	1,070.25	1,063.98	18.15	0.24	1.29	-	<b>2,153.91</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>1,074.50</b>	<b>1,211.59</b>	<b>18.15</b>	<b>0.24</b>	<b>1.29</b>	<b>-</b>	<b>2,305.77</b>

##### As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	0.75	-	-	-	-	-	<b>0.75</b>
(ii) Undisputed dues - Others	0.01	-	-	-	-	-	<b>0.01</b>
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total</b>	<b>0.76</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.76</b>

Note- For the purpose reporting of ageing of trade payables, due date has been considered as applicable in Demerged Company.

### 23 Other current financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Deposits	4.80	-
Capital creditors <sup>^</sup>	178.35	-
Payable to employees	427.22	-
	<b>610.37</b>	<b>-</b>

<sup>^</sup>Including dues to micro and small enterprises for ₹ 5.16 lakhs (March 31, 2022: ₹ Nil). (Refer note 45)

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 24 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues (including provident fund, tax deducted at source and others)	270.46	-
	<b>270.46</b>	-

### 25 Current provisions

Particulars	As at March 31, 2023	As at March 31, 2022
For employee benefits (Refer note 41)		
Leave encashment and compensated absence	117.85	-
Pension	9.00	-
	<b>126.85</b>	-

### 26 Income tax liabilities (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for tax [Net of advance tax ₹ 772.47 lakhs (March 31, 2022: ₹ NIL)]	219.31	-
	<b>219.31</b>	-

### 27 Revenue from operations

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
Manufactured goods	37,396.39	-
Traded goods	139.25	-
Other operating income	51.80	-
	<b>37,587.44</b>	-

#### Disclosure pursuant to Ind AS 115 - Revenue from Contracts with Customers

##### (A) Revenue streams

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sales of Goods/Income from operations	37,535.64	-
Other operating revenues - Sale of Scrap	51.80	-
<b>Sale of goods / Income from operations</b>	<b>37,587.44</b>	-

(B) There are no material unsatisfied performance obligations for the year ended March 31, 2023. Further, entire revenue is recognized at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (C) Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Domestic	23,755.14	-
Exports	13,780.50	-
<b>Sale of goods / income from operations</b>	<b>37,535.64</b>	<b>-</b>

### (D) Reconciliation of revenue recognized with contract price:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue as per contract price	38,555.56	-
Less: Refund Liabilities - Sales Returns / Credits / Reversals	(361.25)	-
Less: Discounts	(658.67)	-
	<b>37,535.64</b>	<b>-</b>

(E) The entire amount of contract liability acquired as on April 01, 2022 pursuant to the Composite Scheme of Arrangement of ₹ 359.48 lakhs has been recognized as revenue during the current year.

(F) There are no significant changes in contract liabilities during the year ended March 31, 2023.

## 28 Other income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Interest income on financial assets at amortised cost</b>		
On fixed deposits	1.80	-
Other interest income	0.01	-
<b>Other non-operating income</b>		
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	339.06	-
Profit on sale of assets	24.65	-
Reversal of Loss allowance	22.07	-
Net foreign exchange gain	251.31	-
Export duty drawback	121.51	-
Miscellaneous income	125.01	-
	<b>885.42</b>	<b>-</b>



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 29 Cost of raw materials and packing materials consumed

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance of raw materials and packing materials	-	-
Add: Transferred in pursuant to Composite Scheme of Arrangement (Refer note 4)	1,816.80	-
Add: Purchases made during the year	18,418.50	-
Less: Closing balance of raw materials and packing materials	(1,109.28)	-
	<b>19,126.02</b>	-

### 30 Changes in inventories of stock-in-trade and finished goods

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	-	-
Add: Transferred in pursuant to Composite Scheme of Arrangement (Refer note 4)	197.22	-
Closing balance	(1,346.36)	-
	<b>(1,149.14)</b>	-

### 31 Employee benefit expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	2,204.13	-
Contribution to provident fund and other funds (Refer note 41)	114.72	-
Provident fund benefits (Refer note 41)	2.53	-
Gratuity (Refer note 41)	34.76	-
Pension benefits (Refer note 41)	6.45	-
Workmen and staff welfare expenses	282.49	-
	<b>2,645.08</b>	-

### 32 Finance costs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest and finance charges on financial liabilities not at fair value through profit or loss	381.84	-
Interest and finance charges on lease liabilities not at fair value through profit or loss	79.72	-
Fair value changes on cross currency interest rate swap designated as cash flow hedges - transferred from other comprehensive income	219.21	-
Other interest expense	21.22	-
	<b>701.99</b>	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 33 Depreciation and amortisation expense

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (Refer note 5)	1,894.36	-
Depreciation on right of use assets (Refer note 5.1)	64.60	-
Amortisation of intangible assets (Refer note 6)	20.99	-
	<b>1,979.95</b>	<b>-</b>

### 34 Other expenses

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores and spares	452.65	-
Legal and professional fees	632.41	0.01
Auditors Remuneration <sup>^</sup>	46.01	0.82
Rates and taxes	32.16	-
-plant and machinery	833.25	-
-building	4.73	-
Freight charges	158.89	-
Insurance charges	416.04	-
Rental charges <sup>**</sup>	56.33	-
Clearing and forwarding expenses	2,041.94	-
Miscellaneous expenses	931.74	-
	<b>5,606.15</b>	<b>0.83</b>

<sup>\*\*</sup>Rental Expenses recorded for short term leases for the year ended March 31, 2023 ₹ 56.33 lakhs.

#### Auditors Remuneration<sup>^</sup>

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit fees	28.25	0.82
Limited review audit fees	15.50	-
Reimbursement of out of pocket expenses	2.26	-
	<b>46.01</b>	<b>0.82</b>

### 35 Exceptional income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Insurance claim received due to loss on account of breakdown of machinery (Refer note 48)	1,295.16	-
	<b>1,295.16</b>	<b>-</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 36 Income tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

#### (a) Income tax recognized in statement of profit and loss

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income tax expense</b>		
(i) Current tax expense	991.78	-
<b>Total current tax expense</b>	<b>991.78</b>	<b>-</b>
(ii) <b>Deferred tax (benefit)/ expense</b>		
Decrease (increase) in deferred tax assets	(20.64)	-
(Decrease) increase in deferred tax liabilities	428.83	-
<b>Total deferred tax (benefit)/ expense</b>	<b>408.19</b>	<b>-</b>
<b>Total Income tax (benefit)/ expense</b>	<b>1,399.97</b>	<b>-</b>

#### (b) Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Income tax expense</b>		
(i) <b>Current tax benefit/ (expense)</b>		
Remeasurement of defined benefit obligation	-	-
<b>Total current tax benefit/ (expense)</b>	<b>-</b>	<b>-</b>
(ii) <b>Deferred tax benefit/ (expense)</b>		
Remeasurement of defined benefit obligation	(9.45)	-
Cash flow hedge reserve	(10.38)	-
<b>Total deferred tax benefit/ (expense)</b>	<b>(19.83)</b>	<b>-</b>
<b>Total Income tax benefit/ (expense)</b>	<b>(19.83)</b>	<b>-</b>

#### (c) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit before tax	5,350.13	(0.83)
Tax at the Indian applicable tax rate 25.17%	1,346.52	(0.21)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Expenses which are not deductible/ (taxable) in calculating taxable income:		
Other amounts which are not deductible/ (taxable) in calculating taxable income	53.45	-
Current year losses on which no deferred tax is created	-	0.21
<b>Income tax expense</b>	<b>1,399.97</b>	<b>-</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (d) Tax assets

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	-	-
Add: Taxes paid	772.47	-
Less: Current tax payable for the year	(991.78)	-
<b>Closing balance</b>	<b>(219.31)</b>	-
<b>Income tax assets</b>	-	-
<b>Income tax liabilities</b>	<b>219.31</b>	-
<b>Net Tax liabilities</b>	<b>(219.31)</b>	-

### (e) Movement in deferred tax liabilities

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred tax liabilities	3,978.26	-
Less: Deferred tax assets	(155.68)	-
<b>Deferred tax liability (net)</b>	<b>3,822.58</b>	-

### Movement of deferred tax balances

#### March 31, 2023

Particulars	As at March 31, 2022	Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	Recognized in Profit and Loss	Recognized in OCI	As at March 31, 2023
Property, plant and equipment	-	3,537.12	425.17	-	3,962.29
Financial asset measured at FVTPL	-	12.31	3.66	-	15.97
<b>Total deferred tax liabilities</b>	-	<b>3,549.43</b>	<b>428.83</b>	-	<b>3,978.26</b>
Provision for post retirement benefits and other employee benefits	-	105.99	14.63	(9.45)	111.17
Right of use assets (net of lease liabilities)	-	-	11.15	-	11.15
Loss allowance	-	22.33	(5.14)	-	17.19
Provision for sales tax	-	16.17	-	-	16.17
Loss on cash flow hedging reserve	-	10.38	-	(10.38)	-
Business loss	-	-	-	-	-
<b>Total deferred tax assets</b>	-	<b>154.87</b>	<b>20.64</b>	<b>(19.83)</b>	<b>155.68</b>
<b>Deferred tax liability (net)</b>	-	<b>3,394.56</b>	<b>408.19</b>	<b>19.83</b>	<b>3,822.58</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 37 Earning per share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Basic and diluted earnings per share</b>		
Profit for the year (₹ in lakhs)	3,950.16	(0.83)
Weighted average number of shares	57,47,000	10,000
Basic and diluted earnings per share (₹)	68.73	(8.30)
Face value per share (₹)	10.00	10.00

### 38 Corporate social responsibility ("CSR")

As per the provisions of section 135 of the Companies Act, 2013, every company including its holding or subsidiary and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall spend, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Since the Company does not satisfy any of the conditions mentioned in the provisions of section 135 of the Company's Act 2013, the Company is not required to comply the provisions of section 135 of Companies Act 2013.

### 39 Segment information

The Board of Directors reviews the Company's performance. Presently, the Company is engaged in only one segment viz 'Manufacturing of peroxygens' and as such there is no separate reportable segment as per Ind AS 108 'Operating Segments'. Presently, the Company's operations are predominantly confined in India.

#### Information about geographical areas

Revenue	For the year ended March 31, 2023	For the year ended March 31, 2022
Within India	23,806.94	-
Outside India	13,780.50	-
<b>Total Revenue</b>	<b>37,587.44</b>	-

No single customer of the Company accounts for 10% or more of total revenue.

### 40 Related party disclosures

Related party disclosures as required by Ind AS-24 "Related Party Disclosures" are given below:

#### (i) Enterprises exercising control:

Holding company - National Peroxide Limited (upto April 01, 2022 - i.e. Appointed Date on which the cancellation of existing shareholding as per Composite Scheme of Arrangement took place).

#### (ii) Key managerial personnel

##### Executive Director

Mr. Rajiv Arora, Chief Executive Officer (w.e.f. September 25, 2023)

Mr. Rajiv Arora, Executive Director (w.e.f. September 25, 2023)

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Non-executive directors

Mr. Rajesh Batra (upto October 26, 2023)  
 Mr Jairam Bham (upto October 26, 2023)  
 Mr Girish Advani (upto October 26, 2023)  
 Mr. Ness N. Wadia - Chairman (w.e.f. October 26, 2023)  
 Dr. (Mrs.) Minnie Bodhanwala (w.e.f. October 26, 2023)

### Independent directors

Mr. Viraf Mehta (w.e.f. October 26, 2023)  
 Ms. Parvathi Menon (w.e.f. October 26, 2023)

### Chief Financial Officer

Mr. Conrad David Fernandes (upto May 31, 2023)  
 Mr. Pravin Shetty (w.e.f. September 25, 2023)

### Company Secretary

Mrs. Heena Nikunj Shah (w.e.f. September 25, 2023)

### (iii) Employee benefits plans with whom transactions were carried out during the year

National Peroxide Limited Employees' Provident Fund (w.e.f. April 01, 2022)  
 National Peroxide Limited Employees' Gratuity Fund (w.e.f. April 01, 2022)

### (iv) Enterprises forming part of Promoter group and with whom transactions were carried out during the year

The Bombay Burmah Trading Corporation Limited (w.e.f. September 27, 2023)  
 Nowrosjee Wadia and Sons Limited (w.e.f. September 27, 2023)  
 The Bombay Dyeing & Manufacturing Company Limited (w.e.f. September 27, 2023)  
 National Peroxide Limited (w.e.f. April 01, 2022)

Note: Pursuant to the Composite Scheme of Arrangement (Refer note 4) the Company has reassessed the relationship and disclosed the related party transactions accordingly.

### The following transactions were carried out with related parties during the year in the ordinary course of business:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Inter-corporate deposit taken</b>		
National Peroxide Limited	3.00	-
<b>Interest expense on inter-corporate deposit</b>		
National Peroxide Limited	0.14	-
<b>Rent Expenses</b>		
The Bombay Dyeing and Manufacturing Company Limited	44.31	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Payment of Lease Rent</b>		
National Peroxide Limited	100.00	-
<b>Recovery of shared service charges</b>		
The Bombay Burmah Trading Corporation Limited	76.65	-
<b>Payment of shared service charges</b>		
Nowrosjee Wadia and Sons Limited	134.70	-
<b>Reimbursement of expenses</b>		
Nowrosjee Wadia and Sons Limited	6.87	-
The Bombay Dyeing and Manufacturing Company Limited	76.07	-
<b>Sale of other Assets</b>		
Nowrosjee Wadia and Sons Limited	4.00	-
<b>Compensation to key managerial personnel</b>		
<b>Mr. Rajiv Arora #</b>		
Short term employee benefits	280.40	-
Post employment benefits**	12.74	-
<b>Mr. Conrad Fernandes #</b>		
Short term employee benefits	96.51	-
Post employment benefits**	4.30	-
<b>Ms. Heena Shah #</b>		
Short term employee benefits	23.45	-
Post employment benefits**	1.10	-
<b>Contribution to employee benefit plans</b>		
National Peroxide Limited Employees' Provident Fund	2.53	-

\*\* As the liabilities for defined benefit plans are provided on actuarial basis for the Company, the amounts pertaining to Key Managerial Personnel are not included.

# During the year, pursuant to the Composite Scheme of Arrangement all employees related to demerged undertaking are transferred from Demerged Company. Accordingly the Company has reassessed the transactions with Key managerial persons basis on which disclosure has been made.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Balances outstanding as at the year end:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Other Current Assets</b>		
The Bombay Burmah Trading Corporation Limited	26.97	-
<b>Security Deposits</b>		
The Bombay Dyeing and Manufacturing Company Limited	21.75	-
<b>Accounts Payable</b>		
The Bombay Dyeing and Manufacturing Company Limited	7.01	-
Nowrosjee Wadia & Sons Limited	4.31	-
National Peroxide Limited (Refer Note below)	100.00	-
<b>Other Receivable</b>		
National Peroxide Limited (Refer Note below)	37.95	-
<b>Loans</b>		
National Peroxide Limited	3.00	-

### Note:- Pursuant to Composite Scheme of Arrangement

As per the composite scheme of arrangement National Peroxide Limited ("Demerged Company") has continued to manage the operations of demerged business undertaking, hence the inter-se transactions between the demerged & resulting company pertaining to the operations of resulting company including interest, transfer of inventories, sales of goods, assets, employee funds etc. have not been reported here on above. A sum of ₹ 37.95 lakhs is Receivable as at March 31, 2023 (March 31, 2022 - Nil) from National Peroxide Limited on account of money held in trust by them for managing the operations of demerged undertaking.

Above related party transactions were made on normal commercial terms and conditions and at market rates.

## 41 Employee benefit obligations

The Company has classified various employee benefits as under:

### (a) Leave Obligations

The leave obligations cover the Company's liability for sick and privileged leave

Provision for leave encashment	As at March 31, 2023	As at March 31, 2022
Current	117.85	-
Non-current	250.35	-
<b>(b) Defined Contribution Plan</b>		
(i) Provident fund		
(ii) Superannuation fund		
The Company has recognized the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	108.77	-
(ii) Contribution to superannuation fund	5.96	-



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (c) Post employment obligations

#### Gratuity

The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. The plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days basic salary for every completed years of services or part thereof in excess of six months, based on the rate of basic salary last drawn by the employee concerned.

#### (i) Significant estimates: actuarial assumptions

	As at March 31, 2023	As at March 31, 2022
Valuations in respect of gratuity have been carried out by an independent actuary, as at the Balance Sheet date		
Discount rate (per annum)	7.45%	-
Salary escalation rate		
- For management employees	8.00%	-
- For other employees	8.00%	-
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	-

The estimates of salary escalation rate considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

#### (ii) Gratuity Plan

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 01, 2022</b>	-	-	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	1,036.67	(1,036.67)	-
Current service cost	45.66	-	45.66
Interest expense / (income)	50.09	(60.99)	(10.90)
<b>Total amount recognized in statement of profit and loss</b>	<b>95.75</b>	<b>(60.99)</b>	<b>34.76</b>
<b>Remeasurements:</b>			
Return on plan assets, excluding amount included in interest expense / (income)	-	(34.81)	(34.81)
(Gain) / loss from change in financial assumptions	(16.35)	-	(16.35)
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	16.40	-	16.40
<b>Total amount recognized in other comprehensive income</b>	<b>0.05</b>	<b>(34.81)</b>	<b>(34.76)</b>
Employer contributions	-	-	-
Benefits payments	(75.21)	75.21	-
<b>As at March 31, 2023</b>	<b>1,057.26</b>	<b>(1,057.26)</b>	<b>-</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

The net liability disclosed above relates to funded plans are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	1,057.26	-
Fair value of plan assets	(1,057.26)	-
Deficit of gratuity plan	-	-
Current portion	-	-
Non-current portion	-	-

### (iii) Sensitivity analysis

Significant estimates: Sensitivity of actuarial assumptions

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	0.50%	-	(1.71%)	-	1.82%	-
Salary escalation rate	0.50%	-	1.60%	-	(1.58%)	-

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit gratuity plan was administrated 100% by a trust as at March 31, 2023.

(v) Defined benefit liability and employer contributions

The Company will pay demand raised by the trust towards gratuity liability on time to time basis to eliminate the deficit in defined benefit plan.

The weighted average duration of the defined benefit obligation is 4.78 years.

### (vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk and salary risk.

**Investment risk:** The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities and other debt instruments.

**Interest risk:** A fall in the discount rate which is linked to the G. Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

**Salary risk:** The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

### (vii) Category of plan asset

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	in %	Amount	in %
Government debt instruments	429.5	41%	-	-
Other debt instruments	499.1	47%	-	-
Entity's own equity instruments	-	-	-	-
Insurer managed funds	-	-	-	-
Others	128.66	12%	-	-
<b>Total</b>	<b>1,057.26</b>	<b>100%</b>	-	-

### (viii) Projected cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Less than a year	464.51	-
Between 1-2 years	60.21	-
Between 2-5 years	291.09	-
Between 5-9 years	120.61	-
10 years and above	382.13	-

The Company expects to contribute ₹ 100.00 lakhs to the plan during the financial year 2023-24

### Pension

The Company operates a defined benefit pension plan. The pension benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. The Company does not contribute annually to any trust or a fund towards the liability under the plan, this plan is unfunded.

#### (i) Significant estimates: actuarial assumptions

Valuations in respect of pension have been carried out by an independent actuary, as at the Balance Sheet date

Discount rate (per annum)	7.45%	-
Salary escalation rate	8.00%	-
Pension increase rate	-	-

#### (ii) Pension Plan

Particulars	Present value of obligation
<b>As at April 01, 2022</b>	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	77.94
Current service cost	1.37
Interest expense / (income)	5.08
<b>Total amount recognized in statement of profit and loss</b>	<b>6.45</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Particulars	Present value of obligation
<b>Remeasurements</b>	
(Gain) / loss from change in financial assumptions	(1.77)
(Gain) / loss from change in demographic assumptions	-
Experience (gains) / losses	1.51
<b>Total amount recognized in other comprehensive income</b>	<b>(0.26)</b>
Benefits payment	(9.03)
<b>As at March 31, 2023</b>	<b>75.10</b>

The net liability disclosed above relates to funded plans are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	75.10	-
<b>Deficit of pension plan</b>	<b>75.10</b>	<b>-</b>
Current portion	9.00	-
Non-current portion	66.10	-

### (iii) Sensitivity analysis

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	0.50%	-	(2.26%)	-	2.38%	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (iv) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: Investment risk, interest rate risk and salary risk.

**Investment risk:** The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit.

**Interest risk:** A fall in the discount rate which is linked to the G. Sec. rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increase the mark to market value of the assets depending on the duration of asset.

### (v) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4.63 years.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (vi) Projected cash flow

Particulars	As at March 31, 2023	As at March 31, 2022
Less than a year	8.99	-
Between 1-2 years	11.54	-
Between 2-5 years	29.95	-
Between 5-9 years	29.18	-
10 years and above	37.15	-

The Company expects to contribute ₹ Nil to the plan during the financial year 2023-24

### Provident Fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Company. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation.

Company measures its liability towards provident fund through actuarial valuation using 'projected credit unit method'. In case of net assets, assets are recognized to the extent of liability only.

#### (i) Significant estimates: actuarial assumptions

Valuations in respect of provident fund have been carried out by an independent actuary, as at the Balance Sheet date

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate (per annum)	7.45%	-

#### (ii) Provident fund plan

Particulars	Present value of obligation	Fair value of plan assets	Net amount
<b>As at April 01, 2022</b>	-	-	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	588.55	(588.55)	-
Current service cost	2.53	-	2.53
Interest expense / (income)	41.09	(41.09)	-
<b>Interest on net defined benefit liability / assets</b>	<b>43.62</b>	<b>(41.09)</b>	<b>2.53</b>
<b>Remeasurements:</b>			
Return on plan assets, excluding amount included in interest expense / (income)	-	(8.11)	(8.11)
(Gain) / loss from change in financial assumptions	0.82	-	0.82
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	7.29	-	7.29
<b>Total amount recognized in other comprehensive income</b>	<b>8.11</b>	<b>(8.11)</b>	<b>-</b>
Employer's contributions	-	(2.53)	(2.53)
Employee's contributions	2.75	(2.75)	-
Benefits payment	-	-	-
<b>As at March 31, 2023</b>	<b>643.03</b>	<b>(643.03)</b>	<b>-</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

The net liability disclosed above relates to funded plans are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of funded obligations	643.03	-
Fair value of plan assets	(643.03)	-
<b>Deficit of provident fund plan</b>	<b>-</b>	<b>-</b>
Current portion	-	-
Non-current portion	-	-

### (iii) Sensitivity analysis

The sensitivity of the provision for defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Impact on defined benefit obligation					
	Change in assumption		Increase in assumption		Decrease in assumption	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate	0.50%	-	(0.69%)	-	1.11%	-

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. While calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(iv) The above defined benefit plan was administrated 100% by a trust as at March 31, 2023.

### (v) Defined benefit liability and employer contributions

The Company will pay demand raised by the trust towards provident fund liability on time to time basis to eliminate the deficit in defined benefit plan.

The weighted average duration to payment is 9.17 years.

(vi) The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets under perform this yield, this will create a deficit.

### (vii) Category of plan asset

Particulars	As at March 31, 2023		As at March 31, 2022	
	Amount	in %	Amount	in %
Government debt instruments	307.50	48%	-	-
Other debt instruments	176.35	27%	-	-
Entity's own equity instruments	50.62	8%	-	-
Insurer managed funds	-	-	-	-
Others	108.56	17%	-	-
<b>Total</b>	<b>643.03</b>	<b>100%</b>	<b>-</b>	<b>-</b>

(viii) The Company expects to contribute ₹ 4.56 lakhs to the plan during the financial year 2023-24.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 42 Fair value measurements

#### (a) Financial instruments by category

	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investment in Mutual Funds	3,995.91	-	-	-	-	-
Trade receivables	-	-	2,426.70	-	-	-
Cash and cash equivalents	-	-	642.67	-	-	0.21
Bank balances other than cash and cash equivalents	-	-	89.55	-	-	-
Security deposits	-	-	71.59	-	-	-
<b>Total financial assets</b>	<b>3,995.91</b>	<b>-</b>	<b>3,230.51</b>	<b>-</b>	<b>-</b>	<b>0.21</b>
<b>Financial liabilities</b>						
Borrowings (includes current maturities of borrowings and accrued interest)	-	-	1,392.36	-	-	-
Trade payable	-	-	2,305.77	-	-	0.76
Lease liabilities	-	-	949.37	-	-	-
Other financial liabilities	-	-	610.37	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,257.87</b>	<b>-</b>	<b>-</b>	<b>0.76</b>

# These are investment in equity securities which are not held for trading and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss as these are strategic investments and the Company considered this to be more relevant.

## Inter corporate deposits include interest accrued till the year end, whereas the same has been classified under other financial assets in the financial statements.

#### (b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2023	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Derivative designated as hedge - CCIRS (at FVOCI)	-	-	-	-
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>				
Derivative designated as hedge - CCIRS	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

<b>Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2023</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Security deposits	-	-	45.31	<b>45.31</b>
Bank deposits with more than 12 months maturity	-	-	35.00	<b>35.00</b>
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>80.31</b>	<b>80.31</b>
<b>Financial liabilities</b>				
Borrowings (including accrued interest)	-	-	1,036.42	<b>1,036.42</b>
Lease liabilities	-	-	927.54	<b>927.54</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,963.96</b>	<b>1,963.96</b>

### Note:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers between any levels during the year.

The Company does not have significant financial instrument at level 3 with unobservable input and hence no sensitivity analysis performed

### (c) Valuation techniques used to determine fair value

Fair value of all equity instruments which are traded in the stock exchanges are valued using the closing price as at the reporting date. The Mutual Funds are valued using closing NAV.

The fair value of cross currency interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves and forward exchange rates as at the balance sheet date

The fair values of non-current borrowings are based on discounted cash flows using a credit adjusted borrowing rate as at the reporting date.

### (d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2023		As at March 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits	45.31	45.31	-	-
Bank deposits with more than 12 months maturity	35.00	35.00	-	-
<b>Total financial assets</b>	<b>80.31</b>	<b>80.31</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>				
Borrowings (including accrued interest)	1,036.42	1,036.42	-	-
Lease liabilities	927.54	927.54	-	-
<b>Total financial liabilities</b>	<b>1,963.96</b>	<b>1,963.96</b>	<b>-</b>	<b>-</b>

The carrying amounts of cash and cash equivalents, other bank balances, trade receivables, investment in mutual funds, inter corporate deposits, other financial assets, current financial liabilities- borrowings including accrued interest, lease liabilities, trade payables and other current financial liabilities are considered to be the same as their fair values due to their short term nature.



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 43 Financial risk management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as cross currency interest rate swap are entered to hedge certain foreign currency risk exposures and interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Ageing analysis	Credit limits, timely review, diversification of deposits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Recognized financial liabilities not denominated in Indian rupee (₹)	Sensitivity analysis	Foreign currency borrowing - hedged - CCIRS Others - limited exposure, unhedged
Market risk- interest risk	Borrowing at variable rates	Sensitivity analysis	Cross currency interest rate swaps
Market risk- price risk	Investment in mutual funds	Sensitivity analysis	Diversification of portfolio

The Company has adopted a Risk Management Policy wherein all material risks faced by the Company are identified and assessed. The Risk Management framework defines the risk management approach of the Company and includes collective identification of risks impacting the Company's business and documents their process of identification, mitigation and optimization of such risks.

Hedge accounting is applied to remove the accounting mismatch between the hedging instrument and the hedged item. The effective portion of the change in the fair value of the hedging instrument is deferred into the cash flow hedge reserve through OCI and will be recognized in profit or loss when the hedged item affects profit or loss. This will effectively result in recognising interest expense at a fixed interest rate for the hedged loans and foreign currency borrowing at the fixed foreign currency rate.

#### (a) Credit risk

The Company is exposed to credit risk, which is the risk that counterparty will default on its contractual obligation resulting in a financial loss to the Company. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost as well as credit exposures to trade customers including outstanding receivables.

The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Company's credit risk arises from accounts receivable balances. The Company has a credit risk policy in place to ensure that sales are made to customers only after an appropriate credit risk assessment and credit line allocation process. Procedures are standardised within a customer credit risk policy and supported by the information technology system by limiting the credit exposure to each customer and allowing an average credit period of 30-90 days. The Company has adopted a policy of only dealing with creditworthy counterparties. Intercompany deposits given are for not more than 12 months. The Company periodically assess the recoverability of intercompany deposits.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

The Company provides for life time allowance on trade receivable using simplified approach and on a case to case basis on specified customers. Specific debtors represents debtors facing bankruptcy cases, operation shutdown and other scenario as determined by the management. Such debtors are categorised as specific debtors upon intimation/news. Such specific debtors has no nexus with the macro economy factor. The Company recognises expected credit loss on specified receivables as determined by the management.

Reconciliation of loss allowance on trade receivables	Amount
<b>Loss allowance on April 01, 2022</b>	-
Transfer pursuant to Composite Scheme of Arrangement (Refer note 4)	88.72
Changes in loss allowance	(22.07)
<b>Loss allowance on March 31, 2023</b>	<b>66.65</b>

For banks and financial institutions, only highly rated banks / institutions are accepted. Generally all policies surrounding credit risk have been managed at Company level.

### (b) Liquidity risk

Liquidity risk is the risk that the Company will fail in meeting its obligations to pay its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. In respect of its operations, the Company funds its activities primarily through cash generated in operations and working capital borrowings.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. Cash which is not needed in the operating activities of the Company is invested in marketable liquid funds.

Based on recent trends observed, profitability, cash generation, cash surpluses held by the Company and the borrowing lines available, the Company does not envisage any material liquidity risks.

### (i) Maturities of financial liabilities

The amounts disclosed below are the non derivative contractual undiscounted cash flows of financial liabilities and net settled derivative financial instruments undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant. For cross currency interest rate swap, the cash flows have been estimated using forward interest rates and forward exchange rates as at the end of the reporting period.

March 31, 2023	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>				
Borrowings (includes current maturities of borrowings and accrued interest)#	355.94	1,036.42	-	<b>1,392.36</b>
Trade payables	2,305.77	-	-	<b>2,305.77</b>
Other financial liabilities	610.37	-	-	<b>610.37</b>
Lease liabilities	100.00	424.00	1,135.98	<b>1,659.98</b>
<b>Total non derivative financial liabilities</b>	<b>3,372.08</b>	<b>1,460.42</b>	<b>1,135.98</b>	<b>5,968.48</b>
<b>Total derivative liabilities</b>	-	-	-	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
<b>Non derivative financial liabilities</b>				
Borrowings (includes current maturities of borrowings and accrued interest)	-	-	-	-
Trade payables	0.76	-	-	<b>0.76</b>
Other financial liabilities	-	-	-	-
<b>Total non derivative financial liabilities</b>	<b>0.76</b>	-	-	<b>0.76</b>
<b>Total derivative liabilities</b>	-	-	-	-

# The foreign currency borrowing has a maturity period of 5 years. The loan has a Put and Call Option at the end of second year from the date of drawdown (i.e. March 06, 2019) and annually thereafter. The Company has accordingly classified its borrowings of US \$10.50 millions as current maturities of long term borrowing.

### (ii) Undrawn borrowing facilities

The Company has following undrawn facilities:	As at March 31, 2023	As at March 31, 2022
Bank Overdraft	628.50	-

### (c) Market risk

Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of volatility of prices in the financial markets. Market risk can be further segregated as: a) Foreign currency risk, b) Interest rates risk and c) Other price risk.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risks arise from recognized assets and liabilities, when they are denominated in a currency other than functional currency of the Company. The Company imports certain raw materials and spare parts used in manufacturing and exports finished goods. Therefore it is exposed to foreign exchange risks arising from various currency exposures, primarily with respect to the US-dollar ("USD"). Company's exposure to foreign currency risk due to operation is very limited and it always ensures that the such exposure is within the approved limit for which the Company does not require to hedge through derivatives. However, for foreign currency variable interest rate denominated borrowings the Company's risk management policy is to hedge 100% of the exposure using cross currency interest rate swaps. Under the Company's policy, the critical term of the cross currency interest rate swaps must align the hedged item.

The Company's unhedged foreign currency exposure at the end of the reporting period expressed in Rupees, are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Financial assets</b>		
Trade receivables (USD 0.27 million; March 31, 2022: Nil)	222.21	-
Bank Balances (USD 0.47 million; March 31, 2022: Nil)	385.62	-
<b>Net exposure to foreign currency risk (assets)</b>	<b>607.83</b>	-
<b>Contract liabilities</b>		
Advance from Customer (USD 0.69 million; March 31, 2022: Nil)	561.12	-
<b>Net exposure to foreign currency risk (liabilities)</b>	<b>561.12</b>	-

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

Particulars	Impact on profit before tax	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Assets</b>		
FX rate – increase by 5% on closing rate on reporting date*	30.39	-
FX rate– decrease by 5% on closing rate on reporting date *	(30.39)	-
<b>Liabilities</b>		
FX rate – increase by 5% on closing rate on reporting date*	(28.06)	-
FX rate– decrease by 5% on closing rate on reporting date *	28.06	-

\* Holding all other variables constant

The above amounts have been disclosed based on the accounting policy for exchange differences.

### (ii) Interest rate risks

The Company's interest risk arises from long term borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The Company's policy is to maintain most of its borrowings at fixed rates, where the Company enters into long term borrowings at floating rates, it swaps into fixed rates that are lower than those available if the Company borrowed at fixed rates directly. As at March 31, 2023, the Company's USD denominated borrowings has been foreclosed as disclosed in note 18.

### (a) Interest rate risk exposures

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed rate borrowings (including accrued interest)#	-	-
Floating rate borrowings	1,389.36	-
<b>Total</b>	<b>1,389.36</b>	<b>-</b>

#This borrowing has been converted to fixed rate borrowings through cross currency interest rate swaps.

### (b) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
+100*	(13.89)	-
-100*	13.89	-

\* Holding all other variable constant

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (iii) Foreign currency and interest rate risks

The Company has taken cross currency interest rate swaps (CCIRS) for hedging its foreign currency and interest rate risks related to external commercial borrowings. This CCIRS contracts are composite contracts for both the foreign currency and interest rate risk and the mark to market value is determined for both the risks together. The details of derivative financial instruments at the end of the reporting period expressed in Rupees, are as follows:

Particulars	Currency	As at March 31, 2023		As at March 31, 2022	
		Amount in foreign currency (In lakhs)	Fair value (gain) / loss (Rupees in lakhs)	Amount in foreign currency (In lakhs)	Fair value (gain) / loss (Rupees in lakhs)
Derivative liability/ (asset) designated as hedge - net settled					
Cross currency interest rate swap	USD	-	-	-	-

### Sensitivity

The sensitivity of other comprehensive income before tax due to foreign currency movement and interest rate movements is as below.

Particulars	Year ended March 31, 2023		Year ended March 31, 2022	
FX rate - increase by 5% on closing rate of reporting date*		-		-
FX rate - decrease by 5% on closing rate of reporting date*	-		-	
Interest rates - increase by 50 bps on closing rate on reporting date*		-		-
Interest rates - decrease by 50 bps on closing rate on reporting date*	-		-	

\* Holding all other variable constant

### (iv) Other price risks

The Company is exposed to price risks arising from mutual funds. Further, mutual funds are subject to changes in the market price of securities.

### Sensitivity

If mutual fund prices had been 10% higher / lower, profit before tax for the year ended March 31, 2023 would increase / decrease by ₹ 399.59 lakhs (March 31, 2022: ₹ Nil) as a result of the changes in fair value of mutual funds measured at FVTPL.

### (a) Disclosure of effects of hedge accounting on financial performance

#### As at March 31, 2023

Type of hedge	Change in the value of the hedging instrument recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Cross currency interest rate swap	(271.79)	-	313.03	Net foreign exchange gain under Other income of ₹ 41.24 lakhs

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### As at March 31, 2022

Type of hedge	Change in the value of the hedging instrument recognized in other comprehensive income	Hedge ineffectiveness recognized in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
<b>Cash flow hedge</b>				
Cross currency interest rate swap	-	-	-	-

### Movements in cash flow hedging reserve

Risk category

Derivative instruments	Cross currency interest rate swap	
	2022-23	2021-22
<b>Cash flow hedging reserve</b>		
<b>Opening balance</b>	-	-
Add: Pursuant to Composite Scheme of Arrangement (Refer note 4)	30.86	-
Add/ (Less): Changes in fair value of CCIRS	271.79	-
Add/ (Less): Amounts reclassified through profit or loss	(313.03)	-
Add/ (Less): Deferred tax relating to above (net)	10.38	-
<b>Closing balance</b>	-	-

### Hedge ineffectiveness

The Company's hedging policy only allows for effective hedge relationships to be established.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item, and so a qualitative assessment of effectiveness is performed. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Company uses the hypothetical derivative method to assess effectiveness.

The Company enters into cross currency interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, repayment dates, maturities and notional amount as all critical terms matched during the year, the economic relationship was 100% effective. There was no ineffectiveness during the financial year ended March 31, 2023.

The Company is exposed to USD LIBOR within a fair value hedge accounting relationship, which is subject to interest rate benchmark reform. The Company has identified LIBOR exposures and is constantly reviewing the same, will have its transition plan in place as and when this is implemented.

Below are details of the hedging instruments and hedged items in scope of the Ind AS 109 amendments due to interest rate benchmark reform. The terms of the hedged items listed match those of the corresponding hedging instruments.

Hedge type	Instrument type	Maturing in	Nominal	Hedged item
Cash Flow Hedge	Pay fixed rate interest at 7.70% and receive floating rate interest at LIBOR + 1.25%	2024	USD 10.50 million	Floating rate external commercial borrowing (ECB) of the same maturity

Since External commercial borrowings has been foreclosed on March 06, 2023 the cross currency interest rate swap has been terminated from the said date.

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 44 Capital Management

#### (a) Risk Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. Gearing ratio is determined as net debt (total borrowings and lease liabilities net of cash and cash equivalents) divided by total 'equity'.

Particulars	As at March 31, 2023	As at March 31, 2022
Total debt (Refer note 5.1 and 19)	2,341.73	-
Less: Cash and cash equivalents (Refer note 12)	(642.67)	(0.21)
<b>Net debt</b>	<b>1,699.06</b>	<b>(0.21)</b>
Total equity	35,199.35	(0.55)
<b>Net debt to equity ratio</b>	<b>4.83%</b>	<b>38.18%</b>

#### Loan covenants

The Company's ECB agreement is subjected to covenant clauses, whereby the Company is required to meet certain key financial ratios. During the previous year, the Company complied with all the covenants as per the borrowing agreement except one covenant as stated below:

- the ratio of EBIT to total debt service at the end of each measurement period shall not be less than 1.25;

Company has foreclosed the loan on March 06, 2023.

During the previous year, the Company complied with all the covenants as per the borrowing agreement except one covenant as stated below:

- the ratio of EBIT to total debt service at the end of each measurement period shall not be less than 1.25.

#### (b) Dividends

Particulars	As at March 31, 2023	As at March 31, 2022
(i) Equity shares		
The Board of directors has not declared and paid any final dividend during the year ended March 31, 2022.	-	-
(ii) Dividends not recognized at the end of the reporting period	1,005.73	-
For the year ended March 31, 2023, the board of directors have recommended a final dividend of ₹ 17.50 per fully paid equity share (March 31, 2022 - ₹ Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### 45 Micro, small and medium enterprise

Disclosure in respect to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') Act, 2006 is as follows:

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The principal amounts / interest payable amounts for delayed payments to such vendors as at Balance Sheet date during the current year and previous year mentioned below.

Particulars	As at March 31, 2023	As at March 31, 2022
The principal amount remaining unpaid to any supplier registered under the Micro, Small and Medium Enterprises Development Act, 2006 and remaining unpaid as at the year end.	157.02	0.75
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
Interest paid, under section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Amount of interest accrued and remaining unpaid for the year.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

### 46 Contingent liability

#### Claims against the Company not acknowledged as debt

- (i) Pursuant to the Composite Scheme of Arrangement, Company has assumed Contingent liability towards sales tax demand of ₹ 38.90 lakhs. This has been settled during the year under Amnesty scheme.
- (ii) Contingent liability relating to determination of provident fund liability, based on judgement of the Hon'ble Supreme Court, is not determinable at present for the period prior to March 2019, due to uncertainty on the impact of the judgement in the absence of further clarification relating to applicability. The Company has paid provident fund to employees as applicable with effect from March 2019. The Company will continue to assess any further developments in this matter for their implications on financial statements, if any.

### 47 Capital and other commitments

#### Capital commitments

- (i) Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) for ₹ 462.30 lakhs (March 31, 2022: ₹ Nil).

- (ii) **Other commitment:**

The Company has entered into a long term agreement with GAIL (India) Limited ("GAIL") for purchase of Natural Gas. The agreement is valid till December 31, 2025. As per the said agreement, the Company under 'Take or Pay obligation' clause has to make payment for a fixed quantity of gas on an annual basis, whether used or not. GAIL has



## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

the discretion to waive off the Take or Pay charges. A request for supply of Make Up gas can be made by the Company corresponding to Take or Pay deficiencies which are outstanding and for which the Company would pay to GAIL at the time of annual program.

### 48 Insurance claim on account of breakdown of machinery:

The Company received insurance claim towards the machinery breakdown incident that occurred in March 2021 which was settled by the insurance company at the replacement value for ₹ 1,545.16 lakhs, against which an amount of ₹ 250.00 lakhs was received during the year ended March 31, 2022 which has been recorded in the books of Demerged Company and the balance amount of ₹ 1,295.16 lakhs was received during the year ended March 31, 2023.

### 49 Additional regulatory information required by Schedule III to the Companies Act, 2013

#### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### (ii) Borrowing secured against current assets

The Company has borrowings from financial institutions on the basis of security of current assets. The quarterly statements of current assets filed by the Company with financial institutions is in agreement with the books of accounts.

#### (iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iv) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

#### (v) Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

#### (vi) Compliance with approved scheme(s) of arrangements

The effect of the composite scheme of arrangement as explained in Note 4, has been accounted for in the books of account of the Company 'in accordance with the Scheme' and 'in accordance with the applicable accounting standards'.

#### (vii) Utilisation of borrowed funds and share premium

I The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

### (viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### (ix) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

### (x) Valuation of Property, plant and equipment, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

The Company does not have investment property.

## 50 Other regulatory information

### (i) Title deeds of immovable properties not held in name of the Company

The title deeds of all the immovable properties, as disclosed in note 5 to the financial statements. The Company is in process of transferring the title deeds of buildings in its own name.

### (ii) Registration of charges or satisfaction with Registrar of Companies

Pursuant to the Composite Scheme of Arrangement, the Company is in the process of transferring the charges registered in the name of Demerged Company in its own name.

### (iii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

## 51 Analytical Ratios

Sr. No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Remarks
1	Current Ratio	Current assets	Current liabilities	2.80	0.28	913.99%	Refer note below
2	Debt- Equity Ratio	Non current borrowings + Current borrowings + Interest accrued but not due on borrowings	Shareholder's equity	0.04	-	NA	Refer note below
3	Debt Service coverage Ratio	Profit after tax + Interest + Non cash expenses - Non cash income	Interest and lease payments + Principal repayments	0.76	-	NA	Refer note below
4	Return on equity (ROE)	Net Profits after taxes	Average shareholder's equity	11.22%	(0.29%)	(3976.61%)	Refer note below
5	Inventory Turnover Ratio	Cost of goods sold	Average inventory	5.01	-	NA	Refer note below
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivable	15.49	-	NA	Refer note below

## Notes to the Financial Statements as of and for the year ended March 31, 2023 (Contd.)

(All amounts are in Indian Rupees in lakhs, unless otherwise stated)

Sr. No.	Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Remarks
7	Trade payables turnover ratio	Net credit purchases	Average trade payables	8.04	-	NA	Refer note below
8	Net capital turnover ratio	Net sales	Current assets - Current liabilities	5.15	-	NA	Refer note below
9	Net profit ratio	Net profit after tax	Net sales	10.51%	-	NA	Refer note below
10	Return on capital employed (ROCE)	Earning before interest and taxes	Tangible net worth + Total borrowings + Deferred tax liability	14.98%	150.91%	(90.07%)	Refer note below
11	Return on Investment	Income generated from Mutual funds	Average invested funds in Mutual Funds	8%	-	NA	Refer note below

Note- The Demerged undertakings of the demerged company have been vested in the Company from the appointed date of April 01, 2022. Accordingly, the current year ratio's are not comparable with the previous year's ratios.

### 52 Events Occurring after the Balance Sheet Date

No material events have occurred after the Balance Sheet date and upto the approval of the financial statements other than those disclosed in Note 4.

53 The figures for the previous year have been reclassified /regrouped wherever necessary to conform to current year's classification.

## NOTICE

**CIN:** U24290MH2020PLC342890

**Registered Office:** Neville House, J. N. Heredia Marg,  
Ballard Estate, Mumbai – 400 001.

**Head Office:** The Island City Center (ICC), G.D. Ambekar Marg,  
Dadar (East), Mumbai – 400 014

**Email:** [investorrelations@naperol.com](mailto:investorrelations@naperol.com); **Website:** [www.naperol.com](http://www.naperol.com); **Phone:** 022-61010515

**NOTICE** is hereby given that the Third Annual General Meeting ('AGM') of the Members of **NPL Chemicals Limited** will be held on **Thursday, December 21, 2023 at 12.00 noon. (IST)**, through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') facility to transact the following businesses. The venue of this AGM shall be deemed to be the Registered Office of the Company at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai – 400 001:

### Ordinary Business:

1. To receive, consider and adopt the revised Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Rajiv Arora (DIN: 08730235), who retires by rotation and is eligible for re-appointment;
3. To declare dividend on Equity Shares for the financial year ended March 31, 2023.

### Special Business:

4. **Appointment of Mr. Ness N. Wadia (DIN: 00036049) as Non-Executive Non-Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), Mr. Ness N. Wadia (DIN: 00036049), who was appointed by the Board of Directors as an Additional Non-Executive Non – Independent Director of the Company, with effect from October 26, 2023 under section 161 of the

Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

5. **Appointment of Dr. (Mrs.) Minnie Bodhanwala (DIN:00422067) as Non-Executive Non-Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules framed thereunder (including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force), Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067), who was appointed by the Board of Directors as an Additional Non-Executive Non – Independent Director of the Company, with effect from October 26, 2023 under Section 161 of the Act and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company and who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Act proposing her candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation."

## Notice (Contd.)

6. **Appointment of Mr. Viraf Mehta (DIN: 00352598) as Non-Executive Independent Director of the Company.**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for time being in force), Mr. Viraf Mehta (DIN: 00352598) who was appointed as an Additional Director (Non-Executive & Independent) by the Board of Directors of the Company with effect from October 26, 2023, pursuant to Section 161 of the Act and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not being liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Viraf Mehta, who has submitted a declaration that he meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company in terms of Section 149 of the Act, for a term of 5 consecutive years commencing from October 26, 2023 up to October 25, 2028.

RESOLVED FURTHER THAT the Directors and/or the Chief Financial Officer and/or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

7. **Appointment of Ms. Parvathi Menon (DIN: 02874749) as Non-Executive Independent Director of the Company.**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for time being in force), Ms. Parvathi Menon (DIN: 02874749) who was appointed as an Additional Director (Non-Executive & Independent) by the Board of Directors of the Company with effect from October 26, 2023, pursuant to Section 161 of the Act and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not being liable to retire by rotation.

RESOLVED FURTHER THAT Ms. Parvathi Menon, who has submitted a declaration that she meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company in terms of Section 149 of the Act, for a term of 5 consecutive years commencing from October 26, 2023 up to October 25, 2028.

RESOLVED FURTHER THAT the Directors and/or the Chief Financial Officer and/or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

8. **Appointment of Mr. Jaivir Singh (DIN: 01362930) as Non-Executive Independent Director of the Company.**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions

## Notice (Contd.)

of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") (including any statutory modification(s), amendment(s), clarification(s), re-enactment(s) or substitution(s) thereof for time being in force), Mr. Jaivir Singh (DIN: 01362930) who was appointed as an Additional Director (Non-Executive & Independent) by the Board of Directors of the Company with effect from November 20, 2023, pursuant to Section 161 of the Act and is eligible for appointment as a Director and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not being liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Jaivir Singh, who has submitted a declaration that he meets the criteria for independence and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company in terms of Section 149 of the Act, for a term of 5 consecutive years commencing from November 20, 2023 up to November 19, 2028.

RESOLVED FURTHER THAT the Directors and/or the Chief Financial Officer and/or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

### 9. **Payment of Commission to Non- Executive Directors of Company**

To consider and if thought fit, to pass the following resolution a **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time including any statutory modification(s) or re-enactment thereof, the approval of the Members be and is hereby accorded

for payment of sum not exceeding one percent or three percent per annum of the net profits of the Company, as the case may be, calculated in accordance with the provisions of Section 198 of the Act, be paid to and distributed amongst the Directors including Independent Directors of the Company or some or any of them (whether existing or future) (other than the Managing Director and/or Whole-time Directors) in such amounts or proportions and in such manner and in all respects as may be directed by the Board of Directors of the Company.

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

RESOLVED FURTHER THAT such payment of remuneration by way of commission as aforesaid will be in addition to the payment of sitting fees for attending the meetings of the Board of Directors or Committee thereof and reimbursement of expenses in accordance with the relevant provisions of the Act and Listing Regulations for the time being in force.

RESOLVED FURTHER THAT the Directors and/or the Chief Financial Officer and/or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

### 10. **Ratification of the remuneration payable to Cost Auditors for the financial year ending March 31, 2024**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. D. C. Dave & Co., Cost Accountants (Firm Registration No. 000611), Cost

**Notice (Contd.)**

Auditors appointed by the Board of Directors of the Company to conduct audit of the cost records of the Company for the financial year ending March 31, 2024, be paid remuneration of ₹ 5,00,000/- plus applicable taxes and out-of-pocket expenses incurred by them for the purpose of Audit, and the same be and is hereby ratified.

RESOLVED FURTHER THAT any one of the Directors and/or the Chief Financial Officer and/or the Company Secretary of the Company, be and are hereby severally

authorised to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors  
For **NPL Chemicals Limited**

**Heena Shah**

Company Secretary

Mumbai, November 27, 2023

ACS: 17872

**NOTES:**

- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), setting out material facts relating to the Special Business for Item Nos. 4 to 10 of the Notice, is annexed hereto. The relevant details required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard on General Meetings ("SS-2") issued by The Institute of Company Secretaries of India, in respect of appointment / re-appointment at this AGM is provided / annexed hereunder.
- The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021, Circular No. 02/2022 dated May 05, 2022, Circular No. 10/2022 dated December 28, 2022 and Circular No. 09/2023 dated September 25, 2023 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, read with SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 (collectively referred to as "SEBI Circulars") have permitted the holding of the AGM through VC/OAVM without the physical presence of the Members at a common venue. The venue of this AGM shall be deemed to be the Registered Office of the Company.
- Consequent to the receipt of the approval of Hon'ble National Company Law Tribunal ("NCLT"), Mumbai Bench on May 04, 2023 to the Composite Scheme of Arrangement amongst National Peroxide Limited ("Demerged Company"), Naperol Investments Limited ("the Transferor Company") and NPL Chemicals Limited ("the Resulting Company") and their respective shareholders and creditors under Sections 230 to 232 of the Act ("the Scheme"), the Board of Directors of the Company issued and allotted 57,47,000 equity shares of ₹ 10/- each amounting to ₹ 5,74,70,000 (Rupees Five crores Seventy Four lakhs Seventy Thousand Only) to the shareholders of Demerged Company as on September 25, 2023 (record date) in the ratio of 1 (One) equity share of ₹ 10/- each (Rupees Ten only) in Resulting Company, credited as fully paid up for every 1 (One) equity share of ₹ 10/- (Rupees Ten only) each held by them in Demerged Company. The shares of the Company will be listed on BSE limited (BSE).
- In terms of the aforesaid MCA Circulars, since the physical presence of Members has been dispensed with, there is no requirement of appointment of proxies under Section 105 of the Act. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
- Institutional/ Corporate Shareholders (i.e., other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc.,

## Notice (Contd.)

authorising its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/ Authorisation should be e-mailed to the Company at [investorrelations@naperol.com](mailto:investorrelations@naperol.com) and to Link Intime India Private Limited Registrar and Share Transfer Agent, at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Further, Institutional Shareholders can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on 'Upload Board Resolution / Authority Letter' displayed under 'e-voting' tab in their login.

- The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, December 15, 2023 to Thursday December 21, 2023 (both days inclusive) for the purpose of determining eligibility of Members entitled to the dividend for the FY 2022-23.
- The dividend of ₹ 17.50/- per equity share having face value of ₹ 10/- each (i.e. 175%), as recommended by the Board of Directors, if approved by the Members at this AGM, shall be paid on or after Thursday, December 28, 2023, to those Members whose names appear in the Register of Members of the Company as on the Book Closure Date.

The National Automated Clearing House (NACH) facility should mandatorily be used by companies for the distribution of dividend to its Members. In order to avail the facility of NACH, Members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agent.

- Members holding shares in electronic form are hereby informed that Bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agent cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants ('DPs') of the Members.
- Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct

tax at source from dividend paid to Shareholders at the prescribed rates. The Shareholders are requested to update their PAN with the Depositories.

- Members are requested to notify immediately any change of address to their Depository Participants in respect of their demat accounts.
- Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios and transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4, the format of which is available on the Company's website at <http://naperol.com/Investor-Service-Request> and on the website of the Company's Registrar and Share Transfer Agent at <https://linkintime.co.in>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

### **DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs:**

- In compliance with the Circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report for FY 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / DPs. Members may note that the Notice and Annual Report for FY 2022-23 is available on the Company's website at [www.naperol.com](http://www.naperol.com), and on the website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office / Head Office in Mumbai for inspection during normal business hours on working days. Members desirous of obtaining the physical copy of the Notice of the 3rd AGM and the Annual Report for FY 2022-23, may send request mentioning their Folio No./DP Id and Client Id to the Company at [investorrelations@naperol.com](mailto:investorrelations@naperol.com).



**Notice (Contd.)**

2. For receiving all communication (including Annual Report, Notices, Circulars etc.) from the Company electronically, Members holding shares in dematerialized mode are requested to register / update their email addresses with the relevant DPs.
3. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company at [investorrelations@naperol.com](mailto:investorrelations@naperol.com).

**PROCEDURE FOR ATTENDING AGM THROUGH VC / OAVM:**

4. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by following the steps mentioned below for 'Procedure for Remote e-voting and e-voting during AGM' for access to NSDL e-Voting system and selecting the EVEN ("E-voting Event Number") for the Company's AGM. The facility to join the Meeting shall be kept open 30 minutes before the scheduled time of commencement of the Meeting. Shareholders are requested to join the Meeting by following the procedure given in this Notice.
5. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
6. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the Meeting. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.
7. Members may note that the VC / OAVM facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. Members who need assistance before or during the AGM, can

contact NSDL on [evoting@nsdl.com](mailto:evoting@nsdl.com) / 022 - 4886 7000 and 022 - 2499 7000 or contact Mr. Amit Vishal, Assistant Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL, at [evoting@nsdl.com](mailto:evoting@nsdl.com).

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

**PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:**

9. Members are encouraged to express their views / send their queries in advance with regard to the financial statements or any other matter being placed at the AGM from their registered email address, mentioning their name, Folio No./DP Id and Client Id and mobile number to [investorrelations@naperol.com](mailto:investorrelations@naperol.com) to enable smooth conduct of Meeting. Queries received by the Company on the aforementioned email ID by Thursday, December 14, 2023 5:00 P.M. IST will be considered and responded.
10. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending the request from their registered email address mentioning their name, Folio No./ DP Id and Client Id and mobile number at [investorrelations@naperol.com](mailto:investorrelations@naperol.com) on or before Thursday, December 14, 2023 5:00 P.M. IST. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
11. When a pre-registered speaker is invited to speak at the Meeting but does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/camera with good internet speed.
12. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

## Notice (Contd.)

### PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING AGM:

13. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 44 of Listing Regulations, SS-2 and MCA Circulars, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the AGM. For this purpose, the Company has appointed NSDL for facilitating remote e-voting and e-voting at the AGM.
14. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Thursday, December 14, 2023 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
15. Member holding share in physical form and non-individual Shareholders, who acquires shares of the Company and becomes Member of the Company after the notice is sent through e-mail and holding shares as on the cut-off date i.e. Thursday, December 14, 2023 may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 022 – 4886 7000 and 022 – 2499 7000. In case of Individual Shareholders holding shares in demat mode who acquires shares of the Company and becomes Member of the Company after Notice is sent through e-mail and holding shares as on cut-off date may follow steps mentioned in the Notice of the AGM under Step 1 "Access to NSDL e-Voting system".
16. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in order of names as per Register of Members will be entitled to vote.
17. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
18. The remote e-voting period commences on Monday, December 18, 2023 (9:00 a.m. IST) and ends on Wednesday, December 20, 2023 (5:00 p.m. IST). During this period, Members of the Company, holding shares in dematerialized form, as on the cut-off date may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
19. In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the AGM.

## Notice (Contd.)

20. The details of the process and manner for remote e-voting / e-voting and joining the AGM are explained herein below:





**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

A) Login method for e-voting and joining virtual meeting for Individual shareholders holding securities in demat mode In terms of SEBI circular dated December 09, 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "Login" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>

## Notice (Contd.)

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>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 users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting 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 or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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. NSDL and CDSL.

Login type	Helpdesk details
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 <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000 and 022 - 2499 7000
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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

## Notice (Contd.)

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.****How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password'

is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

## Notice (Contd.)

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/ Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [nilesh@ngshah.com](mailto:nilesh@ngshah.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 and 022 - 2499 7000 or send a request to Ms. Pallavi Mathre at [evoting@nsdl.com](mailto:evoting@nsdl.com).

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.

## Notice (Contd.)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide 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 [investorrelations@naperol.com](mailto:investorrelations@naperol.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [investorrelations@naperol.com](mailto:investorrelations@naperol.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote

e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system in the AGM.

3. Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**DECLARATION OF VOTING RESULTS:-**

21. The Company has appointed Mr. Nilesh Shah, (Membership No. FCS 4554) or failing him Mr. Mahesh Darji (Membership No. FCS 7175) or failing him Mrs. Hetal Shah (Membership No. FCS 8063) of M/s. Nilesh Shah & Associates, Practicing Company Secretaries as the Scrutiniser, Practising Company Secretaries, as the Scrutiniser to scrutinise the remote E-voting and E-voting process in a fair and transparent manner.
22. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote E-voting and E-voting and make, not later than two working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
23. The results declared along with the Scrutiniser's Report shall be placed on the Company's website - <https://www.naperol.com> and on NSDL's website - [https:// www.evoting.nsdl.com/](https://www.evoting.nsdl.com/) immediately.

**INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION**

24. As on record date for allotment of shares i.e. September 25, 2023, 27,413 equity shares of Demerged Company were lying with the Investor Education and Protection Fund Authority (IEPFA). The shares of Resulting Company issued to such shareholders of Demerged Company were also transferred to the IEPFA by the Company.
25. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will be, transferred to the IEPF as per Section 125 of the Act.

## Notice (Contd.)

### PROCEDURE FOR INSPECTION OF DOCUMENTS:-

26. All the documents referred to in the accompanying Notice of the 3rd AGM shall be available for inspection through electronic mode upto the date of AGM, basis the request sent to the Company at [investorrelations@naperol.com](mailto:investorrelations@naperol.com).
27. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection upon login at NSDL E-voting system at <https://www.evoting.nsdl.com/>.

### OTHER INFORMATION:

28. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify any change in information to Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.
29. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their Demat accounts.

30. Pursuant to the Scheme, the Company has issued shares in dematerialized form only. The shareholders who were holding shares in physical mode in the Demerged Company and not submitted their demat account details with the Company and/ or Registrar and Transfer Agent, their shares have been transferred to "NPL Chemicals Limited Suspense Escrow Demat Account". Such shareholders are requested to update details of their demat account along with the copy of their Client Master List (CML) with the Registrar and Transfer Agent of the Company at Link Intime India Private Limited Registrar and Share Transfer Agent, at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) and/or to the Company at [investorrelations@naperol.com](mailto:investorrelations@naperol.com).
31. All documents, transfers, dematerialization requests and other communications in relation thereto shall be addressed directly to the Company's Registrar and Share Transfer Agent.
32. Pursuant to the provisions of Listing Regulations, the Company is maintaining an email ID [investorrelations@naperol.com](mailto:investorrelations@naperol.com) exclusively for quick redressal of Members' / Investors' grievances.

By Order of the Board of Directors  
For **NPL Chemicals Limited**

**Heena Shah**

Company Secretary

Mumbai, November 27, 2023

ACS: 17872



## Notice (Contd.)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT") AND SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")****Item No. 4**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, on October 26, 2023, in terms of Section 161 of the Act and applicable Rules, read with Articles of Association of the Company, appointed Mr. Ness N. Wadia (DIN: 00036049) as an Additional Director (Non-Executive, Non-Independent) of the Company. Further, Mr. Ness Wadia is designated as the Chairman of the Board of Directors of the Company.

The Company has received a notice from a Member in writing under Section 160(1) of the Act, proposing his candidature for the office of Director. Mr. Ness N. Wadia once appointed will be liable to retire by rotation and will be subject to the Company's Policy on Retirement of Directors. He will receive sitting fees and remuneration as entitled to Non-Executive Directors.

The Company has also received from Mr. Ness N. Wadia (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified to act as a Director under Section 164(2) of the Act and (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority. The profile and specific areas of expertise of Mr. Ness N. Wadia are provided as Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Ness N. Wadia, to whom the resolution relates, is concerned or interested financially or otherwise in the proposed Resolution.

The Board recommends the resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

**Item No. 5**

Based on the recommendation of the Nomination and Remuneration Committee, the Board, on October 26, 2023, in terms of Section 161 of the Act and applicable Rules, read with Articles of Association of the Company, appointed Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067) as an Additional Director (Non-Executive, Non-Independent) of the Company.

The Company has received a notice from a Member in writing under Section 160(1) of the Act, proposing her candidature for the office of Director. Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067) once appointed will be liable to retire by rotation and will be subject to the Company's Policy on Retirement of Directors. She will receive sitting fees and remuneration as entitled to Non-Executive Directors.

The Company has also received from Dr. (Mrs.) Minnie Bodhanwala (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that she is not disqualified to act as a Director under Section 164(2) of the Act and (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority. The profile and specific areas of expertise of Dr. (Mrs.) Minnie Bodhanwala are provided as Annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Dr. (Mrs.) Minnie Bodhanwala, to whom the resolution relates, is concerned or interested financially or otherwise in the proposed Resolution.

The Board recommends the resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

**Item No. 6**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, on October 26, 2023, in terms of Section 161 of the Act and applicable Rules, read with Articles of Association of the Company, appointed Mr. Viraf Mehta (DIN: 00352598) as an Additional Non-Executive Independent Director w.e.f. October 26, 2023.

## Notice (Contd.)

He is proposed to be appointed as Independent Director with effect from October 26, 2023 for a term of 5 years subject to the approval of the Members of the Company.

Brief profile of Mr. Viraf Mehta, nature of his expertise in functional areas and names of companies in which he holds directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under applicable provisions of the Listing Regulations, is provided in Annexure to the Notice.

Mr. Viraf Mehta is not disqualified to be appointed as a Director and has submitted his consent for appointment as Independent Director as well as declarations to the effect that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of Listing Regulations and that he is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Viraf Mehta for the office of Director of the Company. He is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs. The Board is of the opinion that he possesses appropriate skills, experience and knowledge as required for the role of an Independent Director. The skills coupled with his rich experience will benefit the Company. In the opinion of the Board, Mr. Viraf Mehta fulfils the conditions for appointment as an Independent Director as specified in the Act read with Rules made thereunder and the Listing Regulations and Mr. Viraf Mehta is independent of the management of the Company.

During his tenure of appointment, Mr. Viraf Mehta shall not be liable to retire by rotation provided under Section 152(6) of the Act. Draft letter of appointment to be issued to Mr. Viraf Mehta setting out the terms and conditions of the appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an e-mail to [investorrelations@naperol.com](mailto:investorrelations@naperol.com).

In accordance with the provisions of Section 149 read with Schedule IV to the Act and other applicable provisions of the

Act read with provisions of Listing Regulations, appointment of Mr. Viraf Mehta as an Independent Director requires approval of Members of the Company.

Further, in terms of Regulation 25(2A) of Listing Regulations, appointment of Mr. Viraf Mehta as an Independent Director requires approval of Members of the Company by passing a special resolution.

Accordingly, approval of Members is hereby sought for appointment of Mr. Viraf Mehta for a term of 5 consecutive years commencing from October 26, 2023 upto October 25, 2028.

Considering the above and pursuant to recommendation of the Nomination and Remuneration Committee, the Board recommends passing the Special Resolution set out at Item No. 6 of the Notice for approval of the Members.

Except Mr. Viraf Mehta, none of the other Directors or Key Managerial Personnel(s) of the Company and/ or their relatives are in any way, concerned or interested financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

### Item No. 7

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, on October 26, 2023, in terms of Section 161 of the Act and applicable Rules, read with Articles of Association of the Company, appointed Ms. Parvathi Menon (DIN: 02874749) as an Additional Non-Executive Independent Director w.e.f. October 26, 2023. She is proposed to be appointed as Independent Director with effect from October 26, 2023 for a term of 5 years subject to the approval of the Members of the Company.

Brief profile of Ms. Parvathi Menon, nature of her expertise in functional areas and names of companies in which she holds directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under applicable provisions of the Listing Regulations, is provided in Annexure to the Notice.

Ms. Parvathi Menon is not disqualified to be appointed as a Director and has submitted her consent to for appointment as Independent Director as well as declarations to the effect that she meets with the criteria of independence as

## Notice (Contd.)

prescribed under sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of Listing Regulations and that she is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Ms. Parvathi Menon for the office of Director of the Company. She is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

The Board is of the opinion that she possesses appropriate skills, experience and knowledge as required for the role of an Independent Director. The skills coupled with her rich experience will benefit the Company. In the opinion of the Board, Ms. Parvathi Menon fulfils the conditions for appointment as an Independent Director as specified in the Act read with Rules made thereunder and the Listing Regulations and Ms. Parvathi Menon is independent of the management of the Company.

During her tenure of appointment, Ms. Parvathi Menon shall not be liable to retire by rotation provided under Section 152(6) of the Act. Draft letter of appointment to be issued to Ms. Parvathi Menon setting out the terms and conditions of the appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an e-mail to [investorrelations@naperol.com](mailto:investorrelations@naperol.com).

In accordance with the provisions of Section 149 read with Schedule IV to the Act and other applicable provisions of the Act read with provisions of Listing Regulations, appointment of Ms. Parvathi Menon as an Independent Director requires approval of Members of the Company.

Further, in terms of Regulation 25(2A) of Listing Regulations, appointment of Ms. Parvathi Menon as an Independent Director requires approval of Members of the Company by passing a special resolution.

Accordingly, approval of Members is hereby sought for appointment of Ms. Parvathi Menon for a term of 5 consecutive years commencing from October 26, 2023 upto October 25, 2028.

Considering the above and pursuant to recommendation of the Nomination and Remuneration Committee, the Board

recommends passing the Special Resolution set out at Item No. 7 of the Notice for approval of the Members.

Except Ms. Parvathi Menon, none of the other Directors or Key Managerial Personnel(s) of the Company and/ or their relatives are in any way, concerned or interested financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

### Item No. 8

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, on November 20, 2023, in terms of Section 161 of the Act and applicable Rules, read with Articles of Association of the Company, appointed Mr. Jaivir Singh (DIN: 01362930) as an Additional Non-Executive Independent Director w.e.f. November 20, 2023. He is proposed to be appointed as Independent Director with effect from November 20, 2023 for a term of 5 years subject to the approval of the Members of the Company.

Brief profile of Mr. Jaivir Singh, nature of his expertise in functional areas and names of companies in which he holds directorship and membership / chairmanship of Board Committees, shareholding and relationship between directors inter-se as stipulated under applicable provisions of the Listing Regulations, is provided in Annexure to the Notice.

Mr. Jaivir Singh is not disqualified to be appointed as a Director and has submitted his consent for appointment as Independent Director as well as declarations to the effect that he meets with the criteria of independence as prescribed under sub-section (6) of section 149 of the Act and Regulation 16(1)(b) of Listing Regulations and that he is not debarred from holding the office of director by virtue of any order from Securities and Exchange Board of India ("SEBI") or any such authority. The Company has received a notice in writing from a Member under Section 160 of the Act proposing the candidature of Mr. Jaivir Singh for the office of Director of the Company. He is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

The Board is of the opinion that he possesses appropriate skills, experience and knowledge as required for the role

## Notice (Contd.)

of an Independent Director. The skills coupled with his rich experience will benefit the Company. In the opinion of the Board, Mr. Jaivir Singh fulfils the conditions for appointment as an Independent Director as specified in the Act read with Rules made thereunder and the Listing Regulations and Mr. Jaivir Singh is independent of the management of the Company.

During his tenure of appointment, Mr. Jaivir Singh shall not be liable to retire by rotation provided under Section 152(6) of the Act. Draft letter of appointment to be issued to Mr. Jaivir Singh setting out the terms and conditions of the appointment is available for inspection by the Members electronically. Members seeking to inspect the same can send an e-mail to [investorrelations@naperol.com](mailto:investorrelations@naperol.com).

In accordance with the provisions of Section 149 read with Schedule IV to the Act and other applicable provisions of the Act read with provisions of Listing Regulations, appointment of Mr. Jaivir Singh as an Independent Director requires approval of Members of the Company.

Further, in terms of Regulation 25(2A) of Listing Regulations, appointment of Mr. Jaivir Singh as an Independent Director requires approval of Members of the Company by passing a special resolution.

Accordingly, approval of Members is hereby sought for appointment of Ms. Mr. Jaivir Singh for a term of 5 consecutive years commencing from November 20, 2023 upto November 19, 2028.

Considering the above and pursuant to recommendation of the Nomination and Remuneration Committee, the Board recommends passing the Special Resolution set out at Item No. 8 of the Notice for approval of the Members.

Except Mr. Jaivir Singh, none of the other Directors or Key Managerial Personnel(s) of the Company and/ or their relatives are in any way, concerned or interested financially or otherwise in the said resolution, except to the extent of their shareholding, if any, in the Company.

### Item No. 9

Section 197 of the Act permits the payment of remuneration to a director who is neither a whole-time director nor a managing director of a Company, by way of commission not exceeding one percent of the net profits of the Company (if there is a managing or whole-time director) and three percent of the net profits (in any other case).

In view of the increased demands on non-executive directors' participation in Board and Committee meetings and the higher responsibilities they are expected to bear in the interest of higher level of excellence in corporate governance on account of statutory and regulatory changes, it is proposed to pay such commission to the non-executive directors. This remuneration will be distributed amongst all or some of the Directors in accordance with the directions given by the Board.

Pursuant to the Companies (Amendment) Act, 2020, read with rules made thereunder, if a Company fails to make profits or makes inadequate profits in a financial year, any non-executive director of such Company, including an independent director, may be paid remuneration in accordance with Schedule V of the Act within the prescribed limits as specified under section 197.

The above payment to non-executive directors will be in addition to the sitting fees payable to them for attending Board/committee meetings.

None of the Directors/key managerial personnel and/or their relatives, except the concerned non-executive director are directly or indirectly concerned or interested, financially or otherwise, except to the extent of remuneration that may be received by them and their respective shareholding, if any, in the Company, in the resolution set out in Item No. 9 of the Notice.

The Board recommends the Ordinary Resolution set out in Item no. 9 for approval of the Members.

### Item No. 10

The Board of Directors, at its Meeting held on September 25, 2023, approved the appointment of M/s D. C. Dave & Co., Cost Accountants having Firm Registration Number 000611, as Cost Auditors of the Company for conducting the audit of the cost records of the Company, for the Financial Year ending March 31, 2024, at a remuneration of ₹ 5,00,000 (Rupees Five lakhs only) plus applicable taxes and out-of-pocket expenses.

D. C. Dave & Co., Cost Accountants, Mumbai have confirmed that they are eligible to be appointed as Cost Auditors of the Company and hold a valid certificate of practice under Section 6(1) of the Cost and Works Accountants Act, 1959.

Pursuant to section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company

## Notice (Contd.)

are required to ratify the remuneration to be paid to the cost auditors of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for conducting the audit of the cost records of the Company for the Financial Year ending March 31, 2024.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 10 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No 10 of the Notice for approval of the Members.

## ANNEXURE TO THE NOTICE

Brief resume and other details of Director(s) proposed to be appointed as Director as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2")

Particulars	Details of Directors		
	1) Mr. Ness N. Wadia	2) Dr. (Mrs.) Minnie Bodhanwala	3) Mr. Rajiv Arora
DIN	00036049	00422067	08730235
Date of Birth	May 30, 1971	January 13, 1963	May 04, 1963
Age	52	60	60
Qualifications	(M.Sc.) of Engineering Management	BDS, MBA, MHA, TQM, FCR, PGQMAHO, FISQUA Green Belt - Six Sigma; Principal Assessor, NABH ISO Auditor 9001, 14001	Chemical Engineer (BE)
Experience (including expertise in specific functional area)/ Brief Resume	<p>Mr. Ness N. Wadia is currently the Chairman of the Company and was inducted as a Non-Executive Director in March 1997. He currently serves as Managing Director of The Bombay Burmah Trading Corporation, Limited and Director on Boards of Wadia Group companies including The Bombay Dyeing and Manufacturing Company Limited and Britannia Industries Limited.</p> <p>As Trustee of Sir Ness Wadia Foundation and Britannia Nutrition Foundation, he drives the Group's efforts in bridging the socio-economic gap that exists in the society and carrying forward the foundation's commitment towards addressing the intergenerational cycle of malnutrition and improving the health and nutritional well-being of children, adolescents and expectant/new mothers.</p> <p>Mr. Wadia is Secretary of Modern Education Society, Pune, whose objective is to establish and run educational institutions, encourage, promote, advance and impart literacy, education and training in various streams.</p> <p>He is also overseeing the family's tradition of providing housing to the needy through Wadia Baugs which are managed under the aegis of Nowrosjee Nusserwanjee Wadia Trust and the Rustomji Nowrosjee Wadia Trust.</p> <p>As a Board Member of Wadia Hospitals, he has played an important role in bringing a positive transformation at Wadia Hospitals. As a result of its relentless pursuit of excellence, Wadia Hospitals now hosts the world's largest and 155-bedded NICU in Asia; the Pediatric hospital with 450 beds, caters to more than 30 super-specialty services, thus providing comprehensive treatment to children under one roof.</p> <p>Mr. Wadia is also a Board Member of School for Social Entrepreneurs India, whose mission is to address inequalities and social exclusion by supporting social entrepreneurs from all backgrounds to transform their talent into real social outcomes.</p> <p>Mr. Wadia did his Master's degree in Science (M.Sc.) of Engineering Management from the University of Warwick with a thesis titled "Leading to Success in India".</p> <p>He is also a co-owner of Punjab Kings and St Lucia Zouks - prominent cricket teams in the Indian Premier League and Caribbean Premier League, respectively.</p>	<p>Dr. (Mrs.) Minnie Bodhanwala, is presently working as Chief Executive Officer at Nowrosjee Wadia Maternity Hospital and Bai Jerbai Wadia Hospital for Children, Parel, Mumbai. Under her leadership the Wadia Hospitals have won 21 prestigious awards in a span of one year. Dr. Bodhanwala was honoured with more than 40 awards, which include various prestigious awards like the "International Award in Healthcare" by the Thai Chamber of Commerce, Bangkok; "Global Award for Sustainable Healthcare Models with Revenue Turnover", Dubai; "Leading Business Women of the Year" by iiGlobal, Mumbai; Life Time Achievement Award in Healthcare by National Excellence Awards 2015. She is highly motivated, pro-active passionate individual holding a rich enormous experience of over 36 years with exceptional liaison, teamwork, leadership and organizational abilities to thrive in a fast-paced, results-oriented business environment. With an entrepreneurial spirit to foresee potential growth with a strong background of crisis management in Healthcare for Brownfield and Greenfield projects and also a Six Sigma Green Belt Expert.</p>	<p>Mr. Rajiv Arora is a Chemical Engineer (BE) from Birla Institute of Technology and Science, Pilani and MBA (Marketing &amp; Operations) from Indian Institute of Management, Bangalore.</p> <p>Mr. Arora has vast experience of over 35 years, in diverse industries including a stint of 2 years in Germany. He has been associated with National Peroxide Limited as CEO and Executive Director, since 2020. He was associated as a President &amp; Business Head with Shriram Axial Private Limited (a 50:50 Joint Venture between DCM Shriram Limited and Westlake Chemicals Corporation, USA) from 2014 till 2020. He has been associated with DCM Shriram Group since 2002 and prior to that, he has worked for 17 years with companies like Ester Industries Limited, Ester Europe GmbH, SRF Limited, Modipon Fibres Limited and Grasim Industries Limited.</p>

## Annexure to The Notice (Contd.)

Particulars	Details of Directors		
	1) Mr. Ness N. Wadia	2) Dr. (Mrs.) Minnie Bodhanwala	3) Mr. Rajiv Arora
Terms and Conditions of appointment	Appointment of Mr. Ness N. Wadia as Non-Executive Director of the Company liable to retire by rotation	Appointment of Dr. (Mrs.) Minnie Bodhanwala as Non-Executive Director of the Company liable to retire by rotation	Re-appointment due to retire by rotation of Mr. Rajiv Arora as CEO & Director on the same terms and conditions as approved by the Members of the Company at their Extra-ordinary General Meeting held on September 26, 2023.
Remuneration last drawn (including sitting fees, if any)	Nil	Nil	₹ 293.14 lakhs
Remuneration proposed to be paid	As a Non-Executive Director, Mr. Ness N. Wadia is entitled to commission in addition to sitting fees for attending the Meetings.	As a Non-Executive Director, Dr. (Mrs.) Minnie Bodhanwala is entitled to commission in addition to sitting fees for attending the Meetings.	The remuneration payable to Mr. Rajiv Arora as CEO & Director of the Company is same as approved by the Members of the Company at their Extra-ordinary General Meeting held on September 26, 2023.
Date of first appointment on the Board	October 26, 2023	October 26, 2023	September 25, 2023
Shareholding in the Company as on the date of Notice	4,600 equity shares	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel(s)	Not related to any other Director/Key Managerial Personnel(s) of the Company.	Not related to any other Director/Key Managerial Personnel(s) of the Company.	Not related to any other Director/Key Managerial Personnel(s) of the Company.
Number of meetings of the Board attended during the financial year (2022-2023)	Not applicable	Not applicable	Not applicable

Annexure to The Notice (Contd.)

Particulars	Details of Directors		
	1) Mr. Ness N. Wadia	2) Dr. (Mrs.) Minnie Bodhanwala	3) Mr. Rajiv Arora
Directorships of other Boards as on the date of Notice (excluding NPL Chemicals Limited)	<p><b>Public Companies</b></p> <ul style="list-style-type: none"> <li>The Bombay Dyeing &amp; Manufacturing Company Limited</li> <li>The Bombay Burmah Trading Corporation Limited</li> <li>Britannia Industries Limited</li> <li>National Peroxide Limited</li> <li>Go Airlines (India) Limited</li> </ul> <p><b>Private Companies</b></p> <ul style="list-style-type: none"> <li>Virtual Education Network Private Limited</li> <li>K.P.H. Dream Cricket Private Limited</li> <li>Go Investments &amp; Trading Private Limited</li> <li>Nitapo Holdings Private Limited</li> </ul> <p><b>Foreign Companies</b></p> <ul style="list-style-type: none"> <li>Island Horti-Tech Holdings Pte. Limited</li> <li>Leila Lands SB, Malaysia</li> <li>Island Landscape &amp; Nursery Pte Limited</li> <li>Strategic Foods International Co. (LLC), Dubai</li> </ul> <p><b>Section 8 Companies</b></p> <ul style="list-style-type: none"> <li>School for Social Entrepreneurs India</li> <li>Nammyoho Daan Foundation</li> <li>Patricia Keelan Foundation</li> </ul>	<p><b>Public Companies</b></p> <ul style="list-style-type: none"> <li>The Bombay Dyeing &amp; Manufacturing Company Limited</li> <li>The Bombay Burmah Trading Corporation Limited</li> <li>National Peroxide Limited</li> <li>Axel Polymers Limited</li> </ul>	<p><b>Public Companies</b></p> <ul style="list-style-type: none"> <li>National Peroxide Limited</li> </ul>



## Annexure to The Notice (Contd.)

Particulars	Details of Directors		
	1) Mr. Ness N. Wadia	2) Dr. (Mrs.) Minnie Bodhanwala	3) Mr. Rajiv Arora
Membership/ Chairmanship of Committee of other Boards as on the date of notice	<p><b>Britannia Industries Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Corporate Social Responsibility Committee – Chairman</li> <li>Nomination and Remuneration Committee – Member</li> <li>Finance Committee – Member</li> <li>Strategy and Innovation Steering Committee – Member</li> </ul> <p><b>Go Airlines (India) Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Stakeholders' Relationship Committee – Member</li> <li>Corporate Social Responsibility Committee – Member</li> <li>Finance Committee – Member</li> </ul> <p><b>The Bombay Dyeing &amp; Manufacturing Company Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Corporate Social Responsibility Committee – Chairman</li> <li>Strategic Committee – Member</li> <li>Rights Issue Committee – Member</li> </ul> <p><b>The Bombay Burmah Trading Corporation Limited</b></p> <ul style="list-style-type: none"> <li>Stakeholders' Relationship Committee – Member</li> <li>Risk Management Committee – Member</li> <li>Corporate Social Responsibility Committee – Member</li> </ul> <p><b>National Peroxide Limited</b></p> <ul style="list-style-type: none"> <li>Nomination and Remuneration Committee – Member</li> <li>Corporate Social Responsibility Committee – Chairman</li> </ul>	<p><b>The Bombay Dyeing &amp; Manufacturing Company Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Stakeholders Relationship Committee – Member</li> <li>Risk Management Committee – Member</li> <li>Corporate Social Responsibility Committee – Member</li> </ul> <p><b>The Bombay Burmah Trading Corporation Limited.</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> <li>Stakeholder Relationship Committee – Chairman</li> <li>Corporate Social Responsibility Committee – Chairman</li> </ul> <p><b>National Peroxide Limited</b></p> <ul style="list-style-type: none"> <li>Audit Committee – Member</li> </ul> <p><b>Axel Polymers Limited</b></p> <ul style="list-style-type: none"> <li>Stakeholder Relationship Committee – Member</li> <li>Nomination &amp; Remuneration Committee – Member</li> </ul>	<p><b>National Peroxide Limited</b></p> <ul style="list-style-type: none"> <li>Stakeholders Relationship Committee – Member</li> <li>Risk Management Committee – Member</li> <li>Restructuring Compliance Committee – Member</li> </ul>
Listed entities from which the Director has resigned in the past 3 years	Not applicable	Not applicable	Not applicable

## Annexure to The Notice (Contd.)

Particulars	Details		
	4) Mr. Viraf Mehta	5) Ms. Parvathi Menon	6) Mr. Jaivir Singh
DIN	00352598	02874749	01362930
Date of Birth	September 17, 1954	May 22, 1974	May 19, 1980
Age	69	49	43
Qualifications	Bachelor of Commerce from the Mumbai University, and Fellow Member of The Institute of Chartered Accountants of India (ICAI).	Master's in Communication from the Hyderabad Central University and alumnus of the Management Program for Women Entrepreneurs at IIM Bangalore	Marketing & Advertising (BA) (NC), 2001 to 2002 to LCP, London, UK.
Experience (including expertise in specific functional area) / Brief Resume	<p>Mr. Viraf Mehta has more than 40 years of experience in Audit, Assurance and Business Advisory Services. He was the Managing Partner of Kalyaniwalla &amp; Mistry, Chartered Accountants, a member firm of Mazars in India up to March 31, 2014 and of Kalyaniwalla Mistry Associates, Chartered Accountants up to March 31, 2018. His professional experience includes handling special assignments for a wide spectrum of clients in different services and industries.</p> <p>He has also handled assignments relating to special audits and investigations on behalf of the Reserve Bank of India, Securities Exchange Board of India and on behalf of the Special Court set up under the Trial of Offences Relating to Transactions in Securities Act, 1992. He has been on the Board of Directors of some companies and a Bank and was a member on the committees of the Bombay Chamber of Commerce and of the ICAI as an invitee.</p>	<p>Ms. Parvathi Menon is currently the Principal Learning Partner, Corporate Learning, at Harvard Business Publishing. She has been the Founder, Managing Director of Innovation Alchemy Consulting Private Limited, a lead Indian firm in strategic Innovation facilitation and the Founder &amp; CEO of Fresh Harvest Private Limited, a sustainable agriculture enterprise. She also chairs the Board of School for Social Entrepreneurs, India and is actively involved in mentoring small business entrepreneurs in the early stages of enterprise development.</p> <p>Ms. Parvathi has been an empaneled Facilitator for Harvard Business Publishing (HBP) in India for over 8 years and has led the facilitation of several HBP leadership development programs for corporate leadership on behalf of HBP across India, Middle East and Southeast Asia</p> <p>Ms. Parvathi combines a deep research interest in the innovation mindset necessary for leaders in today's business world, combined with a practitioner's experience in building business ventures. With over 28 years of experience, she has built a repertoire of knowledge in designing and facilitating innovation adoption for leaders and teams working on complex challenges. Her facilitation has covered a wide range of contexts in both business and social impact projects, including rural livelihood generation, rural-urban market linkages, urban transformation, smart city development, water, healthcare, sanitation and sustainable agriculture solutions. She has designed and led large innovation facilitation programs for clients such as the Marico Innovation Foundation, Bloomberg Philanthropies, the World Bank Group, DFID and ITC eChoupal amongst others.</p>	<p>Mr. Jaivir Singh serves as the Vice Chairman of the PwC India Foundation, as also Advisor to the Chairman of PwC in India and Managing Director in PwC India. He is a serving member of the Global Corporate Sustainability Board of the PwC Network and leads the Global Office for Humanitarian Affairs (GOHA) for PwC International.</p> <p>He has also from 2008 to 2011, been the Advisor to the Dean of the Fuqua School of Business (Duke University) where he supported the creation and execution of the universities India entry strategy.</p> <p>Outside of PwC, Mr. Jaivir Singh serves as a trustee on the board of Humentum, a global non-profit working with humanitarian and development organizations to improve how they operate. He continues to spend some time with the family business, where he drives Marketing and Strategy for Impact Projects Private Limited, a real estate development company operating in Northern India, and is also involved in the Nanhi Chhaan Foundation, a not-for-profit institution set up by his family to address development issues relating to the Girl Child and Women. Mr. Singh did his schooling from the Doon School and then went for Further studies in Marketing &amp; Advertising (BA) (NC), 2001 to 2002 to LCP, London, UK.</p>

## Annexure to The Notice (Contd.)

Particulars	Details		
	4) Mr. Viraf Mehta	5) Ms. Parvathi Menon	6) Mr. Jaivir Singh
Terms and Conditions of appointment	Refer Item No. 6 of the Notice and Explanatory Statement.	Refer Item No. 7 of the Notice and Explanatory Statement.	Refer Item No. 8 of the Notice and Explanatory Statement.
Remuneration last drawn (including sitting fees, if any)	Nil	Nil	Nil
Remuneration proposed to be paid	As a Non-Executive Independent Director, Mr. Viraf Mehta is entitled to commission in addition to sitting fees for attending the Meetings.	As a Non-Executive Independent Director, Ms. Parvathi Menon is entitled to commission in addition to sitting fees for attending the Meetings.	As a Non-Executive Independent Director, Mr. Jaivir Singh is entitled to commission in addition to sitting fees for attending the Meetings.
Date of first appointment on the Board	October 26, 2023	October 26, 2023	November 20, 2023
Shareholding in the Company as on the date of Notice	Nil	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel(s)	Not related to any other Director/Key Managerial Personnel(s) of the Company.	Not related to any other Director/Key Managerial Personnel(s) of the Company.	Not related to any other Director/Key Managerial Personnel(s) of the Company.
Number of meetings of the Board attended during the financial year (2022-2023)	Not applicable	Not applicable	Not applicable
Directorships of other Boards as on the date of Notice (excluding NPL Chemical Limited)	<ul style="list-style-type: none"> <li>• National Peroxide Limited</li> <li>• Godrej Infotech Limited</li> <li>• Unit Trust of India Investment Advisory Services Limited</li> <li>• Sattva Holding and Trading Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• National Peroxide Limited</li> <li>• School for Social Entrepreneurs India</li> <li>• Fresh Harvest Private Limited</li> <li>• Innovation Alchemy Consulting Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>• HSJ Investments and Holdings Private Limited</li> <li>• Impact Hills Development Private Limited</li> <li>• Impact Sare Magnum Townships Private Limited</li> </ul>

Annexure to The Notice (Contd.)

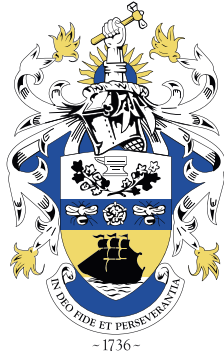
Particulars	Details		
	4) Mr. Viraf Mehta	5) Ms. Parvathi Menon	6) Mr. Jaivir Singh
Membership/ Chairmanship of Committee of other Boards as on the date of notice	<p><b>National Peroxide Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> <li>• Stakeholders' Relationship Committee – Member</li> <li>• Nomination and Remuneration Committee – Member</li> <li>• Corporate Social Responsibility Committee – Member</li> <li>• Risk Management Committee - Member</li> <li>• Restructuring Compliance Committee – Chairman</li> </ul> <p><b>Sattva Holding and Trading Private Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Nomination and Remuneration Committee – Member</li> </ul> <p><b>Godrej Infotech Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee – Member</li> <li>• Nomination and Remuneration Committee – Chairman</li> <li>• Corporate Social Responsibility Committee – Member</li> </ul> <p><b>The Zoroastrian Co-operative Bank Limited</b></p> <ul style="list-style-type: none"> <li>• Audit Committee – Chairman</li> </ul>	-	-
Listed entities from which the Director has resigned in the past 3 years	Nil	Nil	Nil

## INFORMATION AT A GLANCE

Particulars	Details
Date of AGM	Thursday, December 21, 2023
Time of AGM	12:00 noon (IST)
Venue	Video Conference ('VC') / Other Audio-Visual Means ('OAVM')
Weblink for Members to participate in the AGM through Video Conference	<a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>
Service Provider for VC / OAVM Platform and remote e-Voting / e-Voting during the AGM	National Securities Depository Limited
EVEN	127226
Final Dividend	₹ 17.50/- per equity share having face value of 10 each (i.e., 175%) subject to approval of Members at this AGM
Record Date for Final Dividend	Thursday, December 14, 2023
Remote e-Voting start time and date	Monday, December 18, 2023 at 9:00 a.m. (IST)
Remote e-Voting end time and date	Wednesday, December 20, 2023 at 5:00 p.m. (IST)
Cut-off date for e-Voting	Thursday, December 14, 2023
Weblink for Members to initiate remote e-Voting	<a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a>
Name, address and contact details of Service Provider	<p><b>National Securities Depository Limited</b> 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.</p> <p><b>Mr. Amit Vishal</b> Assistant Vice President</p> <p><b>Ms. Pallavi Mhatre</b> Senior Manager Email ID: <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> Contact Nos.: 022 - 4886 7000 and 022 - 2499 7000</p>
Name, address and contact details of Registrar and Transfer Agents	<p><b>Link Intime India Private Limited</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 Email ID: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> Contact No.: +91 81081 16767 Website: <a href="https://linkintime.co.in/">https://linkintime.co.in/</a></p>
Name, address and contact details of Company Secretary	<p><b>CS Heena Shah</b> <b>NPL Chemicals Limited</b> Island City Centre, G. D. Ambekar Marg, Dadar East, Mumbai 400014. Email ID: <a href="mailto:investorrelations@naperol.com">investorrelations@naperol.com</a> Contact No.: 022-61010515</p>







## THE WADIA GROUP

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia Group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses. The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill.

The sun that surrounds the hand stands for global recognition and merit.

The motto, IN DEO FIDE ET PERSEVERANTIA means 'Trust in God and Perseverance'.

[www.wadiagroup.com](http://www.wadiagroup.com)



**NPL Chemicals Limited**

**Registered Office:**

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Ballard Estate, Mumbai-400001

[www.naperol.com](http://www.naperol.com)