MANAGEMENT SYSTEM CERTIFICATION
DNV·GL
ISO 9001 = ISO 14001
OHSAS 45001 = ISO 50001
RC 14001

NPL®

National Peroxide Limited

CIN : L24299MH1954PLC009254

RESPONSIBLE CARE®
OUR COMMITMENT TO SUSTAINABILITY

REGISTERED OFFICE : NEVILLE HOUSE, J. N. HEREDIA MARG, BALLARD ESTATE, MUMBAI - 400 001.

August 22, 2022

BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001.

Kind Attn: Department of Corporate Services
(Scrip Code – 500298)

Dear Sirs,

Sub.: Notice of 68th Annual General Meeting ('AGM') along with Annual Report for the financial year 2021-22

Ref.: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

Pursuant to Regulation 34 and other applicable provisions of the Listing Regulations, please find enclosed herewith the Notice of 68th AGM along with Annual Report for the financial year 2021-22. The 68th AGM of the Company is scheduled to be held on Tuesday, September 13, 2022 at 4:00 p.m. (IST) through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM').

In compliance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India, the Notice of 68th AGM along with Annual Report for the financial year 2021-22 have been sent through electronic mode to all the Members whose email addresses are registered with the Company / Depository Participant(s).

The same is also available on the website of the Company at www.naperol.com.

This is for your information and records.

Thanking you,

Yours Faithfully,
For National Peroxide Limited

H.N. Shah

CS Heena Shah
Company Secretary

NATIONAL PEROXIDE LTD.

Encl: As above

Correspondence to be addressed to :
Head Office : C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025.
Tel. : +91-22-66620000 • Fax : +91-22-24314709 • Email : npl@naperol.com • Website : www.naperol.com

National Peroxide Limited

Creating Value.

Specialising in a commodity space

Annual Report 2021-22

Index

Please find our online version at:
http://naperol.com/AnnualReport

or, scan this QR code

Disclaimer:

This document contains statements about expected future events and financials of National Peroxide 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 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 Integrated Report.

Creating Value.

Specialising in a commodity space

The Company specializes in its commodity sector in order to stand out in the product industry. National Peroxide Limited (NPL), with the ultimate purpose of creating value for its stakeholders, has been adapting and upgrading itself throughout the years to be a pioneer in India for Peroxygen chemicals.

With an installed capacity of 1,50,000 MTPA, NPL is a leading Indian Hydrogen Peroxide producer. The Company has excelled in carving out a space for itself by utilising its creativity, modernizing its processes, and concentrating on market prospects. The Company has always focused on innovation through adaptation in its commodity segment and has a reputation of providing the highest quality backed by solid R&D activities.

Thus, by specializing in the commodities market, NPL has been generating value for its stakeholders and abiding by the theme "Creating Value. Specialising in a Commodity Space".

₹ 22,541 Lakhs
Revenue

₹ 3,371 Lakhs
EBIDTA

₹ 509 Lakhs
PAT

*All figures are on standalone basis for financial year 2021-22

Vision

To be a leading, sustainable, chemicals manufacturing Company locally and globally, generating value for all stakeholders, by offering differentiated products and solutions.

The Wadia Group

The Wadia Group is one of the oldest conglomerates in India with presence in several diversified industries, including FMCG, real estate, textiles, chemicals, aviation and food processing. Four companies in the Wadia Group, which form part of Group Companies, are listed on Indian Stock Exchanges, including Britannia (a 102-year-old Company in FMCG that is in the Nifty 50 index), Bombay Burmah (a 150-year-old Company in tea and other businesses), Bombay Dyeing (a 140-year-old Company in textiles and real estate) and National Peroxide Limited (a 68 year-old Company in manufacturing of Hydrogen Peroxide).

Driven by the vision to excel, the Wadia Group has scaled heights in the field of entrepreneurship. Committed to advancement and innovation, the Wadia Group endeavors to reinvent and set fresh standards of quality. Standing firm on a century-old foundation of goodwill and trust, the Wadia Group is surging ahead in various enterprises and venturing into new avenues of creation and knowledge.

The Wadia Group recognizes that the social, environmental and governance factors can impact the larger community as well as the long-term sustainability of companies and businesses. It continuously confirms its commitment and dedication as a responsible corporate citizen by supporting efforts that build people and communities through Housing, Education, Healthcare and Research. The Wadia Group is committed to rebuilding lives and livelihoods that are devastated by major natural disasters.

Mission

To create, maximize and sustain long-term shareholder value.

Values

Our values have guided our path to success over the last three centuries. These values are the foundation of our organizational culture and regulate the contours of our day-to-day interaction with each other.

Our values ensure we govern through a culture of Integrity, Excellence, Respect, Teamwork and Trust.

The Wadia Group Companies

GO FIRST — YOU COME FIRST

Bombay Dyeing

BOMBAY REALTY — A BETTER LIFE

WADIA Te — Wadia Techno-Engineering

NPL — National Peroxide Limited

Bombay Burmah

BRITANNIA

National Peroxide at a Glance

National Peroxide Limited (NPL) was founded in 1954 as a public limited Company by Wadia Group, listed on Bombay Stock Exchange, India. With an installed capacity of 1,50,000 MTPA on a 50% w/w basis, NPL is the largest manufacturer of Hydrogen Peroxide in India. We have built strong client connections, supported by our strong technological competence, cutting-edge production facilities, and high-quality solutions. At its most sophisticated and state-of-the-art factory near Kalyan, Maharashtra, international standard Hydrogen Peroxide is manufactured using auto-oxidation technique.

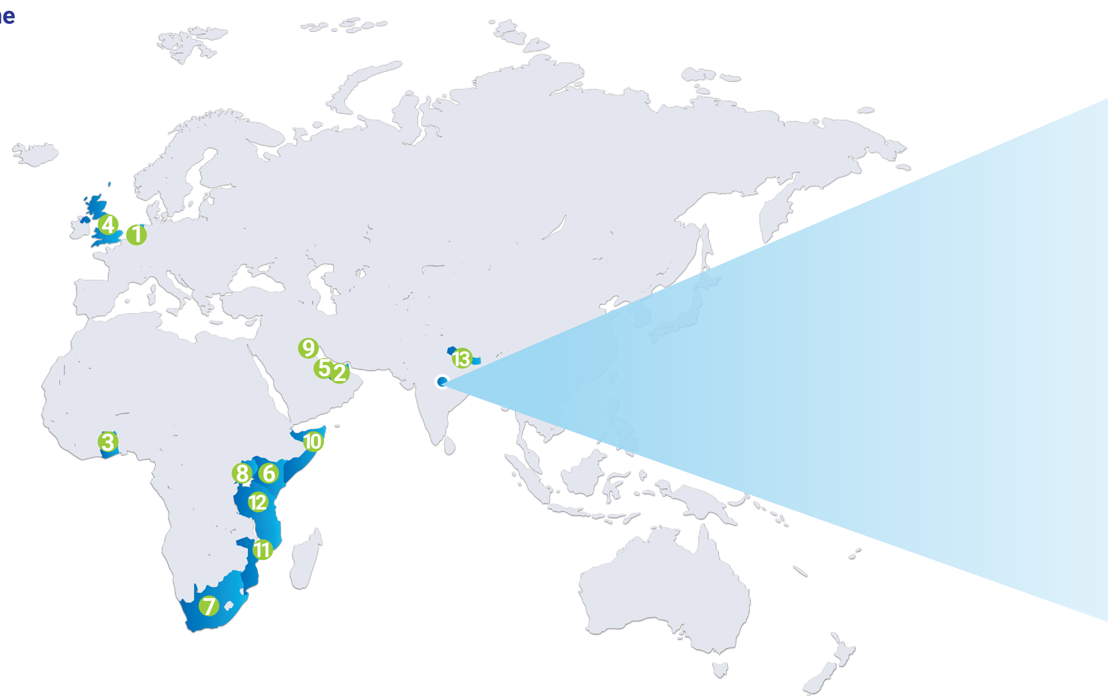
Furthermore, in order to unlock the value of each of the businesses for the shareholders of the Company, attracting investors and providing better flexibility in accessing capital greater value to our stakeholders, the Company is going through composite scheme of arrangement by demerging the Company's chemical business into NPL Chemicals Ltd., a wholly-owned subsidiary Company and amalgamating Naperol Investments Limited, wholly-owned subsidiary Company which is engaged in the business of long-term investments and corporate lending. The goal of this reorganization is to separate distinct Companies with varying risk and return characteristics.

Our Geographical Reach

We are a global supplier of Hydrogen Peroxide, Peracetic Acid, and Compressed Hydrogen Gas. Expanding our reach globally enables us to deliver superior quality products to our global clientele, strengthen our business landscape and unlock profitable opportunities.

Export of Hydrogen Peroxide to the following countries:

1. Belgium
2. U.A.E.
3. Ghana
4. U.K.
5. Qatar
6. Kenya
7. South Africa
8. Uganda
9. Kuwait
10. Somalia
11. Mozambique
12. Tanzania
13. Nepal



Disclaimer: This map is a generalized illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Hydrogen Peroxide

It is commonly used as a cleaning agent and as an antiseptic to prevent infections. Paper and pulp industry, chemical production, textile industry, water treatment, home care, cosmetics etc. are the other end users for this chemical.

Peracetic Acid

It has wide variety of applications as a chemical disinfectant in healthcare, sanitizer in food industry and disinfectant during water treatment. It finds widespread use in a variety of other industries, including food and beverage, water treatment, healthcare, and pulp and paper due to its advantages.

Compressed Hydrogen Gas

It is used for hydrogenation of fats and oils in steel industry, as a propellant in other industries and space programmes. It is also finding increased usage in zero-emission vehicles.

1,50,000 MTPA

Capacity

Downstream Industry Applications

- Paper & Pulp
- Cosmetics
- Sugar
- Pharmaceuticals
- Metallurgy
- Textile
- Chemical Synthesis
- Water & Effluent Treatment

Creating Value Over the Years

We, at NPL, have witnessed a remarkable journey since our inception in 1954, as an illustration of the distinguished Wadia Group. Following our transformation into a listed organization, we have marvelled in terms of improving our capabilities and reputation to provide our clients with the highest-quality products. We have continuously worked to advance as a leading producer of Hydrogen Peroxide in India, and our firm intention is to hold onto this well-earned position of leadership with the utmost proficiency.

Inception and beyond

- Incorporated on March 16, 1954 in Mumbai
- Built the first electrolytic Hydrogen Peroxide plant
- Capacity – 3,000 MTPA
- Commenced production of Sodium Perborate

1954 – 1970

Decade of collaboration and capacity expansion

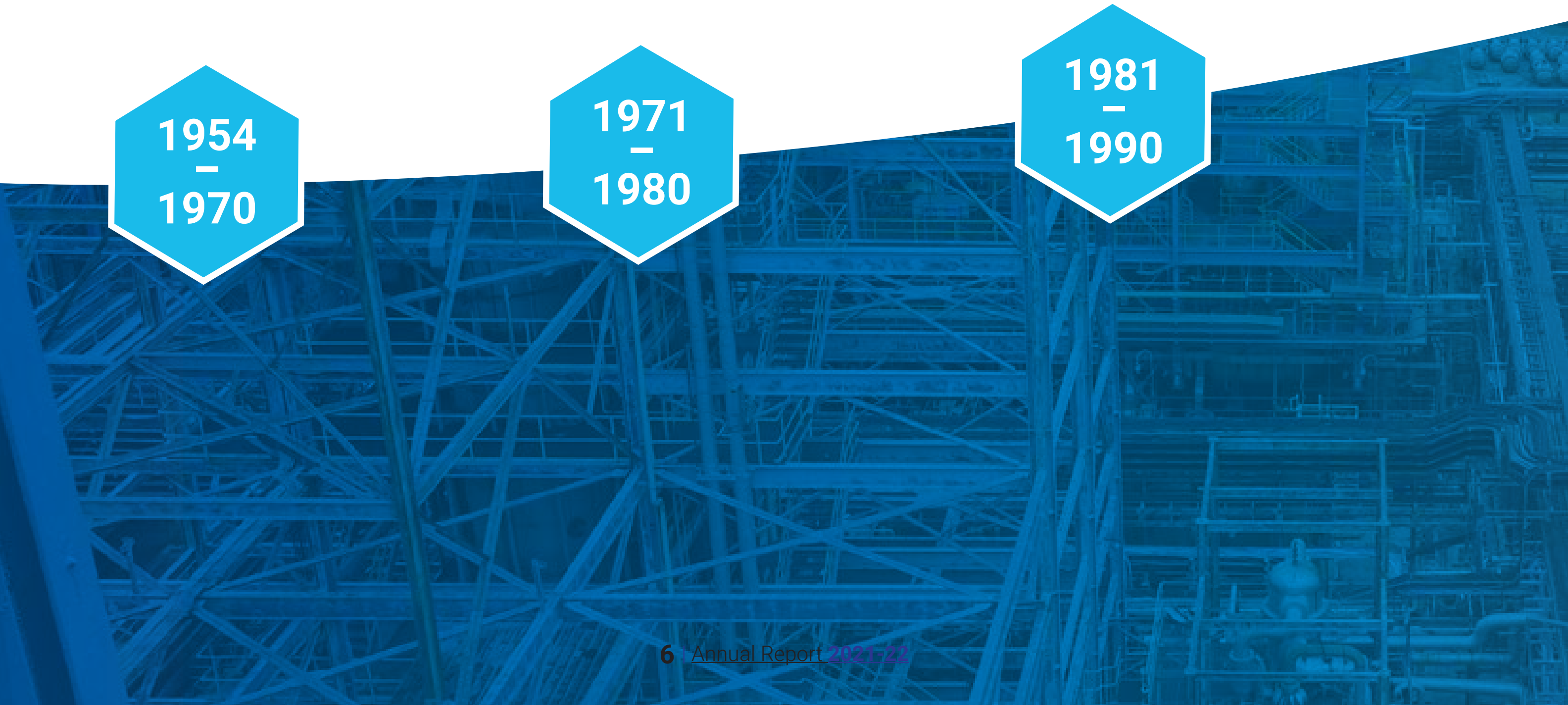
- Technical Collaboration with Laporate Chemicals Limited, England and Solvay et Cie, Belgium
- Operations started at Kalyan plant
- Capacity – 5,000 MTPA

1971 – 1980

Starting our journey as a listed entity

- Set up Research and Development Center
- Commissioned Plastic Additive Plant in Dewas, Madhya Pradesh with foreign collaboration.
- The Company's shares were listed on Bombay Stock Exchange
- Capacity – 12,000 MTPA

1981 – 1990



Capacity enhancement and consolidation

- Sale of Dewas Unit
- Started production of Peracetic Acid
- Developed real estate by building Naperol towers
- Capacity – 30,000 MTPA

1991 – 2000

Growth through self-sustenance

- Solvay ceased to continue in the operational management.
- Carried out major expansions independently
- Capacity – 65,000 MTPA

2001 – 2010

Capacity expansion to propel growth

- Carried out two major expansions in 2014 and 2020 increasing the Capacity to 95,000 MTPA and 1,50,000 MTPA, respectively

2011 – 2022

Message from CEO

> **We have expanded our domestic market reach as part of a strategic goal by collaborating closely with dealers and consumers. With increased reach and deeper penetration, we are consolidating our global footprint in the Middle East, Latin America, Asia, and African markets since we began exporting.**

Dear Shareholders,

Financial year 2021-22 will go down in history as the one when the world started to slowly and gradually overcome the challenges posed by the pandemic. NPL's performance remained steady throughout the year despite the pandemic as the economy recovered. In the current market, where Indian suppliers are in higher demand as global partners, we have been able to capitalize on our dominant position as the country's largest manufacturer of Hydrogen Peroxide (H_20_2). We built on our core strengths and finetuned our strategy while adjusting to the new normal.

As we are aware, H_20_2 comprises the value chain of chemistry, including Hydrogen Peroxide, Peracetic Acid and Compressed Hydrogen Gas. We assist huge businesses operating across several downstream sectors by creating a specialized market for the goods which were earlier imported. Despite the pandemic's lingering effects, we kept up with our planned expenditures in our existing R&D facilities. These facilities keep delivering excellence and aid in our market expansion into new downstream industries through consistent product innovation. With immense pleasure, I would like to state that we are, currently, a leading exporter of H_20_2.

Performance Highlights

For the year under review, we reported a standalone revenue of ₹ 22,541 lakhs which was 5.10% higher than the prior year. Our PAT for the year stood at ₹ 509 lakhs, while our EBIDTA stood at ₹ 3,371 lakhs.

We have been effectively reducing our risks from supply chain interruptions. In order to ensure that the facility operates without any such interruptions, we also made a strategic decision to maintain enough supplies of crucial raw materials and created alternate sources when necessary. This has also helped boost our performance.

Expansion

We have expanded our domestic market reach as part of a strategic goal by collaborating closely with dealers and consumers. With increased reach and deeper penetration, we are consolidating our global footprint in the Middle East, Latin America, Asia, and African markets since we began exporting in 2020–21. We have implemented a strategic plan in order to take advantage of the growth potential present in both domestic and foreign markets. In both local and foreign markets, we want to further develop our H_2O_2 and PAA (technical and value added) products. Additionally, we are assessing the introduction of specialty items, and a thorough review of this is currently under discussion.

Research & Development

R&D plays a crucial role in our aim of developing new applications, process efficiency improvement etc. This quest began a year ago. We have already created new PAA versions that will pave the way for the introduction of value-added goods.

Restructuring

In order to differentiate between businesses with varying returns and risk tolerances, we started our business' restructuring process last year. This was done to allow our investors to choose the businesses that best suit their investment preferences and also assist us to unlocking better value for our stakeholders. We have benefitted from this process in the following ways:

- Unlocking the value of each of the businesses for the shareholders of the Transferee/Demerged Company, attracting investors, and improving our ability to access capital
- Separating different businesses with different risk and return profiles, giving investors better flexibility to choose investments that best suit their investment strategies and risk tolerance and
- Enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business.

Sustainability

This year stands out as one of recovery and renewal. As one of our guiding principles is sustainability, we have implemented a number of waste management techniques to lessen our carbon footprint. Our top objectives pertained to the health and safety of the employees, while we conducted several third-party audits to make sure that their protection and welfare is at par with the best in the industry. In accordance with the laws, we put safety procedures into place at our office and facility.

Outlook

In the forthcoming year, we are undertaking further initiatives towards becoming a global provider to the Speciality Chemicals Industry, with a continuous focus on H_2O_2 and PAA. Our focused efforts have helped grow export markets, with strategic focus on export markets and global partnerships. We are aiming to expand our reach and penetration in certain targeted export markets, and are encouraged by having already achieved significant progress in global marketplaces. By expanding our offers in the H_2O_2 and PAA sectors, we are actively pursuing the market for value-added specialty products. We also intend to make use of the R&D Center's capabilities to create new, value-added products.

On that note, I'd want to also take this opportunity to convey my appreciation to our clients, vendors, and other partners as well as to our senior leadership team, other Directors, and everyone else who has consistently believed in our talents and helped us develop into a world-class organization. The Company's fundamentals are strong to sustain its tremendous growth potential, and we hope to eventually reach such heights.

Regards

Rajiv Arora

Chief Executive Officer & Director

Value Creation Model

Inputs

Financial Capital

Prudent allocation of monetary resources obtained through various sources

Manufacturing Capital

Investment in new capacities and maintenance of existing ones to manufacture superior quality products

Intellectual Capital

Focused R&D investment for continuous innovation in our product lines

Human Capital

Training and skill development of our employees to develop a pool of high performing innovative workforce with diverse skillset

Social and Relationship Capital

Initiatives aimed at inclusive growth of our communities

Natural Capital

Efforts to reduce our environmental footprint

Value Creation

Our Products

- Hydrogen Peroxide
- Peracetic Acid
- Compressed Hydrogen Gas

Core Competencies

- Pioneer in Hydrogen Peroxide Industry
- Optimum Production Capacity
- Smart Manufacturing Capabilities
- Rich Industry Experience
- Strong in-house R&D
- Quality Driven Focus
- Health, Safety and Environment Certifications

Stakeholders Engaged

Customers

Employees

Business Partners

Outputs

Strategies

Focused
Continued focus on improving customer satisfaction and maintaining long-standing relationships with our clientele

Value-Driven
Improving customer outreach, product applicability and enhancing efficiency to generate value for our customers in the local as well as foreign markets

Operational Excellence
Initiatives for cost rationalization and energy savings to accelerate expansion without impacting profitability

Diversified Customer Profile
Innovation to expand our product line with new applications and boost our wallet share by increasing export revenues and attract new local consumers

Exponential Growth
Continued investment in capacity expansion to outpace industry growth and improve profitability

Investors Communities Government

Financial Capital

Generating superior return on investment for the shareholders

Manufacturing Capital

Quality product manufacturing with the purpose to drive greater value for the customers

Intellectual Capital

Ensuring the best manufacturing practices to produce elite products ensuring higher user satisfaction and long-standing relationship

Human Capital

Ensuring personal and professional development of the employees with a healthy work environment

Social Capital

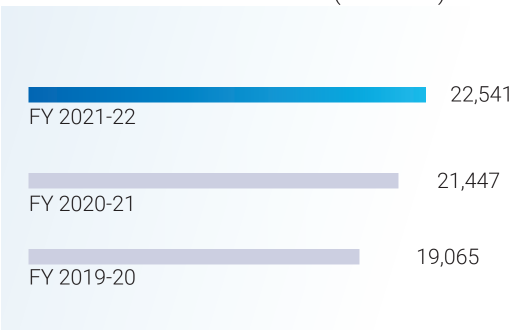
Constant engagement for community development through livelihood support, skill development, healthcare service, promoting education and other critical issues of the society

Natural Capital

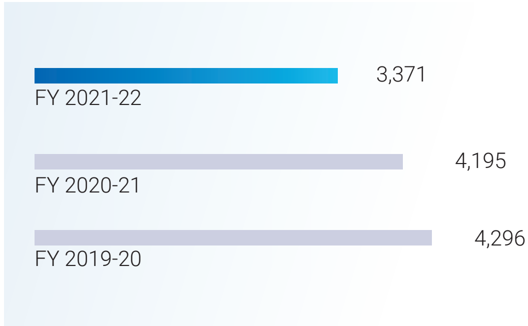
Ensuring efficient waste and emission management for a greener environment

Financial Highlights

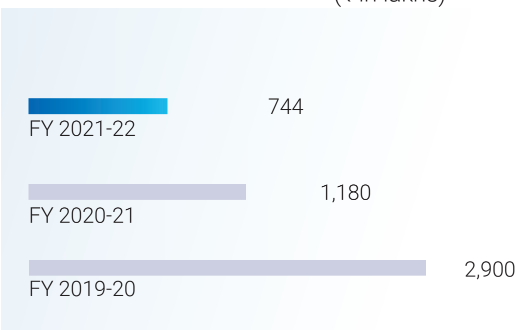
Revenue
(₹ in lakhs)



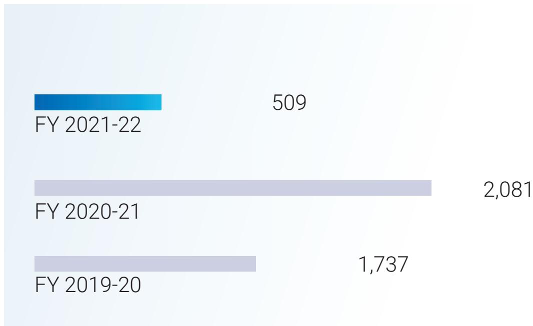
EBIDTA
(₹ in lakhs)



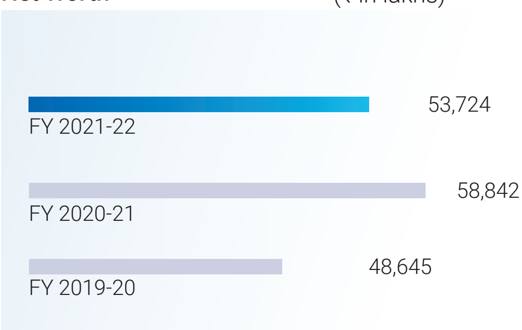
Profit Before Tax
(₹ in lakhs)



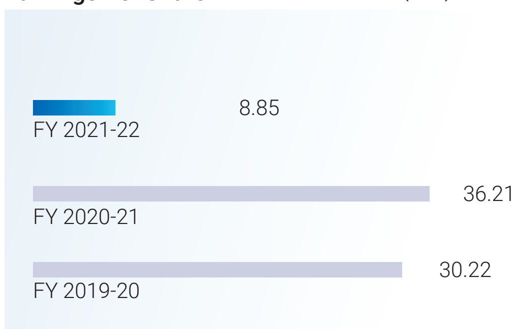
Profit After Tax
(₹ in lakhs)



Net Worth
(₹ in lakhs)



Earnings Per Share
(in ₹)



*The figures are on standalone basis

Stakeholder Engagement

Stakeholder Group	Stakeholder Priorities	Engagement Mode
Customers	Superior product quality and pricing Regular supply and timely delivery Seamless customer service Customer satisfaction and retention	Feedback surveys Site visits Conferences
Shareholders / Investors	Timely communication on strategy and performance Ethical business practices, compliance and good corporate governance Transparent reporting and disclosure	Annual General Meeting Annual Report Press Releases
Employees	Training and development Health and safety measures Fair practices, life-work balance and timely remuneration Performance evaluation and recognition Better work environment	Employee engagement initiatives Cultural events Training and development workshops Health awareness and initiatives Performance appraisals Grievance redressal mechanisms
Communities	Community welfare initiatives Environment conservation Healthcare for the underprivileged	Focus on health, education, livelihood and poverty alleviation Skill development and training workshops CSR activities
Government / Regulator Bodies	Compliance with laws and regulations Timely reporting through various compliance-based norms	Meetings, presentations, reports and networking at different forums organized by regulatory authorities Timely regulatory filings and compliance Periodical submission of business performance Written communications
Vendors / Suppliers	Fair and ethical procurement & engagement practices Knowledge programs to reduce suppliers' risks Pricing and favorable terms of payment Timely clearance Addressing supplier grievances	Suppliers' engagements and meetings

Pillars of Sustainability

At NPL, we envision to achieve sustainable growth by creating positive impact on the society through our CSR engagements and reducing our environmental footprint in our manufacturing practices. We remain more engaged than ever to attain an inclusive growth and ensure proper adherence to a robust governance methodology to fulfil our desired achievement as a responsible corporate entity.

NPL's commitment towards excellence in environment, health and safety performance is one of our core values. The Company is focused on 'Zero Emission' and 'Zero Accident' approach which drives all employees for full commitment to effective environment, health and safety management for the benefit of all stakeholders including employees, contractors, suppliers, customers and the community. This is the integral part of NPL's vision for environment, health and safety.

Environment

At NPL, we consistently focus towards creating value for our stakeholders and conserve natural resources at the same time. We strive to protect the environment in which we operate by minimizing the negative impacts on our surroundings, adhering to the greener initiatives and transformations in our day-to-day operations, hence contributing to a greener future.

Some of the key practices we have undertaken as part of our environmental initiatives have been included below:

Integrated Management System (IMS)

At NPL, we have:

- Put into place an IMS that complies with ISO 14001 - under which different environmental goals are set to be fulfilled by all departments
- Obtained certification for following management systems which indirectly support the Company's efforts to improve its environmental performance
  - ISO 9001 Quality Management System (QMS)
  - ISO 45001 Occupational Health and Safety Management System
  - ISO 50001 Energy Management System (EnMS)
  - RC-14001 Responsible Care Standards

Responsible Care Management system (RMS)

- Officially certified for Responsible Care Management System (RCMS) and RC Logo
- Successful implementation of all codes of responsible care for continual improvement of health, safety and environmental performance

Monitoring Environmental Risk while Manufacturing Hydrogen Peroxide

- Rigorous online monitoring of numerous factors like temperature, pressure, flow, level, etc. is carried out throughout the production to avoid any threats
- Operations are made fail-safe by using APC in the process monitoring

Gaseous Waste Control

- Switched to Natural Gas (NG)* for hydrogen production to reduce the sulphur emission significantly
- Collaborated with Indian Institute of Technology (IIT) - Bombay to develop a novel bio-inspired method for capturing the industrially produced CO2 and convert it to useful chemical synthons

* NG is a natural gas with low sulphur content

Liquid Waste Control

- Installed an Effluent Treatment Plant (ETP) with Dissolved Air Floatation (DAF) and Reverse Osmosis (RO) to treat the effluent generated during the process
- 30-40% Liquid waste treated every year

Solid Waste Control

- Usage of various processes to dry the solid waste sludge to reduce solid waste by 50-60%, eventually lowering the expense of sludge disposal
- Organic Waste Converter (OWC) composts the leftover food from the canteen, which is utilized in the plant's garden area
- Reuse of carboys to store Hydrogen Peroxide. Recycled barrels are used for specific raw materials such as Poly Aluminium Chloride (PAC)

Noise Monitoring

- Engineering Control regulates the noise level in plant areas to cut back on noise at the source

Employee Participation

Measures undertaken for employee participation are:

- Interaction with employees for improvement in environment systems
- Creating awareness, participation in environment conservation activities

Social

Corporate Soical Responsibility (CSR) is an integral part of a sustainable business. At NPL, we always strive to create a positive impact on the society and communities where we operate and engage on a daily basis. As a responsible corporate citizen, we treat societal development as one of our fiduciary responsibilities.

Our CSR activities are undertaken under the aegis of Sir Ness Wadia Foundation (SNWF) and Nowrosjee Wadia Maternity Hospitals (NWMH) amongst other implementing agencies. Under these, we address some of the most critical social issues like healthcare, education, society development, livelihood support, skill development, and many more.

Some of the key CSR Initiatives undertaken in FY 2021-22 are as follows:

Initiatives undertaken through Sir Ness Wadia Foundation (SNWF)

Village Development Program at Pangarkhel

Promoting
Water Conservation

- To improve the ground water levels of the area by strengthening the existing structures for water conservation
- To enhance the forest-based livelihoods, animal husbandry, and agricultural activities under the realm of this activity
- To give better access to water for irrigation and drinking for the residents, driving greater forestations to decrease soil erosion, helping increase the income of the farmers with better infrastructural facilities and knowledge on dairy and poultry farming.

Waste Management Drive at Nariman Bhat Nagar, Mumbai and adjoining sea facing slum areas

- We, at NPL, pledged to reach 600 households in Nariman Bhat Nagar, Mumbai and adjoining sea-facing slum areas to educate the communities on waste collection and segregation

Before

After

- We endeavored to enable them with an additional source of income from waste management at the same time
- Dustbins were distributed for proper waste management in the locality
- Installed solar street lights to enable the locality with better public infrastructure

- Organized cultural events to promote community engagement

600

Households uplifted

Nowrosjee Wadia Maternity Hospital (NWMH) – Delivering Affordable Healthcare

- We undertook the project to modernize the labour room of the Nowrosjee Wadia Maternity Hospital in order to provide the children from lower socio-economic sections of society with state-of-the-art comprehensive healthcare services that are inexpensive and convenient
- On an OPD and IPD basis, NWMH provides medical care to more than 1.50 lakhs women annually

- The project will boost underprivileged women's access to and affordability of basic and specialized medical care throughout India
- Bio-toilets were installed to provide better sanitization for the communities of Mudis, Tamil Nadu

Promoting
Women Empowerment

Skill Development Program through SSE India in Jawahar Nagar Kutchi Basti, Jaipur

- Our initiative is focused towards promoting income-generating activities and creating sustainable income for the members of the women community of Jawahar Nagar Kutchi Basti, Jaipur through skilling partner, School for Social Entrepreneurs (SSE)
- The impact of the program has helped build capacity for the women managed Self-Help Groups, guided them to take their skillsets from ideas to pilot the micro enterprises and empowered them to hold their fort and grow

Employee Well-being

Our people are the backbone of our organization. It's their dedication, hard work, and commitment towards the organization which brought NPL a significant identity in the industry. That's why, we, at NPL, always give high preference towards the development of our human capital. Our people care philosophy, further underpins our commitment to provide the best of work environment for our employees.

a) Health Awareness Programs for employees:

The Company has undertaken the various steps for health management like:

- Well-equipped Occupational Health Center with Male nurse 24 X 7
- Periodical and pre-employment medical check-up of employees
- Awareness and training programs
- Conducted Blood Donation camps
- Conducted Covid-19 vaccination drives for employees

b) Emergency Preparedness:

NPL is an active member of Mutual Aid group of local area for any help in case of emergency. The measures undertaken by the Company entail:

- Awareness training
- Installing fire extinguishers
- First aiders
- Conducting regular mock drills
- Reporting injuries/incidents/near-miss

c) Training and Development:

Regular training and development programmes are also conducted for all the employees at all levels.

Governance

At NPL, we have always striven to ensure good governance to sustain a long-term value creation mindset for our stakeholders. Adhering to the best governance practices, we have always endeavored to achieve our organizational goals, while maintaining a higher degree of ethical practices in our business, utmost transparency to avoid conflict, and unhindered communication within the organization and outside the organization.

Our Board

Our corporate governance procedures are supervised by the Board of Directors, who make sure that the management adheres to the best interests of all our stakeholders, over the short-, medium- and long-term. To guide the Company's operations and strategy, our Board possesses the ideal combination of talents, knowledge, and experience.

Effective Policies & Codes

The Policies and Codes are foundation of the organization. We have various policies and codes in place which provide guidance on conduct.

Statutory Compliance - The Company ensures compliance of all applicable statutory rules & regulations through a well-structured system for monthly evaluation and monitoring.

Audit Program - Regular internal audit and Third-party Audit is conducted at plants to ensure effective implementation of HSE Policy and HSE Management Standards.

Management of Change - NPL has implemented Management of Change (MOC) system for implementing changes at the facilities in a structured manner.

Meet the Board

1 **Mr. Ness N. Wadia**
Chairman /
Non - Executive and
Non - Independent Director

2 **Mr. Rajesh Batra**
Non - Executive and
Independent Director

3 **Mr. S. Ragothaman**
Non - Executive and
Independent Director

4 **Dr. (Mrs.) Minnie Bodhanwala**
Non - Executive and
Non - Independent Director

5 **Mr. Viraf Mehta**
Non - Executive and
Independent Director

6 **Mrs. Harshbeena Zaveri**
Non - Executive and
Independent Director

7 **Mr. Rajiv Arora**
Chief Executive Officer
& Director

Corporate Information

KEY MANAGERIAL PERSONNEL

Rajiv Arora
Chief Executive Officer

Conrad Fernandes
Chief Financial Officer

Chandukumar Parmar
Company Secretary (upto January 14, 2022)

CS Heena Shah
Company Secretary (w.e.f. April 19, 2022)

BANKER

Standard Chartered Bank

SOLICITORS AND ADVOCATES

M/s. Khaitan & Co.
M/s. Crawford Bayley & Co.

AUDITORS

STATUTORY AUDITORS

M/s. Price Waterhouse Chartered Accountants LLP

INTERNAL AUDITORS

M/s. PKF Sridhar and Santhanam LLP

COST AUDITORS

M/s. D. C. Dave & Co.

SECRETARIAL AUDITORS

M/s. Parikh & Associates

REGISTERED OFFICE

Neville House,
J. N. Heredia Marg,
Ballard Estate, Mumbai-400001
Phone: 022-22678301

HEAD OFFICE

C-1, Wadia International Center,
Pandurang Budhkar Marg,
Worli, Mumbai-400025
Phone: 022-66620000
Website: www.naperol.com

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: 022-4918 6270
E-mail ID: rnt.helpdesk@linkintime.co.in

Awards & Recognition

- Award from Federation of Indian Chambers of Commerce & Industry (FICCI) for excellence in Management of Health, Safety & Environment under Chemicals Category
- Certificate of Merit from National Safety Council, Maharashtra Chapter for achieving zero accident frequency rate during the period commencing from year 2018 to year 2020
- Certificate of Appreciation from National Safety Council of India (NSCI) for the application made by the Company for NSCI Safety Awards, 2021 under Manufacturing Sector

Customer Testimonials

L'Oréal India Private Limited

L'Oréal India Private Limited has recognized our remarkable contribution to upholding quality, sustainability, and support in 2021

AT & S India Private Limited

AT & S India Private Limited has expressed their appreciation for our supplier delivery performance as we exceeded the goal of 100% SDP for the month of June 2022

Certifications

ISO 9001:2015
(Quality Management System)

ISO 14001:2015
(Environment Management System)

ISO 45001:2018
(Occupational Health and Safety Management System)

ISO 50001:2018
(Energy Management System)

RC-14001:2015
(Responsible Care 14001 Standards)

Responsible Care
Use of Responsible Care Logo from Indian Chemical Council Domestic Footprints

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economic Overview

Global GDP growth is expected to drop to 3.6% in year 2022, following a rebound to 6.1% in year 2021, owing to continuous COVID-19 flare-ups, limited fiscal aid, and persistent supply restrictions. Global GDP growth is predicted to remain at 3.2% in year 2023 as pent-up demand fades and supporting macroeconomic measures are eased.

(Source: World Economic Outlook, International Monetary Fund, April 2022)

Due to the rapid spread of the Omicron variant, infection rates increased drastically over the world. Another crisis in the Russia-Ukraine conflict culminated in a costly humanitarian catastrophe. At the same time, the conflict's economic implications resulted in a significant downturn in the global economy and a surge in inflation in year 2022. Fuel and food prices have risen dramatically, disproportionately harming low-income countries' disadvantaged populations. Due to war-induced commodity price hikes and expanding pricing pressures, inflation projections for year 2022 are pegged at 5.7% in advanced countries and 8.7% in Emerging Markets and Developing Economies (EMDEs). With the inflation levels in the US touching 40-year highs, commodity and fuel prices are expected to rise further.

The crude oil prices have doubled over the previous fiscal and the natural gas prices have also increased significantly, owing to the rebound post lockdowns and amid fears of stocking supply-side disruptions. Likewise, the commodity prices also witnessed a steep rise owing to the increasing supply-side shocks owing to the geo-political turmoil due to Ukraine-Russia conflict.

Besides, as a result of the ongoing turmoil, the Foreign Exchange markets have also been jolted by a sudden increase in volatility, owing to what many call 'temporary deglobalization' happening across the board.

The forecast for global GDP appears to be lower in year 2023, with a contraction projected due to COVID-19 revival, less fiscal support, and restrictive monetary measures. In addition, as the COVID-19 pandemic starts being regarded as an endemic in some countries, the global GDP is likely to face a slightly adverse impact. With supply disruptions projected to persist, inflation is expected to remain high in the coming months, necessitating monetary policy tightening. As demand slows and supply chain difficulties are resolved, the inflation levels could witness a drop. As a result, global economic recovery is reliant on a delicate balancing act in the face of new COVID-19 outbreaks, persistent labour market challenges, supply-chain bottlenecks, and rising inflationary pressures.

Indian Economic Overview

At the start of the fiscal year 2021-22, the Indian economy showed signs of recovery. Increased levels of activities across sectors bolstered optimism about the domestic economy's revival as the effects of the COVID-19 pandemic were brought under control. The policies of the Centre supported the country's long-overdue revival. Lowering interest rates and implementing stimulus measures offered an important buffer to help the economy stabilize during the early waves of the COVID-19 pandemic. Furthermore, the development of a number of vaccines contributed in not only raising public morale but also laying the groundwork for a revived economy, with the Indian economy on course to rebound to pre-pandemic levels.

Due to broad vaccine coverage, advantages from supply-side reforms, regulatory easing, high export growth, and the availability of fiscal support to promote capital investment, India's GDP is expected to grow by 7.5% in financial year 2022-23. The financial system is well-positioned to aid the economy's recovery, and private sector investment is expected to rebound in the coming year. Large foreign exchange reserves, which surpass the country's external debt, are providing cushion to the economy. Furthermore, central banks around the world, including in India, are likely to participate in a steady and measured withdrawal of liquidity, which is projected to help the economy in a non-disruptive manner.

(Source: Economic Survey of financial year 2021-22, Ministry of Finance, Ministry of Statistics and Programme Implementation (MOSPI), IMF, World Bank).

SEGMENT INFORMATION

The primary business segment of your Company is Hydrogen Peroxide.

INDUSTRY OUTLOOK

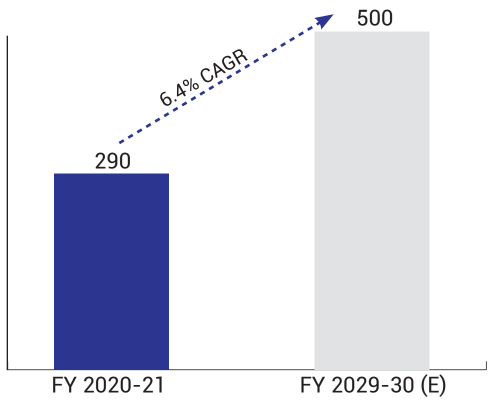
Hydrogen Peroxide Industry Overview

The chemical compound Hydrogen Peroxide is commonly used as a cleaning agent and as an antiseptic to prevent infections from spreading from minor cuts, burns, and scrapes. The paper and pulp industry, chemical production, textile industry, water treatment, home care, cosmetics, and specialty applications such as food and drinks, electronics, and pharmaceuticals all drive demand for Hydrogen Peroxide due to its versatility in terms of application. The government has supported the use of Hydrogen Peroxide through a number of environmental rules and regulations due to its emission-free and ecologically-favorable features. As a result, the use of this compound for water treatment and pollution control has increased significantly.

According to a report published by Fairfield Market Research, the global Hydrogen Peroxide market is expected to reach USD 6.6 billion in sales by year 2026. Between year 2022 and year 2026, the market is expected to rise at 7.3% Compounded Annual Growth Rate (CAGR), indicating a significant 1.9 times expansion. In year 2021, Asia Pacific accounted for over half of the market's revenue. The region's dominance is set to continue until year 2026, when it is expected to increase at a rate of above 5%. The demand for Hydrogen Peroxide in India stood at 0.29 million tonnes in financial year 2020-21 and is expected to reach 0.50 million tonnes by financial year 2029-30, rising at a CAGR of 6.4%.

(Source: https://www.globenewswire.com/news release/2022/06/01/ 2454443 /0/en/Hydrogen-Peroxide-Market-Poised-for-over7-Growth-by- 2026- Pulp-Paper-Industry-Holds-Maximum-Opportunity Fairfield-Market- Research.html)

Demand for Hydrogen Peroxide in India (thousand tons)



E - Estimated

(Source: https://www.chemanalyst.com/industry-report/india-Hydrogen-Peroxide-market-198)

Peracetic Acid Industry Overview

Peracetic Acid ($C_2H_4O_3$), also known as peroxyacetic acid, is an organic chemical that is frequently utilized as an antibacterial and antioxidizing agent. It is also employed as an effective bactericide and fungicide, particularly in food processing. It finds widespread use in a variety of industries, including food and beverage, water treatment, healthcare, and pulp and paper, due to these advantages. The growth is likely to be driven further with the product being developed further for more applications, like its usage as a bleaching agent for food starch and as an anti-bacterial agent for certain food grade items. Other factors such as rising product demand from the medical industry for cleaning medical supplies, as well as developments in acid manufacturing technologies, are expected to fuel the market even more.

According to the latest research analysis by Facts and Factors, the global Peracetic Acid market size was valued at USD 812.05 million in year 2021 and is predicted to reach about USD 1,202.09 million by year 2028, moving at a CAGR of approximately 6.98% from year 2022 to year 2028. Because of its demand in numerous end-use sectors, Asia Pacific is a significant region in the worldwide Peracetic Acid market, with a CAGR of approximately 10% from year 2021 to year 2027. The food and beverage industry in Asia Pacific will be a crucial contributor, with huge prospects for the Peracetic Acid market to grow its revenue in the area.

(Source: https://www.globenewswire.com/en/newsrelease/ 2022/05/30/2452702/0/en/Demand-for-Peracetic-Acid-Market-Size-Worth-US-1202-09-Million-Globally-At-a-CAGR-of-6-98-By-2028-Industry-Trends-Share-Value-Analysis-Forecast-Report-by-Facts-Factors.html

https://www.gminsights.com/industry-analysis/Peracetic-Acid-market)

10%

CAGR between year 2021 to year 2027 in Asia-Pacific market

Compressed Hydrogen Gas Industry Overview

Compressed Hydrogen is a type of storage that holds Hydrogen Gas at high pressures in order to increase storage density. It is used for hydrogenation of fats and oils in steel industry, as a propellant in industries and space programmes. The requirement for hydrogen on-board energy storage in zero-emission vehicles is driving the development of new storage technologies that are better suited to this new use.

Company Overview

The Wadia Group, one of India's oldest conglomerate and a key shareholder in the Company, founded National Peroxide Limited (NPL) in year 1954 as a specialty chemical production Company. The Company is a pioneer in peroxygen compounds, which are commonly found in sanitising formulas and impact an individual's life at various touchpoints.

With a capacity of 1,50,000 MTPA at its fully integrated manufacturing facilities in Kalyan, Maharashtra, NPL is India's largest producer of Hydrogen Peroxide. Using the auto-oxidation process, the facility produces a concentrated aqueous solution containing 50% Hydrogen Peroxide by weight, denoted as 50% w/w, as per international standards.

Along with Hydrogen Peroxide, the Company's product line also comprises compressed Hydrogen Gas and Peracetic Acid, allowing it to meet the needs of numerous downstream industries like as food processing, textiles, paper, and pulp, pharmaceuticals, and sanitizer manufacturing. In the domestic market, the Company has continually maintained market leadership.

Financial and Operational Performance

The key highlights of the standalone financials are:

(₹ in lakhs)

Particulars	2021-22	2020-21
Total income	23,562	22,725
Profit Before Tax (after exceptional items)	744	1,180
Profit After Tax (PAT)	509	2,081

Key Financial Ratios

As per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Key Financial Ratios are given below:

Sr. No.	Key Financial Ratios	2021-22	2020-21
1	Debtors Turnover Ratio (times)	10.55	7.65
2	Inventory Turnover Ratio (times)	4.73	3.75
3	Interest Coverage Ratio (times)	1.05	3.16
4	Current Ratio (times)	1.14	1.03
5	Net Debt Equity Ratio (times)	0.18	0.21
6	Adjusted Operating Profit Margin (%)	(0.40)	11.95
7	Adjusted Net Profit Margin (%)	2.16	9.16
8	Return on Net Worth (%)	0.90	3.87

Note: The rationale for the variance in ratios is given in Note No. 57B of the Notes to the Standalone Financial Statements. (Refer page no. 137-138).

Outlook

Large-scale use of Hydrogen Peroxide as a bleaching agent in the pulp and paper sector and as a disinfectant in the food processing industry present opportunities for the Company. In India, the development of greener technology in the paper-making process has increased the demand for Hydrogen Peroxide. Furthermore, the environmentally beneficial properties of Hydrogen Peroxide make it a better choice for water treatment and pollution management than other conventional chemicals. On the other hand, on the supply side, the trend toward commodity super cycles and geopolitical developments may have an impact on natural gas price pressure, which is a major input material.

SWOT Analysis

Strengths

- India's largest manufacturer of Hydrogen Peroxide, which is used as an eco-friendly disinfectant, with over six decades of experience in manufacturing and selling peroxygen compounds to the local market
- The Kalyan site has an integrated manufacturing plant with cutting-edge equipment and technology
- Part of the Wadia Group, a more than two-and-a-half-century-old Indian conglomerate with access to major ports and gas pipeline infrastructure

Opportunities

- Textiles, sanitizers and disinfectants, pulp and paper, medicines, and hospitals have high demand potential; limited participants in the domestic market and increasing demand may lead to cost optimization and economies of scale
- By leveraging its proximity to a major port, the Company has begun to expand its footprint in international markets by exporting Hydrogen Peroxide to Africa, Latin America, the Middle East, and Asia
- The Company is pursuing growth opportunities in Peracetic Acid and is evaluating entry into food grade Hydrogen Peroxide markets

Threats

- Price volatility of natural gas, which is used to produce hydrogen, the key input material
- Potential threat from new players in the industry
- Shift in foreign trade policies of the Government

Risks and Concerns

Risk	Concern	Mitigating Strategy
Macroeconomic Risk	Owing to the Indian economy's integration with the global economy, possible negative spillover effect from geopolitical developments could hurt the business.	The Company's Management keeps a strong vigil on key issues across the global economy and adopts contingency plans as and when situation arises.
Input Material Risk	Hydrogen, a key input material, is produced from natural gas. Given the country's dependency on import for natural gas requirements, any adverse event could create upward pressure on input cost.	The Company enters into strategic partnerships with key suppliers to hedge for any untoward incidents.

Risk	Concern	Mitigating Strategy
Single Product Risk	With more than 98% of the revenue generated from a single product, Hydrogen Peroxide, the risk could amplify with fluctuations in demand.	The Company constantly monitors demand and looks out for market diversification to reduce dependency on few sectors. Moreover, in medium term, the Company intends to focus on Peracetic Acid and enter food grade Hydrogen Peroxide segments to grow its product portfolio.
Large Scale Imports Risk	Large scale imports from neighboring and South East Asian countries due to surplus production and lowering of guard to protect domestic industry.	Anti-dumping duty was imposed on imports of Hydrogen Peroxide in year 2017 for a period of five years. The Company filed a sunset review petition against imports from Bangladesh & Thailand in September 2021. The same was recommended by Directorate General of Trade Remedies (DGTR), but not accepted by Finance Ministry for continuation. India has seen significant decline in import volumes in the last few years, due to increase of H2O2 capacity available in the country, additionally due to supply chain disruptions, import volumes into India have also declined post COVID-19 pandemic.

Internal Controls

The Company has an Internal Control System that is appropriate for its size, scope, and complexity of activities. The Company's Internal Auditors are M/s. PKF Sridhar and Santhanam LLP. The Audit Committee reviews the internal auditors' reports and findings, as well as the internal control system, on a regular basis. Internal Auditors' assess the effectiveness and appropriateness of the Company's internal control systems as well as compliance with operational systems, accounting procedures and policies. Process owners take corrective action in their respective areas based on the internal audit findings, thereby strengthening the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Human Resources

We, at NPL place a high importance on our employees and consider them to be the most vital part of our business. We take pride in maintaining friendly relationships with all of our staff. We regularly implement engagement programmes for the benefit of our employees and to encourage a motivated workforce.

The Company offers in-house and external technical and leadership training to employees at all levels in order to improve their technical and leadership abilities. We prioritize our employees' safety and have provided numerous safety awareness trainings to the majority of our staff in order to improve their knowledge of plant safety. These regular safety awareness trainings are attended by all of our employees, including contract employees and security personnel. Constant efforts are made to enhance the working environment and strike a balance between life and work.

The employee strength on the permanent rolls of the Company was 131 as on March 31, 2022.

Resources and Liquidity

The Company finances its long term and working capital requirements by a combination of internal cash generations and sourcing credit lines placed at its disposal by its bankers.

Cautionary Statement

Statements in this Management Discussion and Analysis Report that describe the Company's goals, forecasts, estimates, expectations, or predictions may be 'forward-looking statements' under applicable securities laws and regulations. Actual outcomes may differ significantly from those expressed or implied. Raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, the US Dollar / Indian Rupee exchange rate, economic developments within India and the countries in which the Company conducts business, and other incidental factors are all important factors that could affect the Company's operations.

Mumbai, August 9, 2022

DIRECTORS' REPORT TO THE MEMBERS

The Directors take pleasure in presenting their Sixty-Eighth Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended March 31, 2022.

1. FINANCIAL RESULTS

(₹ In lakhs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Total Income	23,562.00	22,725.31	23,615.33	22,778.77
Profit before tax and exceptional items	44.34	2,728.85	94.83	2,778.46
Exceptional Items	700.00	(1,549.30)	700.00	(1,549.30)
Profit before tax after exceptional items	744.34	1,179.55	794.83	1,229.16
Tax Expense	235.73	(901.53)	251.85	(888.49)
Net Profit after Tax	508.61	2,081.08	542.98	2,117.65
Dividend paid on Equity Shares*	718.38	718.38	718.38	718.38

* ₹ 12.50 per Share for each of the financial years 2020-21 and 2019-20

2. DIVIDEND

Your Directors have recommended a dividend of ₹ 5.00 (50%) per equity share of ₹ 10.00 each for the financial year 2021-22, to be paid, if declared by the Members at the Annual General Meeting (AGM) to be held on Tuesday, September 13, 2022. The total dividend pay out amounts to ₹ 287.35 lakhs.

3. TRANSFER TO RESERVES

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

4. STATE OF COMPANY'S AFFAIRS

The gross sales and other income for the year under review was ₹ 23,562.00 lakhs as against ₹ 22,725.31 lakhs for the previous year. The profit before tax was ₹ 744.34 lakhs and the profit after tax was ₹ 508.61 lakhs for the year under review as against ₹ 1179.55 lakhs and ₹ 2081.08 lakhs respectively, for the previous year. During the year under review, the capacity utilization of the Company was 71% of the installed capacity of Hydrogen Peroxide.

During the year under review, the Company's plant located at Kalyan was temporarily shut down for an aggregate period of 113 days from March 27, 2021 to May 29, 2021 and from January 30, 2022 to March 19, 2022 primarily due to repairs and maintenance activity undertaken to fix machine breakdown along with preventive maintenance activities and some modifications to improve machine efficiency in plant. The damaged equipment was cleaned, rectified and replaced.

5. COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors at its meeting held on March 9, 2021 approved the draft Composite Scheme of Arrangement amongst the Company (NPL) ('the Transferee Company / Demerged Company'), Naperol Investments Limited (NIL) ('the Transferor Company'), NPL Chemicals Limited (NPCL) ('the Resulting Company') and their respective Shareholders and Creditors under Sections 230-232 of the Companies Act, 2013 ('the Scheme'). The Scheme, inter alia, provides for:

i. Demerger of chemical business of the Company into NPCL (as defined in the Scheme), on a going concern basis, and in consideration thereof, NPCL shall issue its equity shares to Equity Shareholders of NPL in the same proportion as their holding and

ii. Amalgamation of NIL with NPL

During the year under review, the Company obtained 'No Adverse Observation' letter from BSE Limited dated November 18, 2021 on the aforesaid Scheme. Pursuant to the order of Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble Tribunal) dated April 7, 2022, the Equity Shareholders considered and approved the Scheme at the meeting convened on June 2, 2022 by requisite majority.

The Scheme is further subject to the approval of Hon'ble Tribunal and such other statutory and regulatory authorities, as may be required.

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

There is no change in the nature of business carried on by the Company and its subsidiaries. The Company has not changed the class of business in which the Company has an interest.

7. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

8. AWARDS AND RECOGNITION

Your Company has won the following prestigious award / certificate / appreciation:

- Award from Federation of Indian Chambers of Commerce & Industry (FICCI) for excellence in Management of Health, Safety & Environment under Chemicals Category.
- Certificate of Merit from National Safety Council, Maharashtra Chapter for achieving zero accident frequency rate during the period commencing from year 2018 to year 2020.
- Certificate of Appreciation from National Safety Council of India (NSCI) for the application made by the Company for NSCI Safety Awards, 2021 under Manufacturing Sector.

9. HEALTH, SAFETY & ENVIRONMENT

The Company continues to maintain a good safety and environmental record. There was no lost time injury during the financial year 2021-22. It has worked for 2,252 days without Lost Time Injury as on March 31, 2022.

10. INSURANCE

All the properties of the Company, including Buildings, Plant and Machinery, Stocks and Materials have been adequately insured. The Company also has a Public Liability Insurance Policy as per the Public Liability Insurance Act, 1991.

11. 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 Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

12. DETAILS OF SUBSIDIARIES, JOINT VENTURES, ASSOCIATE AND HOLDING COMPANY

The Company has two subsidiaries namely, Naperol Investments Limited and NPL Chemicals Limited. There were no joint ventures and associate Company.

Nowrosjee Wadia and Sons Limited (NWS) holds 30.78% shares in the Company and is the holding company of Macrofil Investments Limited (Macrofil) which also holds 33.31% shares in the Company. Hence, NWS holding through Macrofil and its other subsidiaries and associates stands at 55.30% shares which makes NWS the holding company of the Company.

13. PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY COMPANIES

Naperol Investments Limited is registered as a Non-Banking Financial Company as provided by Section 45-IA of the Reserve Bank of India Act, 1934 and is engaged in the business of long-term investments. During the year under review, the Company earned a profit after tax of ₹ 35.21 lakhs as against ₹ 37.29 lakhs in the previous year.

NPL Chemicals Limited, is incorporated as part of the draft Composite Scheme of Arrangement to carry on the business of manufacturing, distributing and selling of peroxygen chemicals on demerger. Since, demerger has not been effective and no operations were carried out, the Company reported a loss of ₹ 0.84 lakhs as against ₹ 0.72 lakhs in the previous year.

Pursuant to Section 129(3) of the Companies Act, 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the subsidiary companies in Form AOC-1 forms part of the Consolidated Financial Statements (CFS). Pursuant to Section 136 of the Companies Act, 2013, the Company is exempted from attaching to its Annual Report, the Annual Reports of the subsidiary companies.

The Audited Financial Statements of the subsidiary companies are kept open for inspection by the Members at the Head Office of the Company. The Company shall provide a copy of the financial statements of its subsidiary companies to the Members upon their request. The statements are also available on the website of the Company at www.naperol.com.

14. CONSOLIDATED FINANCIAL STATEMENTS (CFS)

The Company has prepared CFS in accordance with the applicable Accounting Standards as prescribed under the Companies (Accounts) Rules, 2014 of the Companies Act, 2013.

The Consolidated Financial Results reflect the results of the Company and its subsidiaries. As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations') the Audited CFS together with the Independent Auditors' Report thereon are annexed and form part of this Annual Report. The summarized Consolidated Financial Results are provided above at point no. 1 of this Report.

15. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to Regulation 34 of Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section, forming part of the Annual Report.

16. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure that all mandatory provisions of Corporate Governance in terms of Regulation 34 of Listing Regulations have been complied with.

A separate report on Corporate Governance along with a Certificate from a Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance, is appended as 'Annexure I'.

17. BUSINESS RESPONSIBILITY REPORT

A Business Responsibility Report, detailing the various initiatives taken by the Company on the environmental, social and governance perspective, is appended as 'Annexure II' in compliance with the above requirement.

18. CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has undertaken projects in accordance with the CSR Policy. The details of the CSR projects, unspent CSR amount and reason for the amount being unspent are given in 'Annexure III'.

19. DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the Listing Regulations, the Company has formulated a Dividend Distribution Policy which endeavors dual objective of appropriate reward to shareholders through dividends and ploughing back earnings to support sustained growth. The policy is available on the website of the Company at http://naperol.com/BoardPolicies.

20. RELATED PARTY TRANSACTIONS

The framework for dealing with related party transactions is given in Clause No. 7(a) of the Corporate Governance Report. During the year under review, your Company did not enter into any contracts / arrangements / transactions with related parties referred in Section 188(1) of the Companies Act, 2013 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. There were no material related party transactions and therefore, disclosure in Form AOC-2 is not applicable to the Company. In accordance with Ind AS-24, the Related Party Transactions are disclosed under Note No. 42 of the Notes to Standalone Financial Statements for the financial year 2021-22.

21. VIGIL MECHANISM

The details of Vigil Mechanism are given in Clause No. 7(b) of the Corporate Governance Report.

22. RISK MANAGEMENT

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 indentified and controlled by means of properly defined framework. In the opinion of the Board, there are no material risks, which may threaten the existence of the Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis Report.

The details of the Risk Management Committee and policy are given in Clause No. 3(e) of the Corporate Governance Report.

23. DETAILS OF BOARD MEETINGS

During the year, six (6) Board Meetings were held through video-conference. The details of the meetings are provided in Clause No. 2(b) of the Corporate Governance Report.

24. BOARD COMMITTEES

The Board currently has six (6) committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Risk Management Committee and Strategy Advisory Committee.

All the recommendations made by the Committees were accepted by the Board.

A detailed update on the committees, its composition, number of Committee meetings held and attendance of the directors at each meeting is provided in Clause No. 3 of the Corporate Governance Report.

25. DIRECTORS AND KEY MANAGERIAL PERSONNEL

25.1 Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Dr. (Mrs.) Minnie Bodhanwala, Director, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment.

Necessary resolution for the re-appointment of Director has been included in the Notice convening the AGM and requisite details have been provided in the explanatory statement to the Notice.

Mr. S. Ragothaman who was re-appointed as an Independent Director of the Company to hold office for the second term of three consecutive years, commencing from August 11, 2019 to August 10, 2022, will cease to hold office with effect from close of business hours of August 10, 2022. The Board places on record its appreciation for the invaluable contribution and guidance rendered by Mr. S. Ragothaman during his tenure as an Independent Director of the Company.

The Independent Directors of the Company have given the declaration to the Company that they meet the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and Listing Regulations.

25.2 Key Managerial Personnel

In terms of the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company:

- Mr. Rajiv Arora, Chief Executive Officer & Director
- Mr. Conrad Fernandes, Chief Financial Officer
- Mr. Chandukumar Parmar, Company Secretary & Compliance Officer (upto close of business hours of January 14, 2022)
- CS Heena Shah, Company Secretary & Compliance Officer (w.e.f. April 19, 2022).

The Board places on record its appreciation for Mr. Chandukumar Parmar for his contribution during his tenure as Company Secretary and Compliance Officer of the Company.

26. BOARD EVALUATION

The details of evaluation of Directors, Committees and Board as a whole are given in Clause No. 3(b) of the Corporate Governance Report.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, 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.

28. ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, a copy of the Annual Return of the Company is uploaded on the website of the Company at www.naperol.com.

29. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The details of adequacy of Internal Financial Controls are given in the Management Discussion and Analysis Report.

30. SHARE CAPITAL

During the year under review, there has been no change in the authorised and paid-up share capital of the Company.

31. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, are given in Note No. 15 of the Notes to the Standalone Financial Statements.

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

There have 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.

33. 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.

34. 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.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is appended as 'Annexure IV'.

36. AUDITORS AND AUDIT REPORTS

36.1 Statutory Auditors

The Members of the Company at the Sixty-Third (63rd) AGM held on August 9, 2017, appointed M/s. Price Waterhouse Chartered Accountants LLP (FRN. 012754N/N500016) as Statutory Auditors of the Company for a period of five (5) years to hold office from the conclusion of the 63rd AGM held in the financial year 2016-17 till the conclusion of the Sixty-Eighth (68th) AGM to be held in the financial year 2022-23.

The Board has recommended the appointment of M/s. Kalyaniwalla and Mistry LLP, Chartered Accountants, (FRN 104607W/W100166) as the Statutory Auditors of the Company, for the first term of five (5) consecutive years, from the conclusion of the Sixty-Eighth (68th) AGM scheduled to be held in the financial year 2022-23 till the conclusion of the Seventy-Third (73rd) AGM to be held in the financial year 2027-28, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

The Statutory Auditors have confirmed that they are not disqualified to act as Auditors of the Company.

There are no qualifications, reservations or adverse remarks made in the Statutory Auditors' Report for the financial year 2021-22.

36.2 Internal Auditors:

M/s. PKF Sridhar, LLP have carried out Internal Audit of the Company for financial year 2021-22. The Board of Directors at their Meeting held on November 11, 2021 have re-appointed them as Internal Auditors of the Company for the financial year 2022-23.

36.3 Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost records maintained by the Company are required to be audited. Based on the recommendation of Audit Committee, the Board of Directors at their meeting held on August 9, 2022, appointed M/s. Diwanji & Co., Cost Accountants (FRN. 000339), to audit the cost records of the Company for the financial year ending on March 31, 2023, on a remuneration of ₹ 5 lakhs plus applicable taxes and reimbursement of travelling 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 financial year 2021-22.

36.4 Secretarial Auditors and Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 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 V'.

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 financial year 2021-22.

37. 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 Companies Act, 2013.

38. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has constituted an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. No complaints were received during the year under review.

39. NOMINATION AND REMUNERATION POLICY

The details of the Company's Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees are given in Clause No. 3(b) of the Corporate Governance Report and is disclosed on the website of the Company (https://naperol.com/BoardPolicies.php)

40. PARTICULARS OF EMPLOYEES

The information in terms of provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which forms part of this Report, is appended as 'Annexure VI'.

However, as per the provisions of Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars as required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is available for inspection by the Members at the Head Office during business hours on working days of the Company upto the date of the ensuing AGM. Any Member interested in obtaining a copy thereof, may write an email to secretarial@naperol.com.

41. CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER CERTIFICATION

In terms of Regulation 17(8) of the Listing Regulations, the Company has obtained Compliance Certificate from the Chief Executive Officer and the Chief Financial Officer.

42. 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 the Board of Directors

NESS N. WADIA
Chairman
(DIN: 00036049)

Mumbai, August 9, 2022

ANNEXURE I TO THE DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

The Company's Report on Corporate Governance pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as 'Listing Regulations') for the year ended March 31, 2022, is given below:

1. Company's Philosophy on Code of Governance

Your Company is committed to bring about good corporate governance practices. The Company's policy on Corporate Governance is to make it a way of life by, inter alia, adopting the standard Corporate Governance practices through continual improvement of internal systems and satisfaction of customers and shareholders. It strongly believes in attaining transparency, accountability and equity, in all its operations, and in its interactions with stakeholders including shareholders, customers, vendors, employees, government and lenders.

2. Board of Directors

(a) Composition of the Board:

The Board is headed by Mr. Ness N. Wadia, Non-Executive Chairman and is comprised of eminent persons with considerable professional experience in varied fields. The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors with two Women Directors, one of them being Independent. As on March 31, 2022, the Board of Directors of the Company comprises of seven Directors, out of which two are Non-Executive Directors, four are Independent Directors and one is Executive Director. The Composition of the Board as on March 31, 2022 is given below. None of the Directors of the Company are related to each other. The composition of the Board of Directors meets the requirement of Regulation 17 of the Listing Regulations as detailed below.

The Composition of the Board as on March 31, 2022 is as follows:

Category	No. of Directors	% of total number of Directors
Executive Director	1	14%
Non-Executive and Non-Independent Directors	2	29%
Non-Executive and Independent Directors (including one Woman Independent Director)	4	57%

(b) Board Meetings:

During the year under review, six (6) Board Meetings were held. The dates on which the meetings were held are: June 29, 2021; August 11, 2021; September 24, 2021; November 11, 2021; February 3, 2022 and February 5, 2022. The maximum gap between any two meetings of the Board held during the year was not more than 120 days.

Membership, Attendance and Other Directorships / Committee Memberships as on March 31, 2022:

Name of Director	Director Identification Number (DIN)	Category	Number of Board Meetings attended	Whether attended last AGM	No of Directorships in other Public Companies held #	No. of Chairmanship/ Membership held in other Board Committees ##	
						Chairperson	Member
Mr. Ness N. Wadia, Chairman	00036049	Non-Executive and Non-Independent Director (Promoter Director)	5	Yes	4	-	5
Mr. Rajesh Batra	00020764	Non-Executive and Independent Director	6	Yes	6	-	2
Mr. S. Ragothaman	00042395	Non-Executive and Independent Director	6	Yes	4	1	2
Dr. (Mrs.) Minnie Bodhanwala	00422067	Non-Executive and Non-Independent Director	6	Yes	3	1	4

Name of Director	Director Identification Number (DIN)	Category	Number of Board Meetings attended	Whether attended last AGM	No of Directorships in other Public Companies held #	No. of Chairmanship/ Membership held in other Board Committees ##	
						Chairperson	Member
Mr. Viraf Mehta	00352598	Non-Executive and Independent Director	6	Yes	1	-	-
Mrs. Harshbeena Zaveri	00003948	Non-Executive and Independent Director	5	Yes	2	-	4
Mr. Rajiv Arora	08730235	Chief Executive Officer & Executive Director	6	Yes	1	-	-

#Excludes Directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013.

##For the purpose of the Chairmanship and Membership of Committees, only the Audit Committee and Stakeholders' Relationship Committee of Indian Public Limited Companies are considered.

Note: Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in financial year 2021-22 were held through video conferencing.

The names of other listed companies in which the Directors hold Directorships as on March 31, 2022 are as under:

Name of the Director	Directorship of Listed Companies	Category of Directorship
Mr. Ness N. Wadia	The Bombay Burmah Trading Corporation, Limited	Managing Director
	The Bombay Dyeing and Manufacturing Company Limited	Non-Executive and Non-Independent Director
	Britannia Industries Limited	
Mr. Rajesh Batra	Cravatex Limited	Managing Director
	The Bombay Burmah Trading Corporation, Limited	Non-Executive and Independent Director
	The Bombay Dyeing and Manufacturing Company Limited	
Mr. S. Ragothaman	The Bombay Dyeing and Manufacturing Company Limited	Non-Executive and Independent Director
	XPRO India Limited	
Dr. (Mrs.) Minnie Bodhanwala	The Bombay Burmah Trading Corporation, Limited	Non-Executive and Non-Independent Director
	The Bombay Dyeing and Manufacturing Company Limited	
	Axel Polymers Limited	
Mr. Viraf Mehta	Nil	Nil
Mrs. Harshbeena Zaveri	NRB Bearings Limited	Managing Director
	SNL Bearings Limited	Non-Executive and Non-Independent Director
Mr. Rajiv Arora	Nil	Nil

(c) Matrix highlighting core skills/ expertise / competencies of the Board of Directors

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board.

Sr. No.	List of core skills / expertise / competence	Mr. Ness N. Wadia	Mr. Rajesh Batra	Mr. S. Ragothaman	Dr. (Mrs.) Minnie Bodhanwala	Mr. Viraf Mehta	Mrs. Harshbeena Zaveri	Mr. Rajiv Arora
1.	**Leadership of large organizations** Experience of leading operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.	✓	-	-	✓	✓	✓	✓
2.	**Visioning and Strategic planning** Expertise in developing and implementing strategies for sustainable and profitable growth of the Company.	✓	✓	✓	✓	✓	✓	✓
3.	**Industry insights and Innovation** Insights of Industry behaviour and experience in understanding trends of Industry preferences and innovation management.	✓	-	-	-	✓	✓	✓
4.	**Financial Management and Accounting** Expertise in understanding and management of complex financial functions and processes of large organizations, deep knowledge of accounting, finance and treasury for financial health of the Company.	✓	✓	✓	✓	✓	✓	✓
5.	**Knowledge and expertise of Trade and Economic Policies** Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	✓	✓	✓	-	✓	✓	✓
6.	**Governance and Regulatory requirements** Understanding of the changing legal and regulatory landscape of the Country from time to time. Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company.	✓	✓	✓	✓	✓	✓	✓

3. Board Committees:

The Board has constituted the following Committees of the Directors:

(a) Audit Committee:

Composition and Attendance:

The Audit Committee comprises of Mr. S. Ragothaman, as Chairman, Mr. Rajesh Batra and Mr. Viraf Mehta as Members of the Committee.

The Company Secretary acts as the Secretary to the Audit Committee.

During the year under review, nine (9) Committee Meetings were held through video conference. These were on June 28, 2021; July 28, 2021; August 11, 2021; September 24, 2021; October 27, 2021; November 10, 2021; January 28, 2022; February 2, 2022 and February 4, 2022. The maximum gap between any two meetings of the Committee held during the year was not more than 120 days.

The members of the Audit Committee have wide exposure and knowledge in areas of finance and accounting.

The meetings of the Audit Committee are also attended by the Executive Director, the Chief Financial Officer, the Statutory Auditors, the Internal Auditors and the Cost Auditors as invitees.

The Audit Committee is constituted as per the provisions of Section 177 of the Companies Act, 2013 ('the Act') read with Regulation 18 of the Listing Regulations.

The Board has adopted an Audit Committee Charter, for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3), read with Part C of Schedule II of the Listing Regulations are covered in its terms of reference.

The role of the Audit Committee flows directly from the Board of Directors overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders.

The terms of reference of the Audit Committee broadly includes acting as a catalyst, in helping the organization achieve its objectives. The Audit Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct. The Audit Committee also reviews various reports and presentations and the responses thereto by the management.

Internal Audit and Control:

M/s. PKF Sridhar and Santhanam LLP, Internal Auditors of the Company conducted Internal Audit for financial year 2021-22. The reports and findings of the Internal Auditors and the internal control system are periodically reviewed by the Audit Committee.

(b) Nomination and Remuneration Committee:

Composition and Attendance:

The Nomination and Remuneration Committee comprises of Mr. Rajesh Batra as Chairman, Mr. Ness N. Wadia and Mr. Viraf Mehta as Members of the Committee.

The Company Secretary acts as the Secretary to the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations. Apart from the above, the Committee also carries out such functions / responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, two (2) meetings of Nomination and Remuneration Committee were held through Video Conference. These were on June 28, 2021 and November 10, 2021.

The broad terms of reference of the Nomination and Remuneration Committee include:

- Setup and Composition of the Board, its Committees and the leadership team of the Company comprising of Key Managerial Personnel (KMP) and Executive Team.
- Evaluation of performance of the Board, its Committees and individual Directors.
- Recommendation of remuneration for Directors, KMP, Executive Team and other employees.
- Oversight of the familiarization programme of Directors.
- Oversight of the HR Philosophy, HR and People strategy and key HR practices.

Evaluation of Performance of the Board, its Committees and Directors:

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder and Listing Regulations, performance evaluation of Directors, Committees and Board as a whole was carried out and evaluated by the Nomination and Remuneration Committee and the Board, seeking inputs from all the Directors. The criteria for performance evaluation of the Board and its Committees include aspects like composition, effectiveness of processes & meetings and other measures. The criteria for performance evaluation of the individual Directors include aspects like professional conduct, competency, contribution to the Board and Committee Meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities.

Board Diversity:

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of Listing Regulations.

Succession Planning:

The Nomination and Remuneration Committee works with the Board for succession planning for its Directors, KMP and Senior Management.

Remuneration Policy:

The Company has adopted the Remuneration Policy as required under the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of Listing Regulations. The salient features of the Remuneration Policy are as follows:

- To evaluate the performance of the members of the Board and provide a necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- To provide Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

A. Remuneration to Executive Director

Mr. Rajiv Arora was appointed as Chief Executive Officer & Director for a period of five years with effect from June 4, 2020 to June 3, 2025. The remuneration (including performance linked incentive) is within the limits and conditions approved by the Members and are decided by the Board of Directors on the recommendations of the Nomination and Remuneration Committee based on merit, key result areas and Company's performance for the year. As per the service agreement, either party is entitled to terminate the employment by giving not less than six calendar months prior notice in writing to the other party, provided that the Company shall be entitled to terminate the incumbent's employment at any time by payment of six months' basic salary in lieu of such notice.

The details of remuneration paid / payable to Mr. Rajiv Arora for financial year 2021-22 are as follows:

(Amount in ₹)

Name	Salary	Benefits *	Retention Bonus **	Total	Total Nos. of shares held
Mr. Rajiv Arora	2,14,14,498	20,93,760	15,00,000	2,50,08,258	Nil

* includes Company's contribution to Provident Fund amounting to ₹ 11,93,760.

** One-time payment on completion of three years

B. Remuneration to Non-Executive Directors:

The Non-Executive Directors are entitled to Commission on the net profits of the Company in addition to sitting fees for attending the meetings. The Board decides the aggregate amount of Commission for each year on the recommendation of the Nomination and Remuneration Committee. The amount of Commission payable to Individual Non-Executive Directors is determined based on their attendance and contribution at the meetings of the Board of Directors and its Committees as well as time spent on operational matters other than at the meetings. The details of Sitting fee and Commission to Non-Executive Directors for financial year 2021-22 are given below:

(Amount in ₹)

Name	Commission @	Sitting Fees	Total	Total Nos. of shares held
Mr. Ness N. Wadia	13,64,000	5,00,000	18,64,000	4,600
Mr. Rajesh Batra	3,93,000	13,10,000	17,03,000	Nil
Mr. S. Ragothaman	3,59,000	11,20,000	14,79,000	Nil
Dr. (Mrs.) Minnie Bodhanwala	1,29,000	3,60,000	4,89,000	Nil
Mr. Viraf Mehta	3,39,000	11,90,000	15,29,000	Nil
Mrs. Harshbeena Zaveri	1,46,000	4,00,000	5,46,000	Nil
Total	**27,30,000**	**48,80,000**	**76,10,000**	**4,600**

@ Commission is related to financial year 2020-21 which was paid in financial year 2021-22.

Apart from the above, there are no other pecuniary relationships of or transactions by the Non-Executive Directors with the Company.

During the year under review, Non-Executive Directors did not have pecuniary relationship or transactions with the Company other than those mentioned.

On recommendation of Nomination and Remuneration Committee, the Board of Directors approved to waive-off payment of Commission of ₹ 10.08 lakhs to Non-Executive Directors for financial year 2021-22.

The Company does not have a scheme for grant of stock options either to the Directors or to the employees.

(c) Stakeholders' Relationship Committee:

Composition and Attendance:

The Stakeholders' Relationship Committee comprises of Mr. Rajesh Batra as Chairman, Mr. Viraf Mehta and Mr. Rajiv Arora as Members of the Committee.

During the year under review, two (2) meetings of Stakeholders' Relationship Committee were held through Video Conference. These were on June 28, 2021 and January 28, 2022.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of Listing Regulations.

Terms of Reference:

The broad terms of reference of the Committee are as follows:

i. To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends / interest / refund order / redemption of debt securities, issue of new/duplicate certificates etc.

ii. To review the measures taken for effective exercise of voting rights by security holders.

iii. To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

iv. To review the various measures / initiatives taken by the Company inter alia for reducing the quantum of unclaimed dividends, ensuring timely receipt of dividend warrant / annual report / statutory notices by the security holders of the Company and recommend measures to further enhance the service standards for the benefit of the security holders of the Company.

Shareholders' complaints are redressed through SEBI Complaints Redress System (SCORES).

Name and Designation of Compliance Officer:

Mr. Chandukumar Parmar, Company Secretary was the Compliance Officer of the Company upto January 14, 2022. Mr. Rushabh Ajmera was appointed as Interim Compliance Officer from February 3, 2022 till April 19, 2022.

CS Heena Shah, Company Secretary is the Compliance Officer of the Company with effect from April 19, 2022.

Statement of Shareholders' Complaints as on March 31, 2022:

Shareholders' Complaints		No. of Complaints
Pending at the beginning of the year	:	Nil
Received during the year	:	3
Disposed off during the year	:	3
Not resolved to the satisfaction of shareholders	:	Nil
Pending complaints at the end of the year	:	Nil

(d) Corporate Social Responsibility (CSR) Committee:

Composition and Attendance:

The CSR Committee comprises of Mr. Ness N. Wadia, as Chairman, Mr. Rajesh Batra and Mr. Viraf Mehta as Members. The Committee's constitution and terms of reference are in compliance with the provisions of Section 135 of the Companies Act, 2013.

During the year under review, the Committee met once on November 11, 2021 through video conference.

Terms of Reference:

The broad terms of reference of the Committee include:

i. Review the existing CSR Policy from time to time and the activities to be undertaken by the Company towards CSR activities;

ii. Recommend the project / programme to be undertaken, amount of expenditure to be incurred, roles and responsibilities of various stakeholders, etc. in respect of CSR activities; and

iii. Monitoring implementation of the projects / programmes undertaken, or the end use of the amount spent by the Company towards CSR activities.

e) Risk Management Committee:

Composition and Attendance:

The Risk Management Committee comprises of Mr. S. Ragothaman as Chairman, Mr. Rajesh Batra and Mr. Rajiv Arora as Members of the Committee.

During the year under review, four (4) meetings of Risk Management Committee were held through Video Conference. These were on July 9, 2021, August 4, 2021, November 15, 2021 and March 31, 2022. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements of Regulation 21 read with Part D of Schedule II of Listing Regulations.

The Committee has been set up in order to oversee the risk management performed by the management, reviewing the risk framework of the Company, defining framework for identification, assessment, monitoring, mitigation and reporting of risks, etc.

Terms of Reference:

The broad terms of reference of the Committee are as follows:

i. To discuss with senior management, the Company's Enterprise Risk Management ("ERM") and provide oversight as may be needed.

ii. Being apprised of significant risk exposures of the Company and whether Management is responding appropriately to them.

iii. To ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

iv. To review the Company's portfolio of risks and consider it against the Company's Risk Appetite.

f) Strategy Advisory Committee:

The Strategy Advisory Committee comprises of Mrs. Harshbeena Zaveri as Chairperson, Mr. Viraf Mehta, Mr. Ness N. Wadia and Mr. Rajiv Arora as Members of the Committee.

Attendance:

During the year under review the Committee met once on February 2, 2022 through video conference.

Terms of Reference:

The broad terms of reference of the Committee are as follows:

i. Review and recommend to the Board regarding the Company's over all strategy and strategic plan including expansion / exit in existing lines of business.

ii. Creating a sustainable competitive advantage through a long-term strategy which will enable the Company to grow exponentially and profitably.

Attendance of Directors / Number of Meetings held:

The Attendance of Directors / Number of Meetings held is given below:

Name of Director	AC	NRC	SRC	CSR	RMC	SAC
Mr. Ness N. Wadia	-	2/2	-	1/1	-	1/1
Mr. Rajesh Batra	9/9	2/2	2/2	1/1	4/4	-
Mr. S. Ragothaman	9/9	-	-	-	4/4	-
Dr. (Mrs.) Minnie Bodhanwala	-	-	-	-	-	-
Mr. Viraf Mehta	9/9	2/2	2/2	1/1	-	1/1
Mrs. Harshbeena Zaveri	-	-	-	-	-	1/1
Mr. Rajiv Arora	-	-	2/2	-	4/4	1/1

AC - Audit Committee, NRC - Nomination and Remuneration Committee, SRC - Stakeholders' Relationship Committee, CSR - Corporate Social Responsibility Committee, RMC - Risk Management Committee, SAC - Strategy Advisory Committee

INDEPENDENT DIRECTORS:

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations and all are independent of the Management. The Independent Directors are appointed by the Members of the Company and letter of appointment is issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company https://naperol.com/BoardPolicies.

During the year under review, Meeting of the Independent Directors was held on March 29, 2022, without the attendance of Non-Independent Directors and Members of the Management, inter alia, to evaluate:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- To assess the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

Familiarization Programme:

At the time of induction, the Company familiarizes the Independent Directors with industry outlook, business strategy, Company's operations, their roles & responsibilities, etc. Thereafter, the Independent Directors are provided with necessary presentations, documents, reports, internal policies and updates to familiarize them with the Company's business, policies, procedures and practices at various Meetings held during the year. The details of such Familiarization Programs for Independent Directors are disclosed on the website of the Company. (Weblink: https://naperol.com/BoardPolicies)

4. General Body Meetings:

a) Details of last three Annual General Meetings are as under:

Financial Year(s)	Day, Date and Time	Location	Special Resolution(s) passed
2018-19	Tuesday, August 6, 2019 at 4.00 p.m.	Sunville Banquet & Conference Rooms, 9 Dr. Annie Besant Road, Near Worli Flyover, Worli, Mumbai-400018	• Re-appointment of Mr. Rajesh Batra (DIN: 00020764) as an Independent Director of the Company. • Re- appointment of Mr. S. Ragothaman (DIN: 00042395) as an Independent Director of the Company.
2019-20	Tuesday, August 25, 2020 at 3.30 p.m. through Video Conferencing	Registered Office (Deemed Venue): Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001	• Appointment of Mr. Rajiv Arora (DIN: 08730235) as a Whole time Director of the Company to be designated as Chief Executive Officer and Director of the Company. • Ratification of excess remuneration paid to Mr. Suresh Khurana (DIN: 06677496), Chief Executive Officer and Director of the Company
2020-21	Wednesday, August 25, 2021 at 3.30 p.m. through Video Conferencing	Registered Office (Deemed Venue): Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001	None

b) Whether Special Resolutions were passed through postal ballot last year and details of voting pattern: Nil

c) Person who conducted the postal ballot exercise: Not Applicable

d) Whether any Special Resolution is proposed to be passed through postal ballot this year (financial year 2022-23): During the current year, if Special Resolutions are proposed to be passed through postal ballot, those will be taken up at the appropriate time.

e) Procedure for Postal Ballot: The procedure for conducting the postal ballot exercise would be as per Section 110 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, as amended from time to time.

5. Means of Communication:

Annual Reports, Notice of the Meetings and other communications to the Members are sent through e-mail, post or courier. However, the Ministry of Corporate Affairs ('MCA') has vide its General Circular No. 02/2022 dated January 13, 2022 and SEBI Circular dated January 15, 2022 directed the Companies to send Annual Reports only by e-mail to all the Members of the Company. Therefore, the Notice of 68th AGM of the Company and Annual Report for financial year 2021-22 is being sent to the Members at their registered e-mail address in accordance with MCA and SEBI Circulars

(a) Quarterly Results:
The quarterly, half yearly and yearly financial results are published as per the requirement of the Listing Regulations.

(b) Newspapers wherein results normally published:
Business Standard (English) and Mumbai Lakshadeep (Marathi, the regional language).

(c) Any Website, where displayed: www.naperol.com and www.bseindia.com

(d) Whether Website also displays official news releases: No

(e) Whether presentations made to institutional investors or to analysts: No

(f) Management Discussion & Analysis Report: The Management Discussion & Analysis Report forms part of this Annual Report.

6. General Shareholder Information:

(a) Annual General Meeting : Tuesday, September 13, 2022 at 4.00 p.m. (IST) through Video Conference / Other Audio Video Means

(b) Financial Year : The financial year is from April 1 to March 31.

Tentative Schedule

Results for quarter ended June 30, 2022 : August 9, 2022

Results for quarter ending September 30, 2022 : November 14, 2022

Results for quarter ending December 31, 2022 : February 14, 2023

Results for year ending March 31, 2023 : May 30, 2023

AGM for year ending March 31, 2023 : September 30, 2023

(c) Date of Book Closure : Wednesday, September 7, 2022 to Tuesday, September 13, 2022 (both days inclusive)

(d) Dividend Payment Date : On or after Monday, September 19, 2022

(e) Listing on Stock Exchange : The Company's shares are listed on BSE Limited. The Company has paid applicable listing fees for financial year 2021-22.

(f) Stock Code

Scrip Code : 500298

Scrip ISIN Number for NSDL & CDSL : INE585A01020

Scrip ID (on the BSE website - www.bseindia.com) : NATPEROX

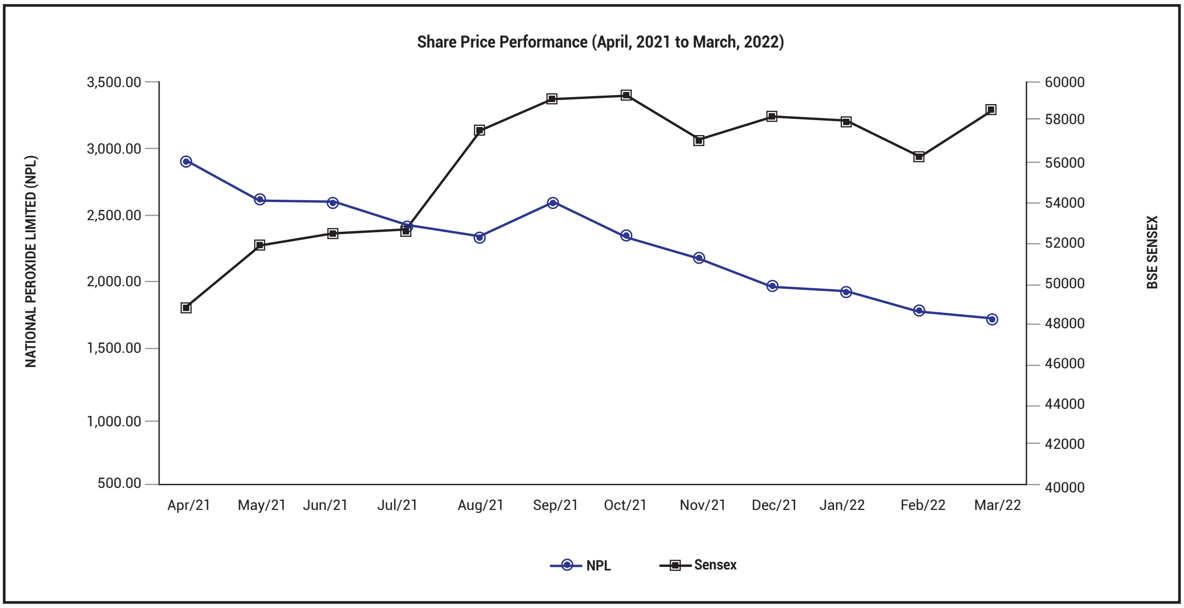
Corporate Identification Number : L24299MH1954PLC009254

(g) Stock Market Data (for face value of ₹ 10/- per share):

Month	High (₹)	Low (₹)	No. of Shares	No. of Trades	Net Turnover (₹)
April 2021	2,900.00	2,199.95	5,01,429	51,996	1,28,66,02,382
May 2021	2,620.00	2,300.00	1,84,022	22,641	45,12,90,733
June 2021	2,593.95	2,205.00	1,81,324	24,185	43,86,15,568
July 2021	2,425.00	2,163.00	2,23,262	25,337	51,29,38,074
August 2021	2,340.00	2,027.30	1,68,627	20,534	37,21,92,103
September 2021	2,599.00	2,149.00	3,15,564	26,861	74,96,01,866
October 2021	2,364.00	2,040.00	1,09,745	13,000	24,45,44,049
November 2021	2,195.00	1,736.05	1,23,023	15,008	24,02,88,166
December 2021	1,975.00	1,740.00	74,618	10,302	13,97,59,851
January 2022	1,939.95	1,701.00	70,786	8,476	13,00,23,567
February 2022	1,880.00	1,483.40	66,270	8,800	11,24,82,102
March 2022	1,735.00	1,472.35	1,07,776	8,878	17,28,54,362

Data based on BSE website: https://www.bseindia.com/markets/equity/EQReports/StockPrcHistori.aspx?expandable=7&scripcode=500298&flag=sp&Submit=G

(h) Stock Performance:



Data based on BSE website: https://www.bseindia.com/Indices/IndexArchiveData.html

(i) Investor Education and Protection Fund:

In terms of Section 124(5) of the Companies Act, 2013 read with the Rules made thereunder, the Company has credited during the year ended March 31, 2022, a sum of ₹ 7,39,710/-, being unclaimed dividend, to the Investor Education and Protection Fund (IEPF). The Company has, during the year, transferred 1,800 Equity shares of the Company to IEPF Authority pursuant to Section 124(6) of the Companies Act, 2013 read with the Rules made thereunder.

(j) Registrar and Share Transfer Agents:

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083.

Tel: 022-4918 6270; E-mail ID: rnt.helpdesk@linkintime.co.in

(k) Share Transfer System:

In terms of Regulation 40(9) of the Listing Regulations, 2015, as amended from time to time, securities can be transferred only in dematerialized form with effect from April 1, 2019. Members holding shares in physical form are requested to convert their holdings to dematerialized form and may write to CS Heena Shah, Company Secretary at secretarial@naperol.com or to Registrar and Share Transfer Agent.

(l) (i) Distribution of Shareholding as on March 31, 2022:

Group of shares			No. of shareholders	No. of shares held	%age to No. of shareholders
1	to	500	20,082	9,73,841	98.06
501	to	1,000	226	1,65,353	1.10
1,001	to	5,000	140	2,91,395	0.68
5,001	to	10,000	18	1,22,452	0.09
10,001	and	above	14	41,93,959	0.07
Total			**20,480**	**57,47,000**	**100.00**

(ii) Category of Shareholders as on March 31, 2022:

Category	No. of shares held	%age to total shares
Indian Promoters	40,06,409	69.71
Foreign Promoters	60,250	1.05
Banks	575	0.01
Mutual Funds	-	-
Foreign Portfolio Investors	-	-
Corporate Bodies	80,071	1.39
Indian Public	14,48,856	25.21
Alternate Investment Funds	13,598	0.24
NRI/OCB	32,331	0.56
Trust	92	0.00
Clearing Members	3,427	0.06
Investor Education Protection Fund (IEPF)	26,008	0.45
Hindu Undivided Family (HUF)	75,151	1.31
Total	**57,47,000**	**100.00**

(m) Dematerialization of Shares and Liquidity:

99.05% of the outstanding Equity Shares have been dematerialized upto March 31, 2022. Trading in Equity Shares of the Company is permitted only in dematerialized form. The trading / liquidity details are given at item 9(g) above.

(n) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on Equity: None

(o) Plant Location: NRC Road, P.O. Mohone, Village Vadavali, Kalyan - 421102, Maharashtra, India.

(p) Address for Correspondence:

For Shares held in Physical Form	:	Link Intime India Private Limited. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083. Tel: 022 49186270; E-mail ID: rnt.helpdesk@linkintime.co.in
For Shares held in Demat Form	:	To the Depository Participant.
For any query on Annual Report / Dividend / Investors' Assistance	:	The Company Secretary, National Peroxide Limited, C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025. Tel: 022 - 6662 0000 E-mail: secretarial@naperol.com

Pursuant to the provisions of the Listing Regulations, the Company has designated an e-mail ID exclusively for the purpose of registering complaints by investors. The e-mail address for the same is secretarial@naperol.com.

(q) List of credit ratings obtained during the year:

India Ratings & Research Private Limited has given the credit rating of 'IND A' / Stable for debt instrument / credit facilities of the Company.

7. Disclosures:

(a) Related Party Transactions

During the year under review, all related party transactions were in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Board / Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under Companies Act, 2013 read with rules made thereunder and Regulation 23 (2) of Listing Regulations. Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given are also placed before the Audit Committee for its review on a quarterly basis. During the year under review, there were no material related party transactions in terms of Regulation 23 of Listing Regulations.

As required under Regulation 23(1) of Listing Regulations, the Company has formulated a Policy on Related Party Transactions, which has been posted on the Company's website. (weblink: https://naperol.com/BoardPolicies)

(b) Vigil Mechanism / Whistle Blower Policy

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to approach the Ethics Counsellor or the Chairman of the Audit Committee of the Company to report instances of violations of laws, rules and regulations, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct.

The vigil mechanism also provides adequate safeguards against victimization of persons who use such mechanisms and also to ensure direct access to the Ethics Counsellor or the Chairman of the Audit Committee in appropriate or exceptional cases. During the year under review, no person has been denied access to the Audit Committee.

The Company has posted Whistle Blower Policy on Company's website (weblink: https://naperol.com/BoardPolicies).

(c) Dividend Distribution Policy:

The Company has adopted a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of the SEBI Listing Regulations, 2015. The same is available on the website of the Company. (weblink: https://naperol.com/BoardPolicies).

(d) Policy for determining the material subsidiaries:

The policy for determining the material subsidiaries can be accessed from the Company's website. (weblink: https://naperol.com/BoardPolicies)

(e) Disclosure of commodity price risks or foreign exchange risk and hedging activities:

The Company has a mechanism in place to manage these risks:

i. Commodity Risk (mainly Natural Gas) is managed through long term contract entered with Gas Authority of India Limited (GAIL); and

ii. Foreign Exchange Risks are managed by taking forward covers to ensure all forex expenses are fully hedged.

(f) Code of Conduct

The Board of Directors has adopted the Code of Ethics and Business Principles for the Non-Executive Directors as also for the employees including Executive Director and other Members of Senior Management. The said Code has been communicated to all the Directors and Members of the Senior Management. The Code has also been posted on the Company's website www.naperol.com.

(g) Policy for Prevention of Sexual Harassment in the Company:

The Company values the dignity of individuals and strives to provide a safe and respectable work environment to all its employees. The Company is committed to providing an environment, which is free of discrimination, intimidation and abuse. Pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013 and rules made thereunder, the Company has a Policy for prevention of Sexual Harassment in the Company. All employees (permanent, contractual, temporary and trainees) are covered under this policy.

Further, the Company has set up an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of the employees at workplace.

Your Directors further state the following pursuant to the Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013:

i. Number of complaints filed during the financial year – Nil

ii. Number of complaints disposed off during the financial year – N.A.

iii. Number of complaints pending as on end of the financial year – Nil

(h) Risk Management

A detailed review of business risks and the Company's plan to mitigate them is presented to the Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and regularly updated to the Board.

The Company has formulated a Risk Assessment and Management Policy, establishing the philosophy of the Company towards risk identification, analysis and prioritization of risks, development of risk mitigation plans which is reported to the Board periodically. The Risk Assessment and Management Policy has also been posted on the Company's website at www.naperol.com.

(i) Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Indian Accounting Standards (Ind-AS) issued by the Institute of Chartered Accountants of India to the extent applicable and notified under the Companies Act, 2013.

(j) CEO / CFO Certification

Mr. Rajiv Arora, Chief Executive Officer & Director and Mr. Conrad Fernandes, Chief Financial Officer, have certified to the Board in accordance with Regulation 17(8) of Listing Regulations, pertaining to CEO / CFO certification for the financial year ended March 31, 2022.

(k) Compliance Reports:

The Board has reviewed the compliance reports pertaining to the laws applicable to the Company at its meetings on quarterly basis.

(l) Subsidiary Companies Monitoring Framework:

All the Subsidiary Companies of the Company are managed by their respective Boards and the Management. The Board of Directors and Audit Committee of the Company review the minutes of the meetings, financial statements, investments made, significant transactions and arrangements of the unlisted subsidiary Companies in accordance with Listing Regulations. The Company has adopted the Policy for determining Material Subsidiaries as required under Regulation 16(1) (c) of Listing Regulations and the same is disclosed on the website of the Company (weblink: https://naperol.com/BoardPolicies).

As on March 31, 2022, the Company does not have any material subsidiary as defined under Regulation 16(1)(c) of Listing Regulations.

(m) Audit of Reconciliation of Share Capital:

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

(n) Information flow to the Board Members:

As required under Regulation 17(7), Part A of Schedule II of Listing Regulations, information is provided to the Board members for their information, review, inputs and approval from time to time.

(o) Code of Conduct for Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 including amendments thereof, the Company has adopted a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information. The Company has also adopted the Policy for determination of Legitimate Purposes and Policy for Inquiry in case of leak or suspected leak of unpublished price sensitive information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

(p) Total fees paid by the Company and its subsidiaries to its Statutory Auditors:

During the year under review, total fee of ₹ 53.00 lakhs has been paid by the Company and its subsidiaries to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditors is part on the consolidated basis.

(q) Compliance with mandatory requirements:

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of Listing Regulations.

Discretionary Requirements (Non-mandatory):

(a) Office of the Chairman of the Board:

The expenses incurred by the Chairman's Office in respect of Company's business is borne by the Company.

(b) Shareholder Rights:

The Company's quarterly and half-yearly results are furnished to the Stock Exchange and also published in the newspapers and are also posted on the Company's website and therefore not sent to the Shareholders.

`(c) Audit Qualifications:

There is no qualification in the Independent Auditor's Report on the Standalone and Consolidated financial statements for financial year 2021-22.

(d) Reporting of Internal Auditors:

The Internal Auditors report directly to the Audit Committee.

8. Certificate from Company Secretary in Practice

The Company has obtained a certificate from M/s. Parikh & Associates, Company Secretaries, required under Listing Regulations confirming that none of the Directors on Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

Mumbai, August 9, 2022

DECLARATION

As required under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2022.

For **National Peroxide Limited**

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Mumbai, August 9, 2022

CERTIFICATE BY COMPANY SECRETARY IN PRACTICE

[Pursuant to Regulation 34(3) and Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
National Peroxide Limited
Neville House, JN Heredia Marg,
Ballard Estate, Mumbai-400001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of National Peroxide Limited having CIN L24299MH1954PLC009254 and having registered office at Neville House, JN Heredia Marg, Ballard Estate, Mumbai-400001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company*
1.	Ness Nusli Wadia	00036049	18/03/1997
2.	Rajesh Batra	00020764	30/12/2005
3.	Ragothaman Rao Sethumadhava	00042395	29/08/2013
4.	Minnie Aarasp Bodhanwala	00422067	01/10/2015
5.	Viraf Rustom Mehta	00352598	04/07/2019
6.	Harshbeena Zaveri	00003948	31/03/2020
7.	Rajiv Arora	08730235	04/06/2020

* the date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Practising Company Secretaries

Shalini Bhat
FCS No: 6484 CP No.: 6994
UDIN: F006484D000765924
PR No.: 1129/2021

Mumbai, August 09, 2022

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
National Peroxide Limited

We have examined the compliance of the conditions of Corporate Governance by National Peroxide Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Practising Company Secretaries

Shalini Bhat
FCS No: 6484 CP No.: 6994
UDIN:F006484D000765871
PR No.: 1129/2021

Mumbai, August 09, 2022

ANNEXURE II TO THE DIRECTORS' REPORT

BUSINESS RESPONSIBILITY REPORT

[under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identification Number (CIN) of the Company	L24299MH1954PLC009254
2.	Name of the Company	National Peroxide Limited
3.	Registered Address	Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001
4.	Website	www.naperol.com
5.	Email Address	secretarial@naperol.com
6.	Financial Year reported	April 1, 2021 to March 31, 2022
7.	Sector(s) that the Company is engaged in	Hydrogen Peroxide (NIC Code : 20297) Hydrogen Gas (NIC Code : 20111) Peracetic Acid (NIC Code : 20299)
8.	List three key products / services that the Company manufactures / provides	The Company manufactures the following products: (i) Hydrogen Peroxide (ii) Hydrogen Gas (iii) Peracetic Acid
9.	Total number of locations where business activity is undertaken by the Company: (i) Number of International locations (provide details of major 5): (ii) Number of National locations.	(i) International location – None (ii) National location – One
10.	Markets served by the Company: Local / State / National / International	National & International

SECTION B : FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	₹ 574.70 lakhs
2.	Total Turnover (₹)	₹ 22,540.74 lakhs
3.	Total Profit /(Loss) after taxes (₹)	₹ 508.61 lakhs
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 ('the Act') read with the Rules made thereunder, the Board of Directors had approved to spend 2% of average net profit of last 3 financial years amounting to ₹ 195.00 lakhs. Details of CSR spending are given in 'Annexure III' of the Annual Report.
5.	List of activities in which expenditure in 4 above has been incurred.	(i) Promoting healthcare including preventive healthcare (ii) Promoting research (iii) Rural development projects (iv) Eradicating hunger, poverty, malnutrition (v) Ensuring environmental sustainability (vi) Empowering women self-help groups.

SECTION C: OTHER DETAILS

1.	Does the Company have subsidiary / subsidiaries	Yes. The Company has two subsidiaries.
2.	Do the subsidiary companies participate in the Business Responsibility initiatives of the parent Company? If yes, then indicate the number of such subsidiary companies	No. The subsidiary conducts its own BR initiatives, as applicable.
3.	Do any other entity / entities (eg suppliers / distributors etc.) that the Company does business with participate in the Business Responsibility activities of the Company? If yes, then indicate the percentage of such entity / entities. [less than 30%, 30%-60%, more than 60%]	No. The Company does not mandate its suppliers and partners to participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1.	Details of Director / Directors responsible for Business Responsibility	Mr. Rajiv Arora Chief Executive Officer & Director DIN: 08730235
2.	Details of the Business Responsibility Head	Mr. Conrad Fernandes Chief Financial Officer Phone : 022-66620000 Email : secretarial@naperol.com

2. Principle-wise (as per NVGs) BR Policy / Policies

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are :

P1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 : Businesses should promote the well-being of all employees.

P4 : Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 : Businesses should respect and promote human rights.

P6 : Businesses should respect, protect and make efforts to restore the environment.

P7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 : Businesses should support inclusive growth and equitable development.

P9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of Compliances [Reply in Yes(Y) / No(N)] –

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any National / International standards? If yes, specify?	The policies confirm to the National and International standards like ISO 9001, ISO 14001, OHSAS 45001, ISO 50001 and RC 14001.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD / Owner / CEO / appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director / Chief Executive Officer or Functional Heads of the Company as appropriate.								

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5.	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Company has Audit Committee, Stakeholders' Relationship Committee, Risk Management Committee, CSR Committee and also adequate Internal control systems to oversee the implementation of policies.								
6.	Indicate the link for the policy to be viewed online?	The policies are posted on the website of the Company at www.naperol.com.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8.	Does the Company have in-house structure to implement the policy / policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, wherever appropriate.								
10.	Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

(b) If answer to the question at serial no. 1 against any principle is 'No', please explain why : Not Applicable

3. Governance related to Business Responsibility (BR)

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. (Within 3 months, 3-6 months, Annually, More than 1 year):

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Yes, The Company publishes the Business Responsibility Report annually as part of the Annual Report and the same is available on the website of the Company at www.naperol.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group /Joint Ventures / Suppliers / Contractors / NGOs / Others?

The Company has a Code of Conduct for its Directors and Employees that cover issues inter-alia related to ethics, workplace responsibilities and conflict of interest. It also covers all dealings with suppliers, customers and other business associates.

Further, the Company has adopted a Whistle Blower Policy to provide a mechanism for Employees and Directors of the Company to approach the Ethics Counsellor or Chairman of the Audit Committee of the Company for reporting unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company also has a policy in place for Prevention of Sexual Harassment at Workplace which strives to provide a safe and respectable work environment and covers all the employees (permanent, contractual, temporary and trainees) of the Company.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

In the past financial year, the Company did not receive any complaint from any stakeholder under the Code of Conduct.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities:

As an environmentally conscious Company, National Peroxide Limited continues to innovate and use efficient technologies to bring down its strain on environment.

For production of Hydrogen Peroxide, Hydrogen Gas and Peracetic Acid, the Company has addressed environmental and safety concerns relating to hazard identification and risk assessment while implementing Environment Management System (ISO 14001:2015) and Occupational Health and Safety Management System (ISO 45001:2018).

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   Details of Conservation of Energy are given in Annexure-IV of the Annual Report.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   The Company strives to integrate social, ethical and environmental factors across the entire supply chain.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   The Company gives preference to Micro, Small and Medium Enterprises (MSME) for business opportunity and upliftment of lower middle class, wherever possible.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

   The Company while pursuing energy efficiency programs in the factory also takes initiatives for recycling of wastes generated during production. The Company's manufacturing facility is committed to zero liquid discharge. Water from the effluent treatment plants is also recycled within the factory for recycle / reuse for utility purpose and to maintain greenbelts / gardens / landscapes within industry premise.

   The Company is certified for Responsible Care Logo by Indian Chemical Council (ICC). As a Responsible Care, Company various efforts have been taken for recycling of products and wastes in the plant, eg., recycling of treated effluent to cooling tower (30-35%), recycling of noble metal catalyst, recycling of wash / used acetone.

Principle 3: Businesses should promote the well-being of all employees

The Company ensures its development & growth by investing in the satisfaction and well-being of its employees. The Company takes its responsibility seriously to provide a safe working environment and recognize that employees are more productive when they are healthy, feel good & work safely, & the Company's wellness programs raise awareness of health issues by encouraging its employees to adopt a healthy lifestyle. The Company also tailors its safety programs to minimize hazards at workplace.

1. Total number of employees: 131
2. Total number of employees hired on temporary / contractual / casual basis: 3
3. Number of permanent women employees: 6
4. Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management:

   There is a registered and recognized trade union at the Company's manufacturing location.

6. What percentage of your permanent employees is members of this recognized employee association:

   48% of total employees.

7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:

   Nil

8. What percentage of your undermentioned employees were given safety & skill upgradation training in the last year?

   As part of the Company's training calendar, regular trainings with respect to safety & skill upgradation are provided to its Permanent and Casual / Temporary / Contractual Employees. Total 106 training sessions were conducted during the year.

Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. **Has the Company mapped its internal and external stakeholders?**

   Yes.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders:**

   The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable and marginalized.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof.**

   The Company and the Wadia Group as a whole, think beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society through Wadia Group Children and Maternity Hospitals and Wadia Trusts which mostly caters to the lowest strata of the Society. The details of the activities are given in 'Annexure III' (CSR Report) of the Annual Report.

Principle 5: Businesses should respect and promote human rights.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

   The Code of Conduct extends not only to employees of the Company but also others who work with or represent the Company directly or indirectly. The Company's Policy on Sexual Harassment at workplace is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the financial year 2021-22, the Company did not receive any complaint with respect to human rights violation.

Principle 6: Businesses should respect, protect and make efforts to restore the environment.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others:**

   The Company has an Integrated Management System policy that covers Environment, Health and Safety areas of compliance with statutory standards.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage etc.**

   Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for the Company. The Company is continuously implementing process improvements to reduce emissions and wastes.

3. **Does the Company identify and assess potential environmental risks?**

   Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Practices. The Company follows sound environmental management practices at its manufacturing unit to assess and address potential environmental risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?**

   While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute to in this regard.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. If yes, please give hyperlink for web page etc.**

   The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment. The details of initiatives taken for conservation of energy are given in Annexure-IV of the Annual Report.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   As per the Company's monitoring and measurement, all applicable statutory requirements with respect to emissions / waste are complied with.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. **Is your Company a Member of any trade and chamber or association? If yes, name only those major ones that your business deals with:**

   Yes, the Company is the Member of various trade and industrial associations like Indian Chemical Council (ICC), National Safety Council (NSC) and Federation of Indian Chambers of Commerce and Industry (FICCI).

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas**

   The Company is represented in various associations and actively participates in various seminars, conferences and other forum on issues and policy matters that impact the interest of its stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

   The Company contributes to CSR initiatives, the details of which are given in 'Annexure III' of the Annual Report.

2. **Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?**

   The Company's CSR projects are implemented through the group's foundation, hospitals and other Implementing Agencies and institutions as well.

3. **Have you done any impact assessment of your initiative?**

   The Company assesses the impact of the CSR Projects and Programs undertaken, at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.

4. **What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?**

   The Company has spent ₹ 128.64 lakhs as part of its CSR initiatives for financial year 2021-22. Details of the projects are provided in Annexure-III of the Annual Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   The CSR projects and programs are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. **What percentage of customer complaints / consumer cases are pending as on the end of financial year.**

   Nil. The Company has resolved all customer complaints received during the financial year 2021-22.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

   Yes. Product information about the physical dimensions and chemical compositions is provided through the product labels / pack declaration and / or catalogues.

   Further, the Company voluntarily engages customers through various fora such as meets, one to one interaction, and telephonic conversation to provide product information, over and above mandatory requirements.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof.**

   During the last five years, no cases have been filed by the stakeholders against the Company under Competition Act, 2002.

4. **Did your Company carry out any consumer survey / consumer satisfaction trends?**

   As a process, the Company collects customer feedback on regular basis. Reports of the same are shared with the stakeholders for necessary action to improve the products / services.

Mumbai, August 9, 2022

ANNEXURE III TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[As prescribed under Section 135 of the Companies Act, 2013 ('the Act') and Companies (Corporate Social Responsibility Policy)]

1. A brief outline of the Company's CSR policy

The CSR initiatives of the Company aim towards (i) promoting health care including preventive healthcare (ii) promoting research (iii) rural development projects (iv) eradicating hunger, poverty, malnutrition (v) ensuring environmental sustainability (vi) empowering women self-help groups.

The Company has framed a CSR Policy in compliance with the provisions of the Act, which is available on the Company's website and the web-link for the same is https://naperol.com/BoardPolicies.php

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Ness N. Wadia	Chairman Non-Independent, Non-Executive Director	1	1
2.	Mr. Rajesh Batra	Member Independent Director	1	1
3.	Mr. Viraf Mehta	Member Independent Director	1	1

3. Web-link where the Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: https://naperol.com/CSR.php

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014:

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable

6. Average net profit of the Company as per Section 135(5):

₹ 9714.49 lakhs

7. (a) **Two percent of average net profit of the Company as per Section 135(5):**

₹ 194.28 lakhs

(b) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:**

Not Applicable

(c) **Amount required to be set off for the financial year, if any:**

Not Applicable

(d) **Total CSR obligation for the financial year (7a+7b-7c):**

₹ 194.28 lakhs

Note: The Board, on recommendation of CSR Committee, had approved an amount of ₹ 195.00 lakhs as CSR contribution for the financial year 2021-22.

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
128.64 lakhs	-	-	-	-	Refer below note

Note: Unspent CSR amount of ₹ 66.36 lakhs will be transferred to fund(s) specified in Schedule VII as per second proviso to Section 135(5) of the Act within six months of the expiry of the finanical year March 31, 2022.

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (₹ in lakhs)	Amount spent in the current financial Year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				District	State						Name	CSR Registration Number
1.	Continuous improved service delivery and upgradation of Labour Ward (NWMH)	Item no. (i)	Yes	Mumbai	MH	3 years	35.66	35.66	Nil	Yes	-	-
2.	CO2 hydro-lysing and reducing catalyst development for Carbon Capture, Usage and Storage (CCUS) technology (IIT)	Item no. (ix)	Yes	Mumbai	MH	3 years	30.00	30.00	Nil	Yes	-	-
	Total						**65.66**	**65.66**	**Nil**			

MH – Maharashtra;
NWMH – Nowrosjee Wadia Maternity Hospital;
IIT – Indian Institute of Technology, Bombay

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Amount spent for the project (₹ in lakhs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1	Village Development	Item no. (x)	Yes	MH	Mumbai	12.61	No	SNWF	CSR00000818
2	Hospital Project	Item no. (i)	No	TN	Coimbatore	21.22	No	SNWF	CSR00000818
3	Waste Management	Item no. (iv)	Yes	MH	Mumbai	13.30	No	SNWF	CSR00000818
4	Entrepreneurial skills of Women self-help groups	Item no. (iii)	No	RJ	Jaipur	15.85	No	SSE	CSR00019161
	Total					**62.98**			

MH – Maharashtra;
TN – Tamil Nadu;
RJ – Rajasthan

(d) Amount spent in Administrative Overheads:

Nil

(e) Amount spent on Impact Assessment, if applicable:

Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

₹ 128.64 lakhs

(g) Excess amount for set off, if any :

Sr. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	NA
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Nil

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

Nil

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

Due to ongoing COVID pandemic, administrative and other difficulties were faced by the implementing agencies leading to delay in execution and completion of the projects. Hence the amount remained unspent.

For **National Peroxide Limited**

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Conrad Fernandes
Chief Financial Officer

Mumbai, August 9, 2022

For and on behalf of the
Corporate Social Responsibility Committee of National Peroxide Limited

Ness N. Wadia
Chairman
CSR Committee
DIN: 00036049

ANNEXURE IV 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:

- Main process pumps design is improved to increase efficiency and reduce power consumption
- Use of optimal combination of available process air compressors for overall reduction of power
- Automation of main water supply pumps for energy conservation.

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:

A. POWER AND FUEL CONSUMPTION

			2021-22	2020-21
1.		**Electricity**		
	a.	**Purchased:**		
		Units (KWH)	3,35,76,715	3,60,60,337
		Total Amount (₹ in lakhs)	2,956	2,939.02
		Rate/Unit (₹/KWH)	8.80	8.15
	b.	**Own Generation:**		
		(i) Through diesel generator Units (KWH)	16,756	13,074
		Units/litre of diesel oil (KWH)	3.47	3.44
		Cost of diesel /Unit (₹/KWH)	19.59	19.95
		(ii) Through steam turbine/ generator (KWH)	2,62,910	3,55,221
2.		**Coal**	Not Applicable	
3.		**Fuel**		
	a.	**Natural Gas**		
		Quantity (MMBTU)	34,771	26,810
		Total amount (₹ in lakhs)	325.62	182.01
		Average rate (₹/MMBTU)	936.46	678.90
4.		**Other / Internal Generation**	Not Applicable	

B. CONSUMPTION PER UNIT OF PRODUCTION

			2021-22	2020-21
1.		Electricity (KWH/MT)	431.18	404.75
2.		Fuel		
	a.	Furnace Oil (Kgs/MT)	0.00	0.00
	b.	Natural Gas (MMBTU/MT)*	0.45	0.31

* The consumption for fuel is calculated on the basis of annual production. The equivalent fuel oil specific consumption on gross calorific value basis for the financial years 2020-21 and 2021-22 works out to 10.61 and 15.40 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 utilization of alternate sources of energy.

(c) The capital investment on energy conservation equipment:

No significant capital investment was incurred during the year on various energy conservation measures.

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 : ₹ 45.36 lakhs
- Recurring expenditure : ₹ 12.92 lakhs
- Total expenses : ₹ 58.28 lakhs
- Total as % of turnover : 0.26%

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	2021-22	2020-21
Foreign exchange earned	2,117.17	680.20
Foreign exchange used	1,180.19	140.45

ANNEXURE V TO THE DIRECTORS' REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[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,
National Peroxide Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by National Peroxide 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 authorised 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 and the Securities and Exchange Board of India 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, 2022, 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, 2022 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;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(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) Regulations, 2014 and 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 Debt Securities) Regulations, 2008 and 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)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (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) Other laws applicable specifically to the Company namely:

(a) The Manufacture Storage & Import of Hazardous Chemicals Rules, 1989, as amended;

(b) The Hazardous & Other Waste (Management, Handling & Trans Boundary Movements) Rules, 2016;

(c) The Indian Boilers Act, 1923;

(d) Indian Boiler Regulations 1950 and amendments thereof;

(e) Explosives Act, 1884 & Rules, 1981 & Static and Mobile Pressure Vessel (Unfired) Rules, 1981; and

(f) Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.

(g) Air (Prevention and Control of Pollution) Act, 1981

(h) Water (Prevention and Control of Pollution) Act, 1974

(i) The Legal Metrology Act, 2009

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.

(ii) The Listing Agreement entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate 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 no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **Parikh & Associates**
Company Secretaries

Shalini Bhat
Partner
FCS No: 6484 CP No: 6994
UDIN: F006484D000765847
PR No.: 1129/2021

Place: Mumbai
Date: August 9, 2022

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 A’

To,
The Members
National Peroxide 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: F006484D000765847
PR No.: 1129/2021

Place: Mumbai
Date: August 9, 2022

ANNEXURE VI 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, Chief Financial Officer and Company Secretary during the financial year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22 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 of Director / KMP for the FY 2021-22 (₹ in lakhs)	% increase in Remuneration in the FY 2021-22	Ratio of remuneration of each Director / KMP to median remuneration of employees
1.	Mr. Ness N. Wadia, Chairman Non-Executive & Non-Independent Director	18.64	(5.38)	1.74:1
2.	Mr. Rajesh Batra Non-Executive & Independent Director	17.03	(9.27)	1.59:1
3.	Mr. S. Ragothaman Non-Executive & Independent Director	14.79	6.40	1.38:1
4.	Dr. (Mrs.) Minnie Bodhanwala Non-Executive & Non-Independent Director	4.89	(19.04)	0.46:1
5.	Mr. Viraf Mehta Non-Executive & Independent Director	15.29	4.80	1.42:1
6.	Mrs. Harshbeena Zaveri Non-Executive & Independent Director	5.46	(5.86)	0.51:1
7.	Mr. Rajiv Arora Chief Executive Officer & Director	234.58	*	21.86:1
8.	Mr. Conrad Fernandes Chief Financial Officer	87.25	28.61	8.13:1
9.	Mr. Chandukumar Parmar Company Secretary	13.52	**	1.26:1

Note:

*Mr. Rajiv Arora was appointed as a Chief Executive Officer & Director with effect from June 4, 2020. Details not given as he was Director only for part of the financial year 2020-21.

**Mr. Chandukumar Parmar was Company Secretary upto the close of business hours of January 14, 2022. Details not given as he was Company Secretary only for part of the financial year 2021-22.

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 ₹ 10.73 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.

2. **The percentage increase in the median remuneration of employees in the financial year.**

   In the financial year, there was an increase of 9.44% in the median remuneration of employees.

3. The number of permanent employees on the rolls of the Company:

There were 131 permanent employees on the rolls of the Company as on March 31, 2022.

4. 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:

Average percentage increase in the salaries of employees other than Managerial Personnel in financial year 2021-2022 on comparable basis was 4.76% over previous year whereas Managerial Remuneration was increased by 11.42%.

5. 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, August 9, 2022

Independent Auditor's Report

To the Members of National Peroxide Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying standalone financial statements of National Peroxide Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive loss (comprising of profit and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone 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 together with the ethical requirements that are relevant to our audit of the standalone 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Refer note 2(d) (accounting policy) and note 29 (financial disclosures) to the standalone Ind AS financial statements):	
Revenue from contracts with customers for the year ended March 31, 2022 amounted to ₹ 22,396.54 lakhs. Revenue is recognised 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. Revenue recognition includes determination of pricing, effect of discounts, sales returns and adjustments for freight reimbursements. Due to the significance of the area and the management estimates and judgement around determination of the above factors, revenue recognition is considered as a key audit matter.	We performed the following procedures: a) Understood and evaluated the design and tested the operating effectiveness of key controls relating to revenue recognition. b) Tested sales transactions on a sample basis by comparing the underlying sales invoices, sales orders, dispatch and delivery documents to assess whether revenue was recognised appropriately. c) Evaluated the contract terms for a sample of customer contracts to determine the timing of transfer of control to the customer and to also determine the amount of freight adjustments. d) Tested the timing of recognition of revenue including performing cut-off procedures, to determine whether the same is in line with the terms of contracts.

Key audit matter	How our audit addressed the key audit matter
	e) Tested credit notes issued for discounts and sales returns with requisite approvals. f) Tested the journal entries for unusual revenue transactions, if any. g) Evaluated the adequacy of presentation and disclosures made in the standalone financial statements, in respect of revenue recognition. Based on above procedures, we did not note any significant exceptions in the assessment made by the Management in respect of revenue recognition.

Other Information

5. 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 standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial 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 Accounting Standards specified under Section 133 of the Act. 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 judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 standalone 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 standalone 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 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.
11. 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.
12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone financial

statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

(g) 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 (as amended), 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 on its financial position in its standalone financial statements – Refer Note 48 to the standalone financial statements;

ii. The Company has long-term contracts including derivative contracts for which there were no material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, 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 person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 on behalf of the Ultimate Beneficiaries (Refer Note 57A(vii) to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 on behalf of the Ultimate Beneficiaries (Refer Note 57A(vii) to the standalone financial statements); and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660AIVAUG6994

Place: Pune
Date: May 12, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of National Peroxide Limited on the Standalone Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of National Peroxide Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to standalone financial statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

7. Because of the inherent limitations of internal financial

controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660AIVAUG6994

Place: Pune
Date: May 12, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of National Peroxide Limited on the Standalone Financial Statements for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties, as disclosed in Note 4 to the standalone financial statements, are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory by Management as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has drawn down working capital loan in excess of ₹ 5 crores, in aggregate, from its sanctioned working capital limits, from banks on the basis of security of current assets. The Company has filed quarterly statements with such banks which are in agreement with the unaudited books of account. (Also refer Note 57A(ii) to the standalone financial statements)

iii. (a) The Company has not made investments in companies/ firms/ Limited Liability Partnerships; or granted secured loans/advances in nature of loans, or stood guarantee, or provided security to companies/ firms/ Limited Liability Partnerships/ other parties. The Company has granted unsecured loan to one company (other than subsidiary, associate or joint venture). The aggregate amount granted during the year, and balance outstanding at the balance sheet date with respect to such loan to the company is as per the table given below:

(₹ in lakhs)

	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount granted/ provided during the year				
- Others	-	-	2,500.00	-
Balance outstanding as a balance sheet date in respect of the above case				
- Others	-	-	-	-

(Also refer Note 15 to the standalone financial statements)

(b) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated, and the company has repaid the principal amounts, as stipulated, and is also regular in payment of interest as applicable.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed or extended. Further, no fresh loans were granted to same company to settle the existing overdue loans.

(f) The loans granted during the year, to related party had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand.

iv. 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 given 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, and guarantees and security provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 48 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, service tax, duty of customs, duty of excise, cess, goods and services tax, which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax Act, 2002	Value Added Tax	7.80	FY 2005-06	Joint Commissioner of Sales Tax (Appeal)
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	38.90	FY 2012-13	Joint Commissioner of Sales Tax
Central Sales Tax Act, 1956	Sales Tax	1,656.58**	FY 2006-07	Joint Commissioner of Sales Tax (Appeal)
Income Tax Act, 1961	Income Tax	4.58	AY 2013-14	Assistant Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	101.59	AY 2015-16	Assistant Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	16.58	AY 2016-17	Assistant Commissioner of Income Tax, Mumbai
Income Tax Act, 1961	Income Tax	1,079.47	AY 2018-19	Commissioner of Income Tax Appeals, Mumbai

* 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 the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 57C(iii) to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

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 reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 “Related Party Disclosure” specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the year under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi.(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial/ housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 57B to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, 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 that 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 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. (a) The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below:

(₹ in lakhs)

Financial year	Amount to be spent in accordance with section 135(5) (for other than ongoing projects)	Amount remaining unspent as at the year-end to be transferred to fund under Sch. VII	Amount transferred to Fund under Sch. VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Sch. VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Sch. VII, till the date of audit report
(a)	(b)	(c)	(d)	(e)	(f)
2021-22	128.62	65.64	-	-	65.64

(b) Amount to be spent in accordance with section 135(5) (for ongoing projects) of ₹ 65.66 lakhs has been fully spent and as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660AIVAUG6994

Place: Pune
Date: May 12, 2022

Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	33,721.03	34,148.13
Capital work-in-progress	4	398.67	252.73
Intangible assets	5	45.14	65.08
Financial assets			
- Investments	6	21,436.05	26,774.25
- Other financial assets	7	317.55	43.16
Income tax assets (net)	8	910.80	606.43
Other non current assets	9	245.02	130.36
Total non-current assets		**57,074.26**	**62,020.14**
Current assets			
Inventories	10	2,924.26	1,695.11
Financial assets			
- Investments	11	6,736.71	-
- Trade receivables	12	1,887.64	2,384.34
- Cash and cash equivalents	13	101.89	665.82
- Other bank balances	14	64.49	69.10
- Loans	15	-	11,000.00
- Other financial assets	16	13.78	26.85
Other current assets	17	607.57	391.56
Asset held for sale	18	15.56	201.51
Total current assets		**12,351.90**	**16,434.29**
Total assets		**69,426.16**	**78,454.43**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	574.70	574.70
Other equity	20	53,149.62	58,266.96
LIABILITIES		**53,724.32**	**58,841.66**
Non-current liabilities			
Financial liabilities			
- Borrowings	21	1,377.08	-
- Other financial liabilities	22	-	137.47
Provisions	23	323.47	344.88
Deferred tax liabilities (net)	38	3,206.93	3,163.49
Total non-current liabilities		**4,907.48**	**3,645.84**
Current liabilities			
Financial liabilities			
- Borrowings	24	8,030.29	12,488.70
- Lease liabilities	4	-	3.83
- Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		63.08	304.37
Total outstanding dues to creditors other than micro and small enterprises		1,317.95	1,697.54
- Other financial liabilities	26	677.87	956.06
Contract liabilities		359.48	106.08
Other current liabilities	27	250.03	295.98
Provisions	28	95.66	114.37
Total current liabilities		**10,794.36**	**15,966.93**
Total liabilities		**15,701.84**	**19,612.77**
Total equity and liabilities		**69,426.16**	**78,454.43**
Basis of preparation and significant accounting policies	2		

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Pune
Date: May 12, 2022

Place: Mumbai
Date: May 12, 2022

Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	29	22,540.74	21,447.35
Other income	30	1,021.26	1,277.96
Total income		**23,562.00**	**22,725.31**
Expenses			
Cost of raw materials and packing materials consumed	31	10,317.22	7,578.36
Purchase of stock-in-trade		410.09	-
Changes in inventories of stock-in-trade and finished goods	32	208.72	171.28
Power, fuel and water		3,326.97	3,395.49
Employee benefit expenses	33	2,698.39	2,558.45
Finance costs	34	883.36	1,265.62
Depreciation and amortisation expense	35	1,743.65	1,749.96
Other expenses	36	3,929.26	3,277.30
Total expenses		**23,517.66**	**19,996.46**
Profit before exceptional items and tax		**44.34**	**2,728.85**
Exceptional income/ (expenses)	37	700.00	(1,549.30)
Profit before tax		**744.34**	**1,179.55**
Tax expense:	38		
Current tax		-	121.97
Deferred tax		235.73	(1,023.50)
Total tax expense		**235.73**	**(901.53)**
Profit for the year		**508.61**	**2,081.08**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit obligations		45.49	57.06
Fair value changes of equity instruments at FVOCI		(5,338.20)	9,116.85
Income tax relating to above items		240.83	(269.66)
Items that will be reclassified to profit or loss			
Effective portion of gain / (loss) on cash flow hedge		192.85	(73.50)
Income tax relating to above item		(48.54)	2.80
Other comprehensive income/ (loss) for the year, net of tax		**(4,907.57)**	**8,833.55**
Total comprehensive income/ (loss) for the year		**(4,398.96)**	**10,914.63**
Earnings per equity share			
- Basic and diluted	39	8.85	36.21
Basis of preparation and significant accounting policies	2		

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Statement of Changes in Equity for the year ended March 31, 2022

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

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2020	**574.70**
Changes in equity share capital	-
Balance as at March 31, 2021	**574.70**
Changes in equity share capital	-
Balance as at March 31, 2022	**574.70**

B. Other equity

Particulars	Reserves and Surplus		Items of OCI		
	General reserve	Retained earnings	FVOCI - Equity Instrument	FVOCI - Cash flow hedging reserve	Total other equity
Balance as at April 1, 2020	**3,284.50**	**36,905.46**	**7,985.22**	**(104.47)**	**48,070.71**
Profit for the year	-	2,081.08	-	-	2,081.08
Other comprehensive income (net of tax)	-	42.70	8,861.55	(70.70)	8,833.55
Total comprehensive income for the year	**-**	**2,123.78**	**8,861.55**	**(70.70)**	**10,914.63**
Transactions with owners in their capacity as owners:					
Dividend paid	-	(718.38)	-	-	(718.38)
Balance as at March 31, 2021	**3,284.50**	**38,310.86**	**16,846.77**	**(175.17)**	**58,266.96**
Profit for the year	-	508.61	-	-	508.61
Other comprehensive income (net of tax)	-	34.04	(5,085.92)	144.31	(4,907.57)
Total comprehensive income for the year	**-**	**542.65**	**(5,085.92)**	**144.31**	**(4,398.96)**
Transactions with owners in their capacity as owners:					
Dividend paid	-	(718.38)	-	-	(718.38)
Balance as at March 31, 2022	**3,284.50**	**38,135.13**	**11,760.85**	**(30.86)**	**53,149.62**

Basis of preparation and significant accounting policies 2

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
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Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Statement of Cash Flows for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	**744.34**	**1,179.55**
Adjustments for:		
Depreciation and amortisation expense	1,743.65	1,749.96
Finance costs	883.36	1,265.62
Interest income	(527.55)	(1,115.95)
Dividend income	(28.14)	(30.78)
Write off of property, plant and equipment	8.68	-
Loss on disposal of property, plant and equipment	0.03	654.77
Provision for impairment of property, plant and equipment	-	136.72
Gain on sale of assets held for sale	(61.96)	-
Loss on account of reassessment of fair value of assets (CWIP) held for sale	-	173.86
Loss on account of breakdown of machinery	-	367.22
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	(120.52)	(35.00)
Loss allowances	20.42	-
Loss on cancellation of lease contract	1.61	-
Net unrealised foreign exchange loss	1.25	0.03
Operating cashflow before working capital changes	**2,665.17**	**4,346.00**
Change in operating assets and liabilities		
(Increase)/ decrease in inventories	(1,215.07)	745.11
Decrease in trade receivables	478.16	840.97
(Increase) in non-current financial asset	(2.60)	(21.76)
(Increase)/ decrease in other non current assets	(77.63)	273.31
(Increase) in other current assets	(216.01)	(47.28)
Decrease in current financial assets	13.07	7.22
Decrease in assets held for sale	-	3.09
Increase/ (decrease) in trade payables	(620.88)	135.10
Increase in provisions	5.37	68.71
Increase/ (decrease) in other current financial liabilities	(12.62)	67.05
Increase/ (decrease) in other current liabilities	(45.95)	185.86
Increase in contract liabilities	250.27	59.17
Cash generated from operations	**1,221.28**	**6,662.55**
Income taxes paid (net)	(304.37)	(589.05)
Net cash inflow from operating activities	**916.91**	**6,073.50**
Cash flows from investing activities		
Payments for property, plant and equipment (including capital work-in-progress and advances)	(1,750.96)	(2,339.72)
Proceeds from sale of property, plant and equipment	0.10	223.04
Proceeds from sale of assets held for sale	233.83	-
Payment for purchase of investments	(21,705.00)	(12,066.00)
Proceeds from sale of investments	15,088.81	12,100.00

Statement of Cash Flows for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Intercorporate deposit given to related party	(2,500.00)	(500.00)
Receipts of intercorporate deposit given to related party	3,500.00	500.00
Intercorporate deposit given to other company	-	(5,000.00)
Receipts of intercorporate deposit given to other company	10,000.00	5,000.00
Interest received	527.55	1,338.68
Dividend received	28.14	30.78
Movement in bank balances which are not considered as cash and cash equivalents	4.61	4.76
Net cash inflow / (outflow) from investing activities	**3,427.08**	**(708.46)**
Cash flows from financing activities		
Repayment of long term borrowings	(3,803.63)	(3,395.26)
Proceeds from long term borrowings	1,462.50	-
Proceeds from/ (repayment of) short term borrowings (net)	(933.33)	465.40
Dividends paid to company's shareholders	(722.99)	(723.14)
Principal elements of lease payments	(3.89)	(8.98)
Finance costs paid	(906.58)	(1,256.34)
Net cash outflow from financing activities	**(4,907.92)**	**(4,918.32)**
Net increase/ (decrease) in cash and cash equivalents	**(563.93)**	**446.72**
Cash and cash equivalents at the beginning of the year	665.82	219.10
Cash and cash equivalents at the end of the year	**101.89**	**665.82**
Cash and cash equivalents comprises of:		
Cash and cash equivalents (refer note 13)	101.89	665.82
	101.89	**665.82**

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.

Basis of preparation and significant accounting policies 2

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

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Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

1. General information:

National Peroxide Limited ("NPL", "Company") is a public limited Company established in 1954 and is listed on BSE Limited, Mumbai. NPL a pioneer in India for peroxygen chemicals is the largest manufacturer of Hydrogen Peroxide in India, with an installed capacity of 150 KTPA on 50% w/w. basis. Company's registered office is situated at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

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

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(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) New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards and are effective April 1, 2022. Below is a summary of relevant amendments:

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

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

Consequent to above, the Company has changed the classification/ presentation of (i) current maturities of long-term borrowings, (ii) security deposits and (iii) lease liabilities.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

Lease liabilities have been disclosed as a separate line item under financial liabilities. Previously, it was disclosed as a part of other financial liabilities.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarized below:

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	12,515.26	(11,559.20)	956.06
Current borrowings	933.33	11,555.37	12,488.70
Lease liabilities (current)	-	3.83	3.83
Loans (non current)	43.16	(43.16)	-
Other financial assets (non current)	-	43.16	43.16
Loans (current)	11,026.85	(26.85)	11,000.00
Other financial assets (current)	-	26.85	26.85

(vi) 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 realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized 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) Segment reporting:

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

The Chief Executive Officer and Director of National Peroxide Limited has been identified as CODM and he is 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 41 for segment information presented.

(c) 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' (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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.

(d) 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 are 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.

(e) 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operates and generates taxable income. 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 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 realized 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 utilize 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 realize 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(f) Leases

As a lessee

From April 1, 2019, 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
- Payments 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 amortizing 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.

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.

Short-term leases

The Company recognizes the lease payments

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

(g) 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.

(h) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cheques on hand, deposits held at call with financial institutions, other short term, highly liquid investments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance sheet.

(i) 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.

(j) Inventories:

Inventories are valued at lower of cost and net realisable 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 realisable 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.

(k) 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 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.

(l) Investments and other financial assets:

(i) Classification

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.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit or Loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows 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. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/ (losses). Impairment losses are presented as separate line item in the Statement of Profit and Loss.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Statement of Profit and Loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at 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 is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. The Company's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the Statement of Profit and Loss. Where the asset is disposed off, the cumulative gain or loss previously accumulated in the 'FVOCI - Equity Instrument' is directly reclassified to retained earnings. Impairment losses (and reversal of impairment losses), if any on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Investment in subsidiaries is carried at cost less impairment loss, if any.

(iii) 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.

(a) 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.

(b) 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.

(iv) 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).

(v) 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.

(vi) Derecognition of financial assets

A financial asset is derecognized only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the 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.

(m) 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.

(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 realise 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) Property, plant and equipment:

Freehold land is carried at historical cost. 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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.

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	10 - 60 years
b	Furniture and fixtures	10 years
c	Plant and equipment	8 - 25 years
d	Office equipment	5 years
e	Computer	3 years
f	Vehicles	8 years

(p) Intangible assets:

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

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 3 years being the estimated useful life.

(q) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of 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.

(r) 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. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(s) 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.

(t) Provisions and Contingencies:

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 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.

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.

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.

(u) 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 employee 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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.

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.

(v) Contributed equity:

Equity shares are classified as equity.

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

(w) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

(x) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Diluted earnings per share

Diluted earnings per share adjusts 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 costs 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.

(y) 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. Refer note 37 - Exceptional income/ (expenses).

(z) 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/capitalized 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 43 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 value 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 44 to the financial statements.

- **Inventory obsolescence**

  The Company writes down inventories to net realisable value based on an estimate of the realisability of inventories. Write downs on inventories are recorded where events or changes in circumstances indicate that the balances may not 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

4. Property, plant and equipment

(a) Particulars	Freehold land	Freehold Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	ROU Vehicle	Total	Capital work-in-progress
Gross block									
Balance as at April 1, 2020	***5.89***	***1,000.93***	***39,700.51***	***132.85***	***81.25***	***38.46***	***22.29***	***40,982.18***	**-**
Additions	-	-	*23.52*	*0.30*	*15.06*	-	-	*38.88*	*319.73*
Assets written off (refer note 52)	-	-	*(461.39)*	-	-	-	-	*(461.39)*	-
Disposals (refer note 50)	-	-	*(1,121.49)*	-	*(14.10)*	-	-	*(1,135.59)*	-
Transfer	-	-	*67.00*	-	-	-	-	*67.00*	*(67.00)*
Balance as at March 31, 2021	**5.89**	**1,000.93**	**38,208.15**	**133.15**	**82.21**	**38.46**	**22.29**	**39,491.08**	**252.73**
Additions	-	7.41	1,036.85	72.58	16.51	3.85	-	1,137.20	315.77
Assets written off	-	-	(17.33)	(6.41)	(5.25)	-	-	(28.99)	-
Disposals	-	-	-	-	(0.30)	-	(22.29)	(22.59)	-
Transfer	-	-	169.83	-	-	-	-	169.83	(169.83)
Balance as at March 31, 2022	***5.89***	***1,008.34***	***39,397.50***	***199.32***	***93.17***	***42.31***	**-**	***40,746.53***	***398.67***
Accumulated depreciation and impairment									
Balance as at April 1, 2020	**-**	***161.32***	***3,581.29***	***27.00***	***34.78***	***12.73***	***11.03***	***3,828.15***	**-**
Depreciation charge for the year	-	*33.95*	*1,651.93*	*13.03*	*16.15*	*6.68*	*8.28*	*1,730.02*	-
Impairment loss (refer note 50)	-	-	*136.72*	-	-	-	-	*136.72*	-
Assets written off (refer note 52)	-	-	*(94.16)*	-	-	-	-	*(94.16)*	-
Disposals (refer note 50)	-	-	*(244.52)*	-	*(13.26)*	-	-	*(257.78)*	-
Balance as at March 31, 2021	**-**	***195.27***	***5,031.26***	***40.03***	***37.67***	***19.41***	***19.31***	***5,342.95***	**-**
Depreciation charge for the year	-	35.62	1,641.39	20.01	18.34	6.98	1.37	1,723.71	-
Assets written off	-	-	(13.22)	(2.69)	(4.40)	-	-	(20.31)	-
Disposals	-	-	-	-	(0.17)	-	(20.68)	(20.85)	-
Balance as at March 31, 2022	**-**	**230.89**	**6,659.43**	**57.35**	**51.44**	**26.39**	**-**	**7,025.50**	**-**
Net carrying amount as on March 31, 2021	***5.89***	***805.66***	***33,176.89***	***93.12***	***44.54***	***19.05***	***2.98***	***34,148.13***	***252.73***
Net carrying amount as on March 31, 2022	**5.89**	**777.45**	**32,738.07**	**141.97**	**41.73**	**15.92**	**-**	**33,721.03**	**398.67**

Note:

i) Refer note 49(i) for disclosure of contractual commitments.

ii) For details of Property, plant and equipment which are pledged as security for borrowings - refer note 21 Non-current borrowings.

iii) Plant and equipment includes computers gross block ₹ 128.58 lakhs (March 31, 2021 ₹ 134.30 lakhs), accumulated depreciation ₹ 79.41 lakhs (March 31, 2021 ₹ 80.55 lakhs) and written down value ₹ 49.17 lakhs (March 31, 2021 ₹ 53.75 lakhs).

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

4 Aging of Capital work-in-progress:

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

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	263.82	134.85	-	-	**398.67**
Projects temporarily suspended	-	-	-	-	**-**
Total	**263.82**	**134.85**	**-**	**-**	**398.67**

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	252.73	-	-	-	**252.73**
Projects temporarily suspended	-	-	-	-	**-**
Total	**252.73**	**-**	**-**	**-**	**252.73**

(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, 2022

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Research and development laboratory	255.45	-	-	-	**255.45**
Office renovation	81.53	-	-	-	**81.53**
Other	40.86	-	-	-	**40.86**
Projects temporarily suspended	-	-	-	-	**-**
Total	**377.84**	**-**	**-**	**-**	**377.84**

As at March 31, 2021

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Research and development laboratory	-	230.20	-	-	**230.20**
Other	20.73	-	-	-	**20.73**
Projects temporarily suspended	-	-	-	-	**-**
Total	**20.73**	**230.20**	**-**	**-**	**250.93**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

4 Leases

As lessee

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

Particulars	Vehicles	Total
Balance as of April 1, 2020	11.26	11.26
Depreciation	(8.28)	(8.28)
Balance as of March 31, 2021	**2.98**	**2.98**
Deletions	(1.61)	(1.61)
Depreciation	(1.37)	(1.37)
Balance as of March 31, 2022	**-**	**-**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liability	-	3.83
Non-current lease liability	-	-
Total	**-**	**3.83**

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

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Opening balance	3.83	12.12
Deletions	-	-
Finance cost incurred	0.06	0.69
Payment of lease liabilities	(3.89)	(8.98)
Closing balance	**-**	**3.83**

(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, 2022	As at March 31, 2021
Less than one year	-	3.83
One to five years	-	-
More than five years	-	-
Total	**-**	**3.83**

(v) Amount recognised in statement of profit and loss

Particulars		For year ended March 31, 2022	For year ended March 31, 2021
Interest on lease liability	refer note 34	0.06	0.69
Expense relating to short-term leases and low value assets	refer note 36	55.30	61.14
Depreciation	refer note 35	1.37	8.28
Total		**56.73**	**70.11**

(vi) Total cash outflow for leases for the year ended March 31, 2022 was ₹ 3.89 lakhs (March 31, 2021 ₹ 8.98 lakhs).

(vii) There are no variable lease payments included in the measurement of lease liability.

(viii) 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

5. Intangible assets

Particulars	Computer Software	Total
Gross block		
Balance as at April 1, 2020	***104.96***	***104.96***
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	***104.96***	***104.96***
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	**104.96**	**104.96**
Accumulated amortisation		
Balance as at April 1, 2020	***19.94***	***19.94***
Charge for the year	*19.94*	*19.94*
Disposals	-	-
Balance as at March 31, 2021	***39.88***	***39.88***
Charge for the year	19.94	19.94
Disposals	-	-
Balance as at March 31, 2022	**59.82**	**59.82**
Net carrying amount as on March 31, 2021	***65.08***	***65.08***
Net carrying amount as on March 31, 2022	**45.14**	**45.14**

6. Non-current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid up)		
Unquoted Investment		
Investments in subsidiaries at cost		
25,500 (March 31, 2021: 25,500) equity share of Naperol Investments Limited of ₹ 100 each	25.50	25.50
10,000 (March 31, 2021: 10,000) equity share of NPL Chemicals Limited of ₹ 10 each (refer note 55)	1.00	1.00
Quoted Investment		
Other Investments at FVOCI		
1,489,700 (March 31, 2021: 1,489,700) equity shares of The Bombay Dyeing & Manufacturing Company Limited of ₹ 2 each	1,466.61	1,045.77
2,306,584 (March 31, 2021: 2,306,584) equity shares of The Bombay Burmah Trading Corporation Limited of ₹ 2 each	19,855.08	25,612.31
600 (March 31, 2021: 600) equity shares of Housing Development Finance Corporation Limited of ₹ 2 each	14.34	14.99
5,000 (March 31, 2021: 5,000) equity shares of HDFC Bank Limited of ₹ 1 each	73.52	74.68
	21,436.05	**26,774.25**
Aggregate amount of quoted investments and market value thereof	21,409.55	26,747.75
Aggregate amount of unquoted investments	26.50	26.50
Aggregate amount of impairment in value of investments	-	-
	21,436.05	**26,774.25**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

7. Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Derivatives designated as hedges		
Cross currency interest rate swap (CCIRS)	271.79	-
Security deposits	45.76	43.16
	317.55	**43.16**

8. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance taxes [Net of provision for taxation ₹ 17,921.70 lakhs (March 31, 2021: ₹ 17,921.70 lakhs)]	910.80	606.43
	910.80	606.43

9. Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Prepayments	30.06	30.05
Capital advances	58.35	21.32
Balances with government authorities*	220.86	143.24
Less : Provision for sales tax*	(64.25)	(64.25)
	245.02	**130.36**

*During the earlier years, the Company had provided ₹ 64.25 lakhs towards sales tax matters based on estimation for probable liabilities arising out of pending disputes / liabilities with indirect tax authorities.

10. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and packing materials	1,816.80	463.63
Finished goods	188.65	405.94
Traded goods	8.57	-
Stores and spares*	910.24	825.54
	2,924.26	**1,695.11**

*Write-down of inventories to net realisable value amounted to ₹ 3.15 lakhs (March 31, 2021 ₹ 0.33 lakhs). These were recognised as an expense during the year and included in 'Other expenses - Consumption of stores and spares' in Statement of Profit and Loss.

11. Current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (Unquoted Investments - FVTPL)		
2,375,809.37 units (March 31, 2021: Nil) of ICICI Prudential Overnight Fund Direct Plan Growth of ₹ 10 each	2,722.86	-
53,822.82 units (March 31, 2021: Nil) of HDFC Overnight Fund - Direct Plan - Growth Option of ₹ 10 each	1,699.43	-
204,132.92 units (March 31, 2021: Nil) of IDFC Overnight Fund Direct Plan - Growth of ₹ 10 each	2,314.42	-
	6,736.71	**-**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	6,736.71	-
Aggregate amount of impairment in value of investments	-	-
	6,736.71	-

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

12. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from contract with customers	1,976.36	2,452.64
Less: Loss allowance	(88.72)	(68.30)
	1,887.64	**2,384.34**
Breakup of security details		
Secured, considered good	-	-
Unsecured, considered good	1,887.64	2,384.34
Significant increase in credit risk	-	-
Credit impaired	88.72	68.30
	1,976.36	**2,452.64**
Loss allowance	(88.72)	(68.30)
Total trade receivables	**1,887.64**	**2,384.34**
Aging of trade receivables:		

As at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following period from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	1,841.73	43.66	-	1.29	-	-	1,886.68
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	20.42	3.03	65.27	88.72
(iv) Disputed Trade receivables - considered good	-	-	0.96	-	-	-	-	0.96
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**1,841.73**	**44.62**	**-**	**21.71**	**3.03**	**65.27**	**1,976.36**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

As at March 31, 2021

Particulars	Unbilled	Not Due	Outstanding for following period from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	2,355.66	8.26	20.42	-	-	-	2,384.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	3.03	65.27	-	68.30
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**2,355.66**	**8.26**	**20.42**	**3.03**	**65.27**	**-**	**2,452.64**

13. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	1.27	1.16
Cheques on hand	-	49.38
Balances with banks in current accounts	47.71	563.68
Deposits with maturity of less than three months	52.91	51.60
	101.89	**665.82**

14. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	64.49	69.10
	64.49	**69.10**

15. CURRENT FINANCIAL ASSETS - LOANS

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Inter corporate deposit to related parties (refer note 42)	-	1,000.00
Inter corporate deposit to other companies	-	10,000.00
Less: Loss allowance	-	-
	-	**11,000.00**

The Company has, during the year, given Intercorporate Deposits (ICDs) to certain parties covered under section 189 of the Companies Act, 2013, viz. Bombay Burmah Trading Corporation Limited ₹ 2,500 lakhs (Previous Year ₹ Nil lakhs) at interest rate of 9.25% p.a. (Previous Year Nil), Bombay Dyeing and Manufacturing Company Limited ₹ Nil lakhs (Previous Year ₹ 5,000 lakhs) at interest rate of 11.50% p.a. (Previous Year 11.50%). These ICDs are for general business purpose and have a tenure of less than a year.

During the year, the Intercorporate Deposits (ICDs) have been repaid, Bombay Dyeing and Manufacturing Company Limited ₹ 10,000 lakhs (Previous Year ₹ 5,000 lakhs), Wadia Techno Engineering Sevice Limited ₹ 1,000 lakhs (Previous year ₹ Nil lakhs) and Bombay Burmah Trading Corporation Limited ₹ 2,500 lakhs (Previous Year ₹ Nil lakhs).

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding	% to the total loans and advances in the nature of loans	Amount outstanding	% to the total loans and advances in the nature of loans
a) Amounts repayable on demand				
- Promoters	-	-	10,000	91%
- Directors	-	-	-	-
- Key managerial personnel	-	-	-	-
- Other related parties	-	-	500	5%
b) Without specifying any terms or period of repayment				
- Promoters	-	-	-	-
- Directors	-	-	-	-
- Key managerial personnel	-	-	-	-
- Other related parties	-	-	-	-
Total	**-**	**-**	**10,500**	**95%**

16. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Security deposits	13.78	26.85
	13.78	**26.85**

17. Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Advances to suppliers	33.42	36.45
Advances for expenses	23.54	27.44
Prepayments	479.42	34.64
Receivable towards unspent corporate social responsibility expenses	66.36	-
Balances with government authorities	4.83	293.03
	607.57	**391.56**

18. Asset held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work in progress (refer note 51)	15.56	201.51
	15.56	**201.51**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

19. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised capital		
25,000,000 (March 31, 2021: 25,000,000) equity shares of ₹ 10 each	2,500.00	2,500.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid-up		
5,747,000 (March 31, 2021: 5,747,000) equity shares of ₹ 10 each	574.70	574.70
	574.70	**574.70**

Notes:

a) 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
As at April 1, 2020		
Balance at the beginning of the year	57,47,000	574.70
Movement during the year	-	-
Balance as at March 31, 2021	**57,47,000**	**574.70**
Movement during the year	-	-
Balance as at March 31, 2022	**57,47,000**	**574.70**

b) Shares held by the holding company, subsidiary and associate of the holding company and subsidiary of the ultimate holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
Nowrosjee Wadia and Sons Limited, holding company	17,69,125	30.78%	17,69,125	30.78%
Macrofil Investments Limited, subsidiary of holding company	19,14,609	33.31%	19,14,609	33.31%
The Bombay Burmah Trading Corporation Limited, associate of holding company	2,24,000	3.90%	2,24,000	3.90%
Ben Nevis Investments Limited, British Virgin Island, subsidiary of ultimate holding company	51,500	0.90%	51,500	0.90%

c) Shareholders holding more than 5% of equity shares of the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
Equity shares				
Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	17,69,125	30.78%
Macrofil Investments Limited	19,14,609	33.31%	19,14,609	33.31%

d) 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

e) Shareholding of promoters:

Shares held by promoters as at March 31, 2022

Sr.	Promoter Name	Number of shares	% of total number of shares	% of change during the year
1	Ness Nusli Wadia	4,600	0.08%	-
2	Nusli Neville Wadia	16,325	0.28%	-
3	Varnilam Investments & Trading Company Limited	16,750	0.29%	-
4	The Bombay Dyeing and Manufacturing Company Limited	61,000	1.06%	-
5	The Bombay Burmah Trading Corporation Limited	2,24,000	3.90%	-
6	Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	-
7	Macrofil Investments Limited	19,14,609	33.31%	-
8	Dina Neville Wadia	5,250	0.09%	-
9	Baymanco Investments Limited	3,500	0.06%	-
10	Ben Nevis Investments Limited	51,500	0.90%	-
	Total	**40,66,659**	**70.75%**	**-**

Shares held by promoters as at March 31, 2021

Sr.	Promoter Name	Number of shares	% of total number of shares	% of change during the year
1	Ness Nusli Wadia	4,600	0.08%	-
2	Nusli Neville Wadia	16,325	0.28%	-
3	Varnilam Investments & Trading Company Limited	16,750	0.29%	-
4	The Bombay Dyeing and Manufacturing Company Limited	61,000	1.06%	(3.90%)
5	The Bombay Burmah Trading Corporation Limited	2,24,000	3.90%	3.90%
6	Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	-
7	Macrofil Investments Limited	19,14,609	33.31%	(0.06%)
8	Dina Neville Wadia	5,250	0.09%	-
9	Baymanco Investments Limited	3,500	0.06%	0.06%
10	Ben Nevis Investments Limited	51,500	0.90%	-
	Total	**40,66,659**	**70.75%**	**-**

20. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	3,284.50	3,284.50
Retained earnings	38,135.13	38,310.86
FVOCI - Equity instruments	11,760.85	16,846.77
FVOCI - Cash flow hedging reserves	(30.86)	(175.17)
	53,149.62	58,266.96

Nature and purpose of other reserves:

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained earnings

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.

FVOCI - Equity instrument

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserves within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

FVOCI - Cash flow hedging reserve

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

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

21. Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan from bank:		
Foreign currency loan (USD) (refer note below)	7,942.05	11,546.87
Rupee loan (refer note below)	1,465.32	-
	9,407.37	**11,546.87**
Less: Current maturities of long term debt (refer note 24) (included in current borrowings)	(8,020.20)	(11,536.06)
Less: Interest accrued (refer note 24) (included in current borrowings)	(10.09)	(10.81)
	1,377.08	**-**

A) I) Term of repayment

a. The loan is repayable in 16 equal quarterly instalments of US $ 1,312,500 beginning from June 6, 2020 and the last quarterly installment being payable on February 27, 2024. This loan has a variable interest rate of 3 months USD-LIBOR-BBA plus 1.25% per annum payable on quarterly basis. The loan has a put and call option at the end of second year from the date of drawdown (i.e. March 6, 2019) and annually therafter.

b. Rupee term loan from bank ₹ 1,500.00 lakhs (March 31, 2021 ₹ Nil). This facility carries an interest rate of 8.70%. The loan is repayable in 17 equal quarterly installments commencing from the end of 12th month from date of first drawdown (i.e. January 7, 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.

B) Net debt reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	101.89	665.82
Non-current borrowings (including current maturities of long term borrowings and interest accrued on borrowings)	(9,407.37)	(11,546.87)
Current borrowings	-	(941.83)
Lease liabilities	-	(3.83)
Total	**(9,305.48)**	**(11,826.71)**

	Cash and cash equivalent	Non-current borrowings	Current borrowings	Lease liabilities	Net debt
Net debt as at April 1, 2020	**219.10**	**(15,681.55)**	**(467.93)**	**(12.12)**	**(15,942.50)**
Cash flow	446.72	3,395.26	(465.40)	8.98	3,385.56
Interest expenses	-	(1,172.36)	(92.57)	(0.69)	(1,265.62)
Interest paid	-	1,172.27	84.07	-	1,256.34
Exchange gain	-	739.51	-	-	739.51
Net debt as at March 31, 2021	**665.82**	**(11,546.87)**	**(941.83)**	**(3.83)**	**(11,826.71)**
Net debt as at April 1, 2021	**665.82**	**(11,546.87)**	**(941.83)**	**(3.83)**	**(11,826.71)**
Cash flow	(563.93)	2,341.13	933.33	3.89	2,714.42
Interest expenses	-	(795.96)	(87.34)	(0.06)	(883.36)
Interest paid	-	810.74	95.84	-	906.58
Exchange loss	-	(216.41)	-	-	(216.41)
Net debt as at March 31, 2022	**101.89**	**(9,407.37)**	**-**	**-**	**(9,305.48)**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

22. Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives designated as hedges		
Cross currency interest rate swap (CCIRS)	-	137.47
	-	**137.47**

23. Non-current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits (refer note 43)		
Leave encashment and compensated absence	255.19	272.98
Pension	68.28	71.90
	323.47	**344.88**

24. Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan:		
From bank		
Current maturities of long term borrowings*	8,030.29	11,546.87
From other parties		
Working capital term loan (refer note below)*	-	941.83
	8,030.29	**12,488.70**

*includes interest accrued on borrowings

Terms of repayment

Working capital term loan from Standard Chartered Investments and Loans (India) Limited (SCIIL), an NBFC, ₹ Nil (March 31, 2021 ₹ 933.33 lakhs). This facility carries interest rate of 10.90%. The loan is repayable in 9 monthly installments of ₹ 133.33 lakhs starting from February 15, 2021.

Nature of security

Working capital term loan from SCIIL is secured by first pari passu charge on current assets.

25. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer note 47)	63.08	304.37
Total outstanding dues to creditors other than micro and small enterprises	1,317.95	1,697.54
	1,381.03	**2,001.91**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Aging of trade payables:

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	19.94	43.14	-	-	-	**63.08**
(ii)Undisputed dues - Others	426.25	545.74	266.54	-	-	-	**1,238.53**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	79.42	-	-	**79.42**
Total	**426.25**	**565.68**	**309.68**	**79.42**	**-**	**-**	**1,381.03**

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	188.12	116.17	0.08	-	-	**304.37**
(ii) Undisputed dues - Others	287.45	872.05	452.49	0.20	2.00	3.93	**1,618.12**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	79.42	-	-	-	**79.42**
Total	**287.45**	**1,060.17**	**648.08**	**0.28**	**2.00**	**3.93**	**2,001.91**

26. Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives not designated as hedges:		
-Foreign exchange forward contracts	-	0.46
Deposit received from customers	3.30	7.05
Capital creditors*	151.00	411.96
Unpaid dividend	64.49	69.10
Payable to employees	459.08	467.49
	677.87	**956.06**

*Including dues to micro and small enterprises for ₹ 9.02 lakhs (March 31, 2021 - ₹ 2.09 lakhs). (refer note 47)

27. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and others)	184.39	295.98
Liability towards corporate social responsibility (refer note 40)	65.64	-
	250.03	**295.98**

28. Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits (refer note 43)		
Leave encashment and compensated absence	86.00	103.84
Pension	9.66	10.53
	95.66	**114.37**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

29. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Manufactured goods	21,970.40	21,418.35
Traded goods	426.14	-
Other operating income	144.20	29.00
	22,540.74	**21,447.35**

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

(A) Revenue streams

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of Goods/Income from operations	22,396.54	21,418.35
Other operating revenues	144.20	29.00
Sale of goods / Income from operations	**22,540.74**	**21,447.35**

(B) There are no material unsatisfied performance obligations for the year ended March 31, 2022 and March 31, 2021. Further, entire revenue is recognised at the point in time when the performance obligation is satisfied and control of the goods is transferred to the customer.

(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, 2022	For the year ended March 31, 2021
Domestic	20,676.08	20,684.13
Exports	1,720.46	734.22
Sale of goods / income from operations	**22,396.54**	**21,418.35**

(D) Movement in expected credit loss during the year.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance for loss allowance	68.30	68.30
Add : Loss allowance assessed for the year	20.42	-
Closing balance for loss allowance	**88.72**	**68.30**

(E) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract price	23,116.94	22,408.31
Less: Refund Liabilities - Sales Returns / Credits / Reversals	137.79	127.46
Less: Discounts	582.61	862.50
	22,396.54	**21,418.35**

(F) The entire amount of contract liability as of March 31, 2021 of ₹ 106.08 lakhs (March 31, 2020 of ₹ 46.91 lakhs) has been recognised as revenue during the current year.

(G) There are no significant changes in contract liabilities during the year ended March 31, 2022.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

30. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets at amortised cost		
On Inter corporate deposit	515.82	1,106.45
On fixed deposits	1.43	1.47
Other interest income	10.30	8.03
Dividend income from equity investments designated at FVOCI (refer note below)	28.14	30.78
Other non-operating income		
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	120.52	35.00
Profit on sale of assets held for sale	61.96	-
Net foreign exchange gain	50.67	3.36
Miscellaneous income	232.42	92.87
	1,021.26	**1,277.96**

All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognised during the reporting period.

31. Cost of raw materials and packing materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance of raw materials and packing materials	463.63	1,083.65
Add: Purchases made during the year	11,670.39	6,958.34
Less: Closing balance of raw materials and packing materials	1,816.80	463.63
	10,317.22	**7,578.36**

32. Changes in inventories of stock-in-trade and finished goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	405.94	577.22
Closing balance	(197.22)	(405.94)
	208.72	**171.28**

33. Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,240.34	2,097.45
Contribution to provident fund and other funds (refer note 43)	121.94	138.21
Provident fund benefits (refer note 43)	2.81	4.51
Gratuity (refer note 43)	44.85	56.42
Pension benefits (refer note 43)	6.51	7.62
Workmen and staff welfare expenses	281.94	254.24
	2,698.39	**2,558.45**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

34. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss	279.47	362.69
Fair value changes on cross currency interest rate swap designated as cash flow hedges - transferred from other comprehensive income	602.35	887.26
Other interest expense	1.54	15.67
	883.36	**1,265.62**

35. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 4)	1,722.34	1,721.74
Depreciation on right of use assets (refer note 4)	1.37	8.28
Amortisation of intangible assets (refer note 5)	19.94	19.94
	1,743.65	**1,749.96**

36. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	530.21	263.84
Legal and professional fees	542.17	597.34
Payment to auditors*	53.62	60.55
Rates and taxes	28.67	32.81
Repairs and maintenance		
-plant and machinery	839.33	573.66
-building	7.57	3.68
Freight charges	160.55	408.57
Insurance charges	184.26	212.47
Director sitting fees (refer note 42)	48.80	52.50
Corporate social responsibility expense (refer note 40)	194.28	280.00
Director commission (refer note 42)	10.08	24.20
Rental charges	55.30	61.14
Loss allowance	20.42	-
Clearing and forwarding expenses	638.35	113.51
Miscellaneous expenses	615.65	593.03
	3,929.26	**3,277.30**

Note: During the year, the Company has paid commission of ₹ 27.30 lakhs (March 31, 2021 ₹ 29.00 lakhs) to non-executive directors against the provision of ₹ 27.30 lakhs in March 31, 2021 (March 31, 2020 ₹ 32.10 lakhs) and excess provision of ₹ Nil (March 31, 2021 ₹ 3.10 lakhs) is written back.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Payment to auditors*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Statutory audit fees	25.00	23.00
Limited review audit fees	16.00	14.50
Others	12.00	23.00
Reimbursement of out of pocket expenses	0.62	0.05
	53.62	**60.55**

37. Exceptional income/ (expenses)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss on account of decommissioning of assets (refer note 50)	-	(790.65)
Loss on account of reassessment of fair value of assets (CWIP) held for sale (refer note 18 and note 51)	-	(173.86)
Loss on account of breakdown of machinery and insurance claim received thereon (refer note 52)	250.00	(584.79)
Compensation for right of way on the Company's property (refer note 53)	450.00	-
	700.00	**(1,549.30)**

38. Income tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

(a) Income tax recognised in statement of profit and loss

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense		
(i) Current tax expense	-	121.97
Total current tax expense	**-**	**121.97**
(ii) Deferred tax (benefit)/ expense		
Decrease (increase) in deferred tax assets	(197.60)	669.83
(Decrease) increase in deferred tax liabilities	433.33	(1,693.33)
Total deferred tax (benefit)/ expense	**235.73**	**(1,023.50)**
Total Income tax (benefit)/ expense	**235.73**	**(901.53)**

(b) Income tax recognised in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense		
(i) Current tax benefit/ (expense)		
Remeasurement of defined benefit obligation	-	(8.33)
Total current tax benefit/ (expense)	**-**	**(8.33)**
(ii) Deferred tax benefit/ (expense)		
Remeasurement of defined benefit obligation	(11.44)	(6.03)
Financial asset measured at FVOCI	203.73	(252.50)
Total deferred tax benefit/ (expense)	**192.29**	**(258.53)**
Total Income tax benefit/ (expense)	**192.29**	**(266.86)**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(c) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	744.34	1,179.55
Tax at the Indian applicable tax rate 25.17%	187.34	296.87
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Expenses which are not deductible/ (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	48.90	70.47
Other amounts which are not deductible/ (taxable) in calculating taxable income	(0.51)	37.17
Change in income tax rates	-	(1,306.04)
Income tax expense	**235.73**	**(901.53)**

(d) Tax assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	606.43	147.68
Add: Taxes paid	304.37	589.05
Less: Current tax payable for the year	-	130.30
Closing balance	**910.80**	**606.43**
Current tax assets	**910.80**	**606.43**
Current tax liabilities	**-**	**-**

(e) Movement in deferred tax liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	3,552.45	3,371.39
Less: Deferred tax assets	345.52	207.90
Deferred tax liability (net)	**3,206.93**	**3,163.49**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

38 Income tax

Movement of deferred tax balances

March 31, 2022

Particulars	As at March 31, 2021	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2022
Property, plant and equipment	3,116.09	421.03	-	3,537.12
Financial asset measured at FVOCI	255.30	12.30	(252.27)	15.33
Total deferred tax liabilities	**3,371.39**	**433.33**	**(252.27)**	**3,552.45**
Provision for post retirement benefits and other employee benefits	115.63	1.80	(11.44)	105.99
Loss allowance	17.19	5.14		22.33
Provision for sales tax	16.17			16.17
Loss on cash flow hedging reserve	58.91		(48.54)	10.37
Business loss		190.66	-	190.66
Total deferred tax assets	**207.90**	**197.60**	**(59.98)**	**345.52**
Deferred tax liability (net)	**3,163.49**	**235.73**	**(192.29)**	**3,206.93**

March 31, 2021

Particulars	As at March 31, 2020	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2021
Property, plant and equipment	4,809.42	(1,693.33)	-	3,116.09
Financial asset measured at FVOCI	-	-	255.30	255.30
Total deferred tax liabilities	**4,809.42**	**(1,693.33)**	**255.30**	**3,371.39**
Provision for post retirement benefits and other employee benefits	139.71	(18.05)	(6.03)	115.63
Loss allowance	23.02	(5.83)	-	17.19
Provision for sales tax	22.45	(6.28)	-	16.17
Loss on cash flow hedging reserve	56.11	-	2.80	58.91
Business loss	122.21	(122.21)	-	-
MAT credit entitlement	517.46	(517.46)	-	-
Total deferred tax assets	**880.96**	**(669.83)**	**(3.23)**	**207.90**
Deferred tax liability (net)	**3,928.46**	**(1,023.50)**	**258.53**	**3,163.49**

Deferred tax asset of ₹ 54.48 lakhs (Previous Year: ₹ Nil) on unused tax losses of ₹ 467.72 lakhs (Previous Year: ₹ Nil) in relation to fair valuation of equity shares has not been created as currently, the Company is uncertain to generate sufficient taxable capital gain in forseeable future.

39. Earning per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic and diluted earnings per share		
Profit for the year (₹ in lakhs)	508.61	2,081.08
Weighted average number of shares	57,47,000	57,47,000
Basic and diluted earnings per share (₹)	8.85	36.21
Face value per share (₹)	10.00	10.00

Notes to the Financial Statements as of and for the year ended March 31, 2022
(All amounts are in Indian Rupees lakhs, unless otherwise stated)

40. Corporate social responsibility ("CSR")

Pursuant to the provision of section 135 of the Company's Act 2013, the Company has formed a Corporate Social Responsibility (CSR) Committee. The CSR Committee of the Company provides an oversight of CSR policy and its execution to ensure that CSR objectives of the Company are met.

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Gross amount required to spent during the year	194.28	273.00
Amount of expenditure incurred	128.64	280.00
Excess CSR amount spent and claimed during the year and not carried forward	-	7.00
Amount of shortfall for the year	65.64	-
Amount of cumulative shortfall at the end of the year	65.64	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	65.64	-

Details related to amount spent on corporate social responsibility:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Contribution to Sir Ness Wadia Foundation	47.13	126.00
(ii) Contribution to Nowrosjee Wadia Maternity Hospital	35.66	47.00
(iii) Contribution to Bai Jerbai Wadia Hospital for Children	-	70.00
(iv) Contribution to Mumbai Police Foundation	-	27.00
(v) Contribution to Smile Foundation	-	10.00
(vi) Contribution to School for Social Entrepreneurs India	15.85	-
(vii) Contribution to Indian Institute of Technology, Bombay	30.00	-
	128.64	**280.00**

Amount spent during the year on:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Construction / acquisition of any asset ^	30.00	-
(ii) On purpose other than (i) above	98.64	280.00
	128.64	**280.00**

^ Assets are not in the books of the Company.

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate unspent account
-	-	65.66	65.66	-	-	-

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2021	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	128.62	62.98	65.64

Details of Excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at April 1, 2022
-	128.62	62.98	-

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate unspent account		From the Company's bank account	From separate CSR unspent account	With the Company	In separate unspent account
-	-	273.00	280.00	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2020	Amount deposited in specified fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	-	-	-

Details of Excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at April 1, 2021*
-	273.00	280.00	7.00

*The Company would not set off the excess amount of ₹ 7 lakhs spent for the Financial Year 2020-21

41. Segment information

The CEO and Director 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'.

Information about geographical areas

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	20,820.28	20,713.13
Outside India	1,720.46	734.22
Total Revenue	**22,540.74**	**21,447.35**

There are no non-current assets other than financial instruments outside India.

Information about major customers

Customers include private distribution entities. No single customer of the Company accounts for 10% or more of total revenue.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

42. Related party disclosures

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

(i) Enterprises exercising control:

Ultimate holding entity - Bucharn Holdings Limited

Parent entity - Nowrosjee Wadia and Sons Limited (refer note 19)

(ii) Enterprises where control exists:

Subsidiary company- Naperol Investments Limited

Subsidiary company - NPL Chemicals Limited (w.e.f. July 29, 2020)

(iii) Key managerial personnel

Mr. Rajiv Arora, Chief Executive Officer & Director (w.e.f. June 4, 2020)

Mr. Suresh Khurana, Chief Executive Officer and Director (upto June 4, 2020)

Non-executive directors

Mr. Ness N. Wadia - Chairman

Dr (Mrs.) Minnie Bodhanwala

Independent directors

Mr. Rajesh Batra

Mr. S. Ragothaman

Mr. Viraf Mehta

Mrs. Harshbeena Zaveri

(iv) Enterprise controlled by the parent entity and with whom transactions were carried out during the year

Wadia Techno-Engineering Services Limited

(v) Enterprise which is an associate of parent entity and with whom transactions were carried out during the year

The Bombay Burmah Trading Corporation Limited

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

National Peroxide Limited Employees' Provident Fund

National Peroxide Limited Employees' Gratuity Fund

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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, 2022	For the year ended March 31, 2021
Inter-corporate deposit given		
Wadia Techno-Engineering Services Limited	-	500.00
The Bombay Burmah Trading Corporation Limited	2,500.00	-
Repayment of inter-corporate deposit given		
Wadia Techno-Engineering Services Limited	1,000.00	500.00
The Bombay Burmah Trading Corporation Limited	2,500.00	-
Investments made		
NPL Chemicals Limited	-	1.00
Interest income on inter-corporate deposit		
Wadia Techno-Engineering Services Limited	46.69	107.26
The Bombay Burmah Trading Corporation Limited	114.04	-
Dividend income		
The Bombay Burmah Trading Corporation Limited	27.68	27.68
Miscellaneous income		
The Bombay Burmah Trading Corporation Limited	70.35	22.00
Miscellaneous expenses		
Nowrosjee Wadia and Sons Limited	80.33	75.12
Reimbursement of expenses		
Nowrosjee Wadia and Sons Limited	13.27	5.82
Recovery of expenses		
Naperol Investments Limited	-	8.93
NPL Chemicals Limited	-	0.05
Compensation to key managerial personnel		
Mr. Rajiv Arora		
Short term employee benefits	229.14	170.22
Post employment benefits**	11.94	9.41
Mr. Suresh Khurana		
Short term employee benefits	-	46.45
Post employment benefits**	-	3.10
Total	**241.08**	**229.18**
** 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.		
Commission to Non-executive Directors#	10.08	27.30
# Note: During the year, the Company has paid commission of ₹ 27.30 lakhs (March 31, 2021 ₹ 29.00 lakhs) to non-executive directors against the provision of ₹ 27.30 lakhs in March 31, 2021 (March 31, 2020 ₹ 32.10 lakhs) and excess provision of ₹ Nil (March 31, 2021 ₹ 3.10 lakhs) is written back.		
Director Sitting fees to Non-executive Directors	48.80	52.50
Contribution to employee benefit plans		
National Peroxide Limited Employees' Provident Fund	2.81	4.51
National Peroxide Limited Employees' Gratuity Fund	-	73.66

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Balances outstanding as at the year end:

Particulars	As at March 31, 2022	As at March 31, 2021
Inter-corporate deposits given		
Wadia Techno-Engineering Services Limited	-	1,000.00
Investments		
Naperol Investments Limited	25.50	25.50
The Bombay Burmah Trading Corporation Limited	19,855.08	25,612.31
NPL Chemicals Limited	1.00	1.00
Other Current Assets		
The Bombay Burmah Trading Corporation Limited	15.22	25.96
Naperol Investments Limited	-	8.93
NPL Chemicals Limited	-	0.05
Contributions Made		
National Peroxide Limited Employees' Provident Fund	588.55	629.91
National Peroxide Limited Employees' Gratuity Fund	1,036.67	1,216.03
Payable to Key managerial personnel		
Mr. Rajiv Arora	27.50	45.15
Mr. Suresh Khurana	-	28.15

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

43. 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, 2022	As at March 31, 2021
Current	86.00	103.84
Non-current	255.19	272.98
(b) Defined Contribution Plan		
(i) Provident fund		
(ii) Superannuation fund		
The Company has recognised the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	103.81	112.30
(ii) Contribution to superannuation fund	18.13	25.91
(c) Post employment obligations		

Notes to the Financial Statements as of and for the year ended March 31, 2022

(All amounts are in Indian Rupees 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

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

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.95%	6.35%
Salary escalation rate		
-For management employees	8.00%	8.00%
-For other employees	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	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 recognised 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
As at April 1, 2021	**1,216.02**	**(1,216.02)**	**-**
Current service cost	50.18	-	50.18
Interest expense / (income)	57.47	(62.80)	(5.33)
Total amount recognised in profit and loss	**107.65**	**(62.80)**	**44.85**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(24.11)	(24.11)
(Gain) / loss from change in financial assumptions	(20.34)	-	(20.34)
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	(0.40)	-	(0.40)
Total amount recognised in other comprehensive income	**(20.74)**	**(24.11)**	**(44.85)**
Employer contributions	-	-	-
Benefits payments	(304.26)	304.26	-
Assets acquired / (settled) on account of business combination or intergroup transfer	38.00	(38.00)	-
As at March 31, 2022	**1,036.67**	**(1,036.67)**	**-**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	**1,280.13**	**(1,229.80)**	**50.33**
Current service cost	56.40	-	56.40
Interest expense / (income)	57.66	(57.64)	0.02
Total amount recognised in profit and loss	**114.06**	**(57.64)**	**56.42**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(13.73)	(13.73)
(Gain) / loss from change in financial assumptions	(10.24)	-	(10.24)
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	(9.12)	-	(9.12)
Total amount recognised in other comprehensive income	**(19.36)**	**(13.73)**	**(33.09)**
Employer contributions	-	(73.66)	(73.66)
Benefits payments	(158.81)	158.81	-
As at March 31, 2021	**1,216.02**	**(1,216.02)**	**-**

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	1,036.67	1,216.02
Fair value of plan assets	(1,036.67)	(1,216.02)
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:

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-1.71%	-1.66%	1.81%	1.76%
Salary escalation rate	0.50%	0.50%	1.76%	1.68%	-1.69%	-1.60%

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 recognised 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, 2022 and March 31, 2021.

(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 4.71 years (March 31, 2021 – 4.26 years).

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(vi) Risk exposure

Aforesaid post-employment benefit plans typically expose the Company to acturial 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 govenment 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.

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

	As at March 31, 2022		As at March 31, 2021	
	Amount	**in %**	**Amount**	**in %**
Government debt instruments	412.69	40%	420.00	35%
Other debt instruments	524.87	51%	621.88	51%
Entity's own equity instruments	-	-	-	-
Insurer managed funds	-	-	-	-
Others	99.11	10%	174.14	14%
Total	**1,036.67**	**100%**	**1,216.02**	**100%**

(viii) Projected cash flow

	As at March 31, 2022	As at March 31, 2021
Less than a year	418.22	553.92
Between 1-2 years	135.83	84.32
Between 2-5 years	275.26	329.69
Between 5-9 years	133.85	245.94
10 years and above	347.77	366.93

The Company expects to contribute ₹ 100.00 lakhs to the plan during the financial year 2022-23

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)	6.95%	6.35%
Salary escalation rate	8.00%	8.00%
Pension increase rate	-	-

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(ii) Pension Plan

	Present value of obligation
As at April 1, 2021	**82.43**
Current service cost	1.61
Interest expense / (income)	4.90
Total amount recognised in profit and loss	6.51
Remeasurements	
(Gain) / loss from change in financial assumptions	(2.34)
(Gain) / loss from change in demographic assumptions	-
Experience (gains) / losses	1.69
Total amount recognised in other comprehensive income	(0.65)
Benefits payment	(10.35)
As at March 31, 2022	**77.94**

	Present value of obligation
As at April 1, 2020	**84.27**
Current service cost	2.74
Interest expense / (income)	4.88
Total amount recognised in profit and loss	7.62
Remeasurements	
(Gain) / loss from change in financial assumptions	(1.06)
(Gain) / loss from change in demographic assumptions	-
Experience (gains) / losses	0.09
Total amount recognised in other comprehensive income	(0.97)
Benefits payment	(8.48)
As at March 31, 2021	**82.43**

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	77.94	82.43
Deficit of pension plan	**77.94**	**82.43**
Current portion	9.66	10.53
Non-current portion	68.28	71.90

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(iii) Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-2.39%	-2.48%	2.52%	2.62%

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 recognised 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 acturial 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 4.91 years (March 31, 2021 – 5.10 years).

(vi) Projected cash flow

	As at March 31, 2022	As at March 31, 2021
Less than a year	9.66	10.53
Between 1-2 years	8.24	8.81
Between 2-5 years	30.66	29.29
Between 5-9 years	33.74	35.44
10 years and above	36.68	38.25

The Company expects to contribute ₹ Nil to the plan during the financial year 2022-23

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

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.95%	6.35%

(ii) Provident fund plan

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2021	**629.91**	**(629.91)**	**-**
Current service cost	2.81	-	2.81
Interest expense / (income)	36.94	(36.94)	-
Interest on net defined benefit liability / assets	**39.75**	**(36.94)**	**2.81**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(17.95)	(17.95)
(Gain) / loss from change in financial assumptions	3.51	-	3.51
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	14.44	-	14.44
Total amount recognised in other comprehensive income	**17.95**	**(17.95)**	**-**
Employer's contributions	-	(2.81)	(2.81)
Employee's contributions	3.04	(3.04)	-
Benefits payment	(102.10)	102.10	-
As at March 31, 2022	**588.55**	**(588.55)**	**-**

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	**628.04**	**(605.04)**	**23.00**
Current service cost	4.51	-	4.51
Interest expense / (income)	37.22	(37.22)	-
Interest on net defined benefit liability / assets	**41.73**	**(37.22)**	**4.51**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(22.87)	(22.87)
(Gain) / loss from change in financial assumptions	(9.01)	-	(9.01)
(Gain) / loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	8.88	-	8.88
Total amount recognised in other comprehensive income	**(0.13)**	**(22.87)**	**(23.00)**
Employer's contributions	-	(4.51)	(4.51)
Employee's contributions	4.96	(4.96)	-
Benefits payment	(44.69)	44.69	-
As at March 31, 2021	**629.91**	**(629.91)**	**-**

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	588.55	629.91
Fair value of plan assets	(588.55)	(629.91)
Deficit of provident fund plan	**-**	**-**
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

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-0.61%	-0.87%	1.19%	Nil

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 recognised 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, 2022 and March 31, 2021.

(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 9.85 years (March 31, 2021 – 8.92 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

	As at March 31, 2022		As at March 31, 2021	
	Amount	in %	Amount	in %
Government debt instruments	234.42	40%	205.56	33%
Other debt instruments	274.94	47%	284.64	45%
Entity's own equity instruments	-	-	-	-
Insurer managed funds	-	-	-	-
Others	79.19	13%	139.72	22%
Total	**588.55**	**100%**	**629.92**	**100%**

(viii) The Company expects to contribute ₹ 2.25 lakhs to the plan during the financial year 2022-23.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

44. Fair value measurements

(a) Financial instruments by category

	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
-Mutual Funds	6,736.71	-	-	-	-	-
-Equity instruments#	-	21,409.55	-	-	26,747.75	-
Trade receivables	-	-	1,887.64	-	-	2,384.34
Cash and cash equivalents	-	-	101.89	-	-	665.82
Bank balances other than cash and cash equivalents	-	-	64.49	-	-	69.10
Security deposits	-	-	59.54	-	-	70.01
Inter corporate deposits	-	-	-	-	-	11,000.00
Derivative designated as hedge - CCIRS	-	271.79	-	-	-	-
Total financial assets	**6,736.71**	**21,681.34**	**2,113.56**	**-**	**26,747.75**	**14,189.27**
Financial liabilities						
Borrowings (includes current maturities of borrowings and accrued interest)	-	-	9,407.37	-	-	12,488.70
Trade payable	-	-	1,381.03	-	-	2,001.91
Other financial liabilities	-	-	677.87	0.46	-	959.43
Derivative designated as hedge - CCIRS	-	-	-	-	137.47	-
Total financial liabilities	**-**	**-**	**11,466.27**	**0.46**	**137.47**	**15,450.04**

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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised 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, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment in equity instruments (at FVOCI)	21,409.55	-	-	21,409.55
Derivative designated as hedge - CCIRS (at FVOCI)	-	271.79	-	271.79
Total financial assets	**21,409.55**	**271.79**	**-**	**21,681.34**
Total financial liabilities	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Security deposits	-	-	45.76	45.76
Total financial assets	**-**	**-**	**45.76**	**45.76**
Financial liabilities				
Borrowings (including accrued interest)	-	-	1,377.08	1,377.08
Total financial liabilities	**-**	**-**	**1,377.08**	**1,377.08**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Investment in equity instruments (at FVOCI)	26,747.75	-	-	26,747.75
Total financial assets	**26,747.75**	**-**	**-**	**26,747.75**
Financial liabilities				
Derivative designated as hedge - CCIRS (at FVOCI)	-	137.47	-	137.47
Total financial liabilities	**-**	**137.47**	**-**	**137.47**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed as at March 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Security deposits	-	-	43.16	43.16
Total financial assets	**-**	**-**	**43.16**	**43.16**
Financial liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

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

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

(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 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

	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	45.76	45.76	43.16	43.16
Total financial assets	**45.76**	**45.76**	**43.16**	**43.16**
Financial Liabilities				
Borrowings (including acrrued interest)	1,377.08	1,377.08	-	-
Total financial liabilities	**1,377.08**	**1,377.08**	**-**	**-**

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

45. 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 commited credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial liabilities not denominated in Indian rupee (INR)	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 equity instruments and mutual funds	Sensitivity analysis	Strategic investment, 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 optimisation 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 recognised 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(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.

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. Intercorporate deposits given are for not more than 12 months. The Company periodically assess the recoverability of intercorporate deposits.

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 scenerio 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**
Loss allowance on April 1, 2020	**68.30**
Changes in loss allowance	-
Loss allowance on March 31, 2021	**68.30**
Changes in loss allowance	20.42
Loss allowance on March 31, 2022	**88.72**

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 liablilities 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities				
Borrowings (includes current maturities of borrowings and accrued interest)#	8,030.29	1,675.12	-	9,705.41
Trade payables	1,381.03	-	-	1,381.03
Other financial liabilities	677.87	-	-	677.87
Total non derivative financial liabilities	**10,089.19**	**1,675.12**	-	**11,764.31**
Total derivative liabilities				

#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 6, 2019) and annually therafter. The Company has accordingly classified its borrowings of US $10.50 millions as current maturities of long term borrowing.

March 31, 2021	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities				
Borrowings (includes current maturities of borrowings and accrued interest)#	12,488.70	-	-	12,488.70
Trade payables	2,001.91	-	-	2,001.91
Other financial liabilities	956.06	-	-	956.06
Amount payable towards lease liabilities (refer note 4)	3.83	-		3.83
Total non derivative financial liabilities	**15,450.50**	-	-	**15,450.50**
Derivative (net settled)				
Cross currency interest rates swap	-	137.47		137.47
Total derivative liabilities	-	**137.47**	-	**137.47**

#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 6, 2019) and annually therafter. The Company has accordingly classified its borrowings of USD 15.75 millions as current maturities of long term borrowing.

(ii) Undrawn borrowing facilities

The Company has following undrawn facilities:	As at March 31, 2022	As at March 31, 2021
Bank Overdraft	1,376.19	1,301.13

(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 recognised 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

The Company's unhedged foreign currency exposure at the end of the reporting period expressed in ₹, are as follows:

Financial assets	As at March 31, 2022	As at March 31, 2021
Trade receivables (USD 1.23 lakhs ; as at March 31, 2021 USD 0.98 lakhs)	92.98	70.12
Net exposure to foreign currency risk (assets)	**92.98**	**70.12**
Contract liabilities		
Advance from Customer - (USD 3.79 lakhs ; as at March 31, 2021 USD 0.38 lakhs)	286.45	27.43
Net exposure to foreign currency risk (liabilities)	**286.45**	**27.43**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

	Impact on profit before tax	
	Year ended March 31, 2022	Year ended March 31, 2021
Assets		
FX rate – increase by 5% on closing rate on reporting date*	4.65	3.51
FX rate– decrease by 5% on closing rate on reporting date*	(4.65)	(3.51)
Liabilities		
FX rate – increase by 5% on closing rate on reporting date*	(14.32)	(1.37)
FX rate– decrease by 5% on closing rate on reporting date*	14.32	1.37

*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, 2022, the Company's borrowing at variable rate is denominated in USD.

(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:

	As at March 31, 2022	As at March 31, 2021
Fixed rate borrowings (including accrued interest)#	7,942.05	11,546.87
Fixed rate borrowings (including accrued interest)	1,465.32	941.83
Total	**9,407.37**	**12,488.70**

#This borrowing has been converted to fixed rate borrowings through cross currency interest rate swaps.

(b) Sensitivity

There are no floating rate borrowings, accordingly, there is no impact of change in variable interest rates on the Company.

(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 ₹, are as follows:

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
Derivative liability/ (asset) designated as hedge - net settled		**Amount in foreign currency (In lakhs)**	**Fair value (gain) / loss (₹ in lakhs)**	**Amount in foreign currency (In lakhs)**	**Fair value (gain) / loss (₹ in lakhs)**
Cross currency interest rate swap	USD	105.00	(271.79)	157.50	137.47

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, 2022		Year ended March 31, 2021	
FX rate - increase by 5% on closing rate of reporting date*		369.36		565.93
FX rate - decrease by 5% on closing rate of reporting date*	(408.17)		(626.73)	
Interest rates - increase by 50 bps on closing rate on reporting date*		30.83		81.05
Interest rates - decrease by 50 bps on closing rate on reporting date*	(30.83)		(81.05)	

* Holding all other variable constant

(iv) Other price risks

The Company is exposed to price risks arising from equity investments and mutual funds. Further, equity investments are subject to changes in the market price of securities. Equity investments are held for strategic purpose rather than for trading purposes. The Company does not actively trade in these investments.

Sensitivity

If equity prices had been 10% higher / lower, other comprehensive income before tax for the year ended March 31, 2022 would increase / decrease by ₹ 2,141 lakhs (March 31, 2021: ₹ 2,675 lakhs) as a result of the changes in fair value of shares measured at FVOCI.

(a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2022

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio*	Weighted average strike price/ rate	Changes in fair value of hedging instrument gain	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Derivative assets designated as cash flow hedge							
Foreign exchange risk and interest rate risk							
Cross currency interest rate swap	7,931.96	271.79	March 8, 2021 to February 27, 2024	1:1	$1= ₹ 72.45 7.70%	271.79	(271.79)

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

As at March 31, 2021

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio*	Weighted average strike price/ rate	Changes in fair value of hedging instrument gain	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Derivative liabilities designated as cash flow hedge							
Foreign exchange risk and interest rate risk							
Cross currency interest rate swap	11,536.06	137.47	March 8, 2021 to February 27, 2024	1:1	$1= ₹ 72.45 7.70%	(137.47)	137.47

The Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. Therefore, the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2022

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised 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
Cash flow hedge				
Cross currency interest rate swap	409.26	-	(216.41)	Net foreign exchange gain under Other income of ₹ 216.41 lakhs

As at March 31, 2021

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised 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
Cash flow hedge				
Cross currency interest rate swap	(813.01)	-	739.51	Net foreign exchange gain under Other income of ₹ 739.51 lakhs.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Movements in cash flow hedging reserve

Risk category

Derivative instruments	Cross currency interest rate swap	
Cash flow hedging reserve	**2021-22**	**2020-21**
Opening Balance	**175.17**	**104.47**
Add/ (Less): Changes in fair value of CCIRS	(409.26)	813.01
Add/ Less): Amounts reclassified through profit or loss	216.41	(739.51)
Add/ (Less): Deferred tax relating to above (net)	48.54	(2.80)
Closing Balance	**30.86**	**175.17**

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, 2022.

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 identifed 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 Millions	Floating rate external commercial borrowing (ECB) of the same maturity and foreign currency risk of borrowings

The Company will continue to apply the amendments to Ind AS 109 until the uncertainty arising from the interest rate benchmark reforms that the Company is exposed to ends. The Company has assumed that this uncertainty will not end until the Company's contracts that reference LIBORs are amended to specify the date on which the interest rate benchmark will be replaced, the alternative benchmark rate and the relevant spread adjustment. This will, in part, be dependent on the introduction of fallback clauses which have yet to be added to the Company's contracts and the negotiation with lenders.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

46. 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, 2022	As at March 31, 2021
Total debt (refer note 21 and note 24)	9,407.37	12,492.53
Less: Cash and cash equivalents (refer note 13)	(101.89)	(665.82)
Net debt	**9,305.48**	**11,826.71**
Total equity	53,724.32	58,841.66
Net debt to equity ratio	**17.32%**	**20.10%**
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 current and 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;

While the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of US $ 10.50 Million, the bank had not requested early repayment of the loan as of the date when these financial statements were approved.

(b) Dividends

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Equity shares		
Final dividend for the year ended March 31, 2021 of ₹ 12.50 (March 31, 2020 - ₹ 12.50) per fully paid share	718.38	718.38
(ii) Dividends not recognised at the end of the reporting period	287.35	718.38

For the year ended March 31, 2022, the directors have recommended a final dividend of ₹ 5 per fully paid equity share (March 31, 2021 - ₹ 12.50). 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, 2022

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

47. 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, 2022	As at March 31, 2021
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	72.10	306.46
Principal amount paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	399.67	345.96
Interest paid, other than under section 16 of MSMED Act, to suppliers registered under the MSMED Act, , beyond the appointed day during the year	3.86	-
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	3.10	2.12
The amount of interest accrued and remaining unpaid at the end of each accounting year.	3.10	3.86
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.	3.10	3.86

48. Contingent liability

Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Sales tax demand	38.90	38.90
(ii) Income tax demand	1,079.47	1,079.47

In respect of the Assessment Year 2018-19, the Company has received a demand of income tax on March 17, 2021 amounting to ₹ 1079.47 lakhs on account of disallowances in respect of embezzlement of funds, disallowances under section 14A, section 43B and interest thereon.The Company has filed an appeal with the Commissioner of Income Tax (Appeals) on April 14, 2021.

(iii) 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 th e 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.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

49. 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 ₹ 319.40 lakhs (March 31, 2021: ₹ 237.73 lakhs)

(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 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.

(iii) For lease commitment, refer note 4.

50. Assets Decommissioned during the previous year

The Company commissioned its 150KTPA plant in February 2020. In the previous year, as the plant got fully operational and stabilised, management undertook a review of all its older assets which may have become redundant and no longer usable in the production process and had to be decommissioned. As a result of this, assets with written down value amounting to ₹ 876.97 lakhs were dismantled and disposed off at a loss of ₹ 653.93 lakhs; assets with written down value amounting to ₹ 218.32 lakhs were further written down to an estimated 5% of its gross block value resulting in a loss of ₹ 136.72 lakhs. The aggregate loss of ₹ 790.65 lakhs on account of decommissioning has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021.

51. Write down of Assets held for sale to reassessed realisable value

There were items (Pipes, Pipe fittings, Valves, Cables and other spares) in Capital Work in Progress (CWIP) which were no longer required and classified as 'Asset held for sale' in earlier year. The Company took necessary steps to sell the assets despite lower demand due to COVID scenario. Accordingly, the Company continues to classify the assets as held for sale. The Company has made enquires and has received quotations from various parties, basis which, the fair value has been reassessed and a write down of ₹ 173.86 lakhs has been accounted, which has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021. The Company has made continuous efforts to sell the assets held for sale and assets held for sale of ₹ 15.56 lakhs (March 31, 2021: ₹ 201.51 lakhs) are yet to be sold.

52. Insurance claim on account of breakdown of machinery:

During the previous year, Company's plant located at Kalyan, Maharashtra, was temporarily shut down from March 27, 2021 due to machinery breakdown and resumed operations from May 30, 2021 in a phased manner. The Company had incurred loss of various chemicals (i.e. catalyst and working solution), fixed assets (primary, secondary and tertiary filters) and inventory (hydrogen peroxide) of an aggregate amount of ₹ 584.79 lakhs which has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021.

During the current year, the Company received an interim payment of insurance claim on account of the said loss.

53. Compensation for right of way on the Company's property:

In the year 2017, a 100 KV DC transmission line project was approved by the competent authority, and two towers were to pass from the Company's land, the said project was objected by the Company and the matter was sub-judice in High court. During the current year, out-of-court settlement was agreed between the Company and Century Rayon Limited and the consent terms were executed on February 14, 2022. The Company has received 50% compensation (i.e. ₹ 450.00 lakhs) for giving the right of way for laying of 100 KV Extra High Voltage (EHV) transmission line and EHV towers on the land of the Company. The balance 50% compensation (i.e. ₹ 450.00 lakhs) is receivable after erection of the two EHV towers on the Company's property and connecting the towers with electrical wiring/stringing.

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

54. The Company's plant located at Kalyan, Maharashtra, was temporarily shut down from January 30, 2022 to March 20, 2022 due to repair and maintenance activity taken up to fix machine breakdown along with preventive maintenance activities and some modifications to improve machine efficiency in the plant.

55. 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.

The Scheme, inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined under the scheme) from the Company into NPL Chemicals Limited, a wholly owned subsidiary of the Company, on a going concern basis (w.e.f. October 01, 2020), and in consideration thereof, NPL Chemicals Limited shall issue it's equity shares to the equity shareholders of the Company in the same proportion of their existing holding in the Company and the existing share capital of NPL Chemicals Limited held by the Company will be reduced.

Further, Naperol Investments Limited (a wholly owned subsidiary of NPL) will be merged into National Peroxide Limited.

Furthermore, subject to necessary approvals, the equity shares allotted by the NPL Chemicals Limited, pursuant to the Scheme, to shareholders of the Company shall be listed on BSE Limited. On March 27, 2021 the Company filed the Board approved Scheme with Bombay Stock Exchange.

Also, the Company has received a favourable response from BSE, SEBI, RBI; and the Jurisdictional Bench of NCLT has passed an order dated April 07, 2022 to take the necessary approvals from shareholders and such other statutory and regulatory approvals as may be required.

56. The financial statements were authorised for issue by the Board of Directors on May 12, 2022.

57. Additional information required by Schedule III to the Companies Act, 2013

57A 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 Company has not entered into any approved scheme of arrangement which has an accounting impact in current or previous financial year.

(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

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

(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

(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.

57B Analytical Ratios

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Remarks
1	Current Ratio	Current assets	Current liabilities	1.14	1.03	11.18%	-
2	Debt- Equity Ratio	Non current borrowings + Current borrowings + Interest accrued but not due on borrowings	Sharehoder's equity	0.18	0.21	(17.50%)	-
3	Debt Service coverage Ratio	Profit after tax + Interest on borrowings + Non cash expenses - Non cash income	Interest and lease payments + Principal repayments	0.55	1.38	(59.97%)	Lower ratio on account of lower profit after tax and repayment of loans
4	Return on equity (ROE)	Net Profits after taxes	Average shareholder's equity	0.90%	3.87%	(76.66%)	Decrease was primarily on account of decrease in profit after tax
5	Inventory Turnover Ratio	Cost of goods sold	Average inventory	4.73	3.75	26.33%	Increase was primarily on account of increase in cost of goods sold
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivable	10.55	7.65	38.00%	Increase was primarily on account of lower receivables as at March 31, 2022 as the plant resumed its operations from March 18, 2022

Notes to the Financial Statements as of and for the year ended March 31, 2022

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

Sr. No.	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change	Remarks
7	Trade payables turnover ratio	Net credit purchases	Average trade payables	7.14	3.60	98.54%	The ratio is changing due to increase in purchase which is due to increase in price of natural gas and usage of fresh catalyst , EAQ and other materials
8	Net capital turnover ratio	Net sales	Current assets - Current liabilities	14.47	45.89	(68.46%)	Decrease was primarily on account of increase in working capital as compared to previous year
9	Net profit ratio	Net profit after tax	Net aales	2.26%	9.70%	(76.75%)	Decrease was primarily on account of decrease in profit after tax.
10	Return on capital employed (ROCE)	Earning before interest and taxes	Tangible net worth + Total borrowings + Deferred tax liability	2.46%	3.29%	(25.26%)	Decrease was primarily on account of decrease in profit after tax.
11	Return on Investment	Earning before interest and taxes	Average total assets	2.20%	3.27%	(32.62%)	Decrease was primarily on account of decrease in profit after tax.

57C 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 4 to the financial statements, are held in the name of the Company.

(ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(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 was taken

58. The figures for the previous year have been reclassified /regrouped wherever necessary for better understanding and comparability.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Independent Auditor's Report

To the Members of National Peroxide Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

1. We have audited the accompanying consolidated financial statements of National Peroxide Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") (Refer Note 2(b)(iv) to the attached Consolidated financial statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of consolidated total comprehensive loss (comprising of profit and other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition (Refer note 2(e) (accounting policy) and note 30 (financial disclosures) to the consolidated Ind AS financial statements):	
Revenue from contracts with customers for the year ended March 31, 2022 amounted to ₹ 22,396.54 lakhs. Revenue is recognised 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. Revenue recognition includes determination of pricing, effect of discounts, sales returns and adjustments for freight reimbursements. Due to the significance of the area and the management estimates and judgement around determination of the above factors, revenue recognition is considered as a key audit matter.	We performed the following procedures: a) Understood and evaluated the design and tested the operating effectiveness of key controls relating to revenue recognition. b) Tested sales transactions on a sample basis by comparing the underlying sales invoices, sales orders, dispatch and delivery documents to assess whether revenue was recognised appropriately. c) Evaluated the contract terms for a sample of customer contracts to determine the timing of transfer of control to the customer and to also determine the amount of freight adjustments.

Key audit matter	How our audit addressed the key audit matter
	d) Tested the timing of recognition of revenue including performing cut-off procedures, to determine whether the same is in line with the terms of contracts. e) Tested credit notes issued for discounts and sales returns with requisite approvals. f) Tested the journal entries for unusual revenue transactions, if any. g) Evaluated the adequacy of presentation and disclosures made in the financial statements, in respect of revenue recognition. Based on above procedures, we did not note any significant exceptions in the assessment made by the Management in respect of revenue recognition.

Other Information

5. The Holding 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 consolidated financial statements and our and other auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations

Responsibilities of management and those charged with governance for the consolidated financial statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether

due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

10. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated 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 Holding company has adequate internal financial controls with reference to consolidated 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 management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial 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 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. 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.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matters

14. We did not audit the financial statements of two subsidiaries whose financial statements reflect total assets of ₹ 37,367.14 lakhs and net assets of ₹ 37,362.38 lakhs as at March 31, 2022, total revenue of ₹ 53.33 lakhs, total comprehensive loss (comprising of profit and other comprehensive loss) of ₹ 10,499.08 lakhs and net cash outflows amounting to ₹ 11.86 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these consolidated financial statements.

16. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Loss), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations as at March 31, 2022 on the consolidated financial position of the Group. (Refer Note 47 to the consolidated financial statements)

        ii. The Group has long-term contracts including derivative contracts as at March 31, 2022 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company. During the year ended March 31, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

        iv. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person(s) or entity(ies), 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 or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries 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 on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary companies have not declared or paid any dividend during the year.

17. The Group have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660AIVAWE8571

Place: Pune
Date: May 12, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of National Peroxide Limited on the Consolidated Financial Statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of National Peroxide Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance

with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to the subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Asha Ramanathan
Partner
Membership Number: 202660
UDIN: 22202660AIVAWE8571

Place: Pune
Date: May 12, 2022

Consolidated Balance Sheet as at March 31, 2022

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

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	33,721.03	34,148.13
Capital work-in-progress	4	398.67	252.73
Intangible assets	5	45.14	65.08
Financial assets			
- Investments	6	58,660.66	74,601.72
- Other financial assets	7	317.55	43.16
Income tax assets (net)	8	911.02	606.43
Other non current assets	9	245.02	130.36
Total non-current assets		**94,299.09**	**1,09,847.61**
Current assets			
Inventories	10	2,924.26	1,695.11
Financial assets			
- Investments	11	6,850.14	21.41
- Trade receivables	12	1,887.64	2,384.34
- Cash and cash equivalents	13	104.27	680.06
- Other bank balances	14	64.49	69.10
- Loans	15	-	11,000.00
- Other financial assets	16	13.78	26.85
Other current assets	17	607.57	382.58
Asset held for sale	18	15.56	201.51
Total current assets		**12,467.71**	**16,460.96**
Total assets		**1,06,766.80**	**1,26,308.57**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	19	574.70	574.70
Other equity	20	90,485.50	1,06,101.92
		91,060.20	1,06,676.62
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	21	1,377.08	-
- Other financial liabilities	22	-	137.47
Provisions	23	323.47	344.88
Deferred tax liabilities (net)	39	3,209.02	3,179.87
Total non-current liabilities		**4,909.57**	**3,662.22**
Current liabilities			
Financial liabilities			
- Borrowings	24	8,030.29	12,488.70
- Lease liabilities	4	-	3.83
- Trade payables	25		
Total outstanding dues of micro enterprises and small enterprises		63.83	304.37
Total outstanding dues to creditors other than micro and small enterprises		1,319.75	1,699.52
- Other financial liabilities	26	677.87	956.06
Contract liabilities		359.48	106.08
Other current liabilities	27	250.15	296.53
Provisions	28	95.66	114.37
Income tax liabilities (net)	29	-	0.27
Total current liabilities		**10,797.03**	**15,969.73**
Total liabilities		**15,706.60**	**19,631.95**
Total equity and liabilities		**1,06,766.80**	**1,26,308.57**
Basis of preparation and significant accounting policies	2		

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

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

Particulars	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	30	22,594.07	21,500.81
Other income	31	1,021.26	1,277.96
Total income		**23,615.33**	**22,778.77**
Expenses			
Cost of raw materials and packing materials consumed	32	10,317.22	7,578.36
Purchase of stock-in-trade		410.09	-
Changes in inventories of stock-in-trade and finished goods	33	208.72	171.28
Power, fuel and water		3,326.97	3,395.49
Employee benefit expenses	34	2,698.39	2,558.45
Finance costs	35	883.36	1,265.62
Depreciation and amortization expense	36	1,743.65	1,749.96
Other expenses	37	3,932.10	3,281.15
Total expenses		**23,520.50**	**20,000.31**
Profit before exceptional items and tax		**94.83**	**2,778.46**
Exceptional income / (expenses)	38	700.00	(1,549.30)
Profit before tax		**794.83**	**1,229.16**
Tax expense:	39		
Current tax		15.78	134.94
Deferred tax		236.07	(1,023.43)
Total tax expense		**251.85**	**(888.49)**
Profit for the year		**542.98**	**2,117.65**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the net defined benefit obligations		45.49	57.06
Fair value changes of equity instruments at FVOCI		(15,886.28)	25,362.26
Income tax relating to above items		255.46	(281.54)
Items that will be reclassified to profit or loss			
Effective portion of gain/ (loss) on cash flow hedge		192.85	(73.50)
Income tax relating to above item		(48.54)	2.80
Other comprehensive income/ (loss) for the year, net of tax attributable to the owners of the Group		**(15,441.02)**	**25,067.08**
Total comprehensive income/ (loss) for the year, net of tax attributable to the owners of the Group		**(14,898.04)**	**27,184.73**
Earnings per equity share			
- Basic and diluted	40	9.45	36.85
Basis of preparation and significant accounting policies	2		

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

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

A. Equity share capital

Particulars	Amount
Balance as at April 1, 2020	**574.70**
Changes in equity share capital	-
Balance as at March 31, 2021	**574.70**
Changes in equity share capital	-
Balance as at March 31, 2022	**574.70**

B. Other equity

Particulars	Reserves and Surplus				Items of OCI		Total other equity
	General reserve	Capital Redemption Reserve	Special Under Section 45IC of RBI Act, 1934	Retained earnings	FVOCI - Equity Instrument	FVOCI - Cash flow hedging reserve	
Balance as at April 1, 2020	**3,392.27**	**0.02**	**194.25**	**37,335.47**	**38,818.03**	**(104.47)**	**79,635.57**
Profit for the year	-	-	-	2,117.65	-	-	2,117.65
Other comprehensive income (net of tax)	-	-	-	42.70	25,095.08	(70.70)	25,067.08
Total comprehensive income for the year	**-**	**-**	**-**	**2,160.35**	**25,095.08**	**(70.70)**	**27,184.73**
Transfer from retained earnings	5.05		10.08	(15.13)			
Transactions with owners in their capacity as owners:							
Dividend paid	-	-	-	(718.38)	-	-	(718.38)
Balance as at March 31, 2021	**3,397.32**	**0.02**	**204.33**	**38,762.31**	**63,913.11**	**(175.17)**	**1,06,101.92**
Profit for the year	-	-	-	542.98	-	-	542.98
Other comprehensive income (net of tax)	-	-	-	34.04	(15,619.37)	144.31	(15,441.02)
Transfer of FVOCI on sale of investments				54.14	(54.14)		
Total comprehensive income for the year	**-**	**-**	**-**	**631.16**	**(15,673.51)**	**144.31**	**(14,898.04)**
Transfer from retained earnings	5.13	-	10.27	(15.40)	-	-	-
Transactions with owners in their capacity as owners:							
Dividend paid	-			(718.38)	-	-	(718.38)
Balance as at March 31, 2022	**3,402.45**	**0.02**	**214.60**	**38,659.69**	**48,239.60**	**(30.86)**	**90,485.50**

Basis of preparation and significant accounting policies 2

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Consolidated Statement of Cash Flows for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	**794.83**	**1,229.16**
Adjustments for:		
Depreciation and amortization expense	1,743.65	1,749.96
Finance costs	883.36	1,265.62
Interest income	(527.55)	(1,115.95)
Dividend income	(28.14)	(30.78)
Write off of property, plant and equipments	8.68	-
Loss on disposal of property, plant and equipment	0.03	654.77
Provision for impairment of property, plant and equipment	-	136.72
Gain on sale of assets held for sale	(61.96)	-
Loss on account of reassessment of fair value of assets (CWIP) held for sale	-	173.86
Loss on account of breakdown of machinery	-	367.22
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	(122.29)	(36.21)
Loss allowances	20.42	-
Loss on cancellation of lease contract	1.61	-
Net unrealised foreign exchange loss	1.25	0.03
Operating cashflow before working capital changes	**2,713.89**	**4,394.40**
Change in operating assets and liabilities		
(Increase)/ decrease in inventories	(1,215.07)	745.11
Decrease in trade receivables	478.16	840.97
(Increase) in non-current financial asset	(2.60)	(21.76)
(Increase)/ decrease in other non-current assets	(77.63)	273.31
Increase in other current assets	(224.99)	(38.30)
Decrease in current financial assets	13.07	7.22
Decrease in assets held for sale	-	3.09
Increase/ (decrease) in trade payables	(620.31)	136.38
Increase in provisions	5.37	68.71
Increase/ (decrease) in other current financial liabilities	(12.62)	67.05
Increase/ (decrease) in other current liabilities	(46.38)	186.39
Increase in contract liabilities	250.27	59.17
Cash generated from operations	**1,261.16**	**6,721.74**
Income taxes paid (net)	**(320.64)**	**(618.22)**
Net cash inflow from operating activities	**940.52**	**6,103.52**
Cash flows from investing activities		
Payments for property, plant and equipment (including capital work-in-progress and advances)	(1,750.96)	(2,339.72)
Proceeds from sale of property, plant and equipment	0.10	223.04
Proceeds from sale of assets held for sale	233.83	-
Payment for purchase of investments	(21,805.99)	(12,129.00)
Proceeds from sale of investments	15,154.33	12,144.19
Intercorporate deposit given to related party	(2,500.00)	(500.00)

Consolidated Statement of Cash Flows for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Receipts of intercorporate deposit given to related party	3,500.00	500.00
Intercorporate deposit given to other company	-	(5,000.00)
Receipts of intercorporate deposit given to other company	10,000.00	5,000.00
Interest received	527.55	1,338.68
Dividend received	28.14	30.78
Movement in bank balances which are not considered as cash and cash equivalents	4.61	4.76
Net cash inflow / (outflow) from investing activities	**3,391.61**	**(727.27)**
Cash flows from financing activities		
Repayment of long term borrowings	(3,803.63)	(3,395.26)
Proceeds from long term borrowings	1,462.50	-
Proceeds from / (repayment of) short term borrowings (net)	(933.33)	465.40
Dividends paid to company's shareholders	(722.99)	(723.14)
Principal elements of lease payments	(3.89)	(8.98)
Finance costs paid	(906.58)	(1,256.34)
Net cash outflow from financing activities	**(4,907.92)**	**(4,918.32)**
Net increase / (decrease) in cash and cash equivalents	(575.79)	457.93
Cash and cash equivalents at the beginning of the year	680.06	222.13
Cash and cash equivalents at the end of the year	**104.27**	**680.06**
Cash and cash equivalents comprises of:		
Cash and cash equivalents (refer note 13)	104.27	680.06
	104.27	**680.06**

Note:

The above Consolidated Statement of Cash Flows 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.

Basis of preparation and significant accounting policies

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

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Chief Executive Officer & Director
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DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

1. General information:

National Peroxide Limited ("NPL", "Company") and its subsidiary companies comprise the Group. National Peroxide Limited is a public limited Company established in 1954 and is listed on BSE Limited, Mumbai. NPL a pioneer in India for peroxygen chemicals is the largest manufacturer of Hydrogen Peroxide in India, with an installed capacity of 150 KTPA on 50% w/w. basis. Company's registered office is situated at Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

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 consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of National Peroxide Limited (the Company) and its subsidiaries.

(a) Basis of preparation

(i) Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The consolidated 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) New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial

  Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

(iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards and are effective April 1, 2022. Below is a summary of relevant amendments:

Ind AS 16, Property Plant and equipment – The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Group has changed the classification/ presentation of (i) current maturities of long-term borrowings, (ii) security deposits and (iii) lease liabilities.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

Lease liabilities have been disclosed as a separate line item under financial liabilities. Previously, it was disclosed as a part of other financial liabilities.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarized below:

Balance sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	12,515.26	(11,559.20)	956.06
Current borrowings	933.33	11,555.37	12,488.70
Lease liabilities (current)	-	3.83	3.83
Loans (non current)	43.16	(43.16)	-
Other financial assets (non current)	-	43.16	43.16
Loans (current)	11,026.85	(26.85)	11,000.00
Other financial assets (current)	-	26.85	26.85

(vi) 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 realized or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized 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 group 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) Principles of consolidation

(i) Subsidiary is the entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(ii) The Group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) The financial statements of the subsidiary used in consolidation is drawn up to the same reporting date as that of the parent company i.e. year ended March 31, 2022.

(iv) Following subsidiaries have been considered in the preparation of consolidated financial statements:

Name of the Company	Country of Incorporation	% of Holding and voting power either directly or indirectly through subsidiary as at 31.03.2022
Naperol Investments Limited	India	100% (March 31, 2021 100%)
NPL Chemicals Limited (w.e.f. July 29, 2020)	India	100% (March 31, 2021 100%)

(c) Segment reporting:

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

The Chief Executive Officer and Director of National Peroxide Limited has been identified as CODM and he is responsible for allocating resources, assessing the financial performance and position of the Group and make strategic decisions.

The Group has identified one reportable segment 'manufacturing of peroxygens' based on information reviewed by the CODM.

(d) Foreign currency translation:

(i) Functional and presentation currency

Items included in the financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Indian Rupees' (INR), which is the Group'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 nonmonetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

(e) Revenue recognition and other income 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 Group 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 Group has received consideration from the customer. Contract liabilities are recognized as revenue when the Group performs under the contract.

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).

Dividends

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognized 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 Group and the amount of the dividend can be measured reliably.

(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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group and its subsidiaries operate and generates taxable income. 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 Group 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 consolidated 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 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 realized 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 liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

From April 1, 2019, 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 Group. Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on relative stand-alone prices.

The Group assesses whether a contract is or contains a lease at inception of the contract. This assessment involves the exercise of judgement

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

about whether there is an identified asset, whether the Group has the right to direct the use of the asset and whether the Group 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 Group under residual value guarantees
- Exercise price of the purchase option if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group:

- 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 Group, 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 amortizing 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 Group 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 perwiod.

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 Group exercises the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Short-term leases

The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

(h) Impairment of non-financial assets:

Assets are tested for impairment, wherever 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:

For the purpose of presentation in the statement of cash flows, Cash and cash equivalents includes cash on hand, cheques on hand, deposits held at call with financial institutions, other short term, highly liquid investments 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance sheet.

(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 Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized 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 labor 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 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 amortized 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 assets:

(i) Classification

The Group 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 amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Group measures financial assets at its fair value plus, in the case of financial assets not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit or Loss.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the Consolidated Statement of Profit and Loss.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for 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 FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in Consolidated Statement of Profit and Loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at 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 is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. The Group's management has elected to present fair value gains and losses on equity investments in Other Comprehensive Income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognized in the Consolidated Statement of Profit and Loss as other income when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognized in other gain / (losses) in the Consolidated Statement of Profit and Loss. Where the asset is disposed off, the cumulative gain or loss previously accumulated in the 'FVOCI - Equity Instrument' is directly reclassified to retained earnings. Impairment losses (and reversal of impairment losses), if any on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Derivatives and hedging activities

The Group 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 Group designates derivatives as hedges of a particular risk associated with the cash flows of recognized assets and liabilities (cash flow hedges). The Group 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 Group 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 Group 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.

(a) 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.

(b) 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.

(c) Derivatives that are not designated as hedges

The Group enters into 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).

(iv) Impairment of financial assets

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

For trade receivables only, the Group 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.

(v) Derecognition of financial assets

A financial asset is derecognized only when:

- The Group has transferred the rights to receive cash flows from the financial asset or

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(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 realise 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 Group or the counterparty.

(o) Property, plant and equipment:

Freehold land is carried at historical cost. 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 Group 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.

Transition to Ind AS:

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the previous GAAP and use that carrying value as deemed cost of the property, plant and equipment.

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.

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	10-60 years
b	Furniture and fixtures	10 years
c	Plant and equipment	25 years - 8 Years
d	Office equipment	5 years
e	Computer	3 years
f	Vehicles	8 years

(p) Intangible assets

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

Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization 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 amortized over a period of 3 years being the estimated useful life

(q) Trade and other payables:

These amounts represent liabilities for goods and services provided to the Group prior to the end of 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 amortized cost using the effective interest method.

(r) Borrowings:

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized 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 capitalised as a prepayment for liquidity services and amortized 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 Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Group does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

(s) 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.

(t) Provisions and Contingencies:

Provisions

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

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

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.

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 Group. 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.

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.

(u) 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 employee obligations

The Group 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 Holding 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.

Provident fund contributions made to a trust administered by the Group

In respect of certain employees, provident fund contributions are made to a trust ('National Peroxide Limited Employees' Provident Fund') administered by the Holding 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 Group. The liability in respect of the shortfall of the interest earnings of the fund is determined on the basis of actuarial valuation.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation contributions to superannuation fund. The Group 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.

(v) Contributed equity:

Equity shares are classified as equity.

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

(w) Dividends:

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

(x) Earnings per share:

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts 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 costs 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.

(y) 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. Refer note 38 - Exceptional income/ (expenses).

(z) Rounding of amounts:

All amounts disclosed in consolidated 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 consolidated 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 Group'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 Group's assets are determined by management at the time the asset is acquired/capitalized 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 44 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 Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group'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 Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, fair value are determined on the basis of third party valuations. The models used to determine fair values including estimates/ judgements involved are validated and periodically reviewed by the management. Refer note 44 to the consolidated financial statements.

Inventory obsolescence

The Group 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 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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

4. Property, plant and equipment

(a) Particulars	Freehold land	Freehold Building	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	ROU Vehicle	Total	Capital work-in-progress
Gross block									
Balance as at April 1, 2020	***5.89***	***1,000.93***	***39,700.51***	***132.85***	***81.25***	***38.46***	***22.29***	***40,982.18***	**-**
Additions	-	-	*23.52*	*0.30*	*15.06*	-	-	*38.88*	*319.73*
Assets written off (refer note 51)	-	-	*(461.39)*	-	-	-	-	*(461.39)*	-
Disposals (refer note 49)	-	-	*(1,121.49)*	-	*(14.10)*	-	-	*(1,135.59)*	-
Transfer	-	-	*67.00*	-	-	-	-	*67.00*	*(67.00)*
Balance as at March 31, 2021	**5.89**	**1,000.93**	**38,208.15**	**133.15**	**82.21**	**38.46**	**22.29**	**39,491.08**	**252.73**
Additions	-	7.41	1,036.85	72.58	16.51	3.85	-	1,137.20	315.77
Assets written off	-	-	(17.33)	(6.41)	(5.25)	-	-	(28.99)	-
Disposals	-	-	-	-	(0.30)	-	(22.29)	(22.59)	-
Transfer	-	-	169.83	-	-	-	-	169.83	(169.83)
Balance as at March 31, 2022	***5.89***	***1,008.34***	***39,397.50***	***199.32***	***93.17***	***42.31***	**-**	***40,746.53***	***398.67***
Accumulated depreciation and impairment									
Balance as at April 1, 2020	**-**	***161.32***	***3,581.29***	***27.00***	***34.78***	***12.73***	***11.03***	***3,828.15***	**-**
Depreciation charge for the year	-	*33.95*	*1,651.93*	*13.03*	*16.15*	*6.68*	*8.28*	*1,730.02*	-
Impairment loss (refer note 49)	-	-	*136.72*	-	-	-	-	*136.72*	-
Assets written off (refer note 51)	-	-	*(94.16)*	-	-	-	-	*(94.16)*	-
Disposals (refer note 49)	-	-	*(244.52)*	-	*(13.26)*	-	-	*(257.78)*	-
Balance as at March 31, 2021	**-**	***195.27***	***5,031.26***	***40.03***	***37.67***	***19.41***	***19.31***	***5,342.95***	**-**
Depreciation charge for the year	-	35.62	1,641.39	20.01	18.34	6.98	1.37	1,723.71	-
Assets written off	-	-	(13.22)	(2.69)	(4.40)	-	-	(20.31)	-
Disposals	-	-	-	-	(0.17)	-	(20.68)	(20.85)	-
Balance as at March 31, 2022	**-**	**230.89**	**6,659.43**	**57.35**	**51.44**	**26.39**	**-**	**7,025.50**	**-**
Net carrying amount as on March 31, 2021	***5.89***	***805.66***	***33,176.89***	***93.12***	***44.54***	***19.05***	***2.98***	***34,148.13***	***252.73***
Net carrying amount as on March 31, 2022	**5.89**	**777.45**	**32,738.07**	**141.97**	**41.73**	**15.92**	**-**	**33,721.03**	**398.67**

Note:

i) Refer note 48 (i) for disclosure of contractual commitments.

ii) For details of Property, plant and equipment which are pledged as security for borrowings - refer note 21 Non-current borrowings.

iii) Plant and equipment includes computers gross block ₹ 128.58 lakhs (March 31, 2021 ₹134.30 lakhs), accumulated depreciation ₹ 79.41 lakhs (March 31, 2021 ₹ 80.55 lakhs) and written down value ₹ 49.17 lakhs (March 31, 2021 ₹ 53.75 lakhs).

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

4 Aging of Capital work-in-progress:

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

As at March 31, 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	263.82	134.85	-	-	**398.67**
Projects temporarily suspended	-	-	-	-	**-**
Total	**263.82**	**134.85**	**-**	**-**	**398.67**

As at March 31, 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	252.73	-	-	-	**252.73**
Projects temporarily suspended	-	-	-	-	**-**
Total	**252.73**	**-**	**-**	**-**	**252.73**

(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, 2022

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Research and development laboratory	255.45	-	-	-	**255.45**
Office renovation	81.53	-	-	-	**81.53**
Other	40.86	-	-	-	**40.86**
Projects temporarily suspended	-	-	-	-	**-**
Total	**377.84**	**-**	**-**	**-**	**377.84**

As at March 31, 2021

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress					
Research and development laboratory	-	230.20	-	-	**230.20**
Other	20.73	-	-	-	**20.73**
Projects temporarily suspended	-	-	-	-	**-**
Total	**20.73**	**230.20**	**-**	**-**	**250.93**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

4 Leases

As lessee

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

Particulars	Vehicles	Total
Balance as of April 1, 2020	*11.26*	*11.26*
Depreciation	*(8.28)*	*(8.28)*
Balance as of March 31, 2021	***2.98***	***2.98***
Deletions	(1.61)	(1.61)
Depreciation	(1.37)	(1.37)
Balance as of March 31, 2022	**-**	**-**

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

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liability	-	3.83
Non-current lease liability	-	-
Total	**-**	**3.83**

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

Particulars	For year ended March 31, 2022	For year ended March 31, 2021
Opening balance	3.83	12.12
Deletions	-	-
Finance cost incurred	0.06	0.69
Payment of lease liabilities	(3.89)	(8.98)
Closing balance	**-**	**3.83**

(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, 2022	As at March 31, 2021
Less than one year	-	3.83
One to five years	-	-
More than five years	-	-
Total	**-**	**3.83**

(v) Amount recognized in statement of profit and loss

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on lease liability	refer note 35	0.06	0.69
Expense relating to short-term leases and low value assets	refer note 37	55.30	61.14
Depreciation	refer note 36	1.37	8.28
Total		**56.73**	**70.11**

(vi) Total cash outflow for leases for the year ended March 31, 2022 was ₹ 3.89 lakhs (March 31, 2021 ₹ 8.98 lakhs).

(vii) There are no variable lease payments included in the measurement of lease liability.

(viii) Extension and termination options: Extension and termination options are included in the lease contracts of the group. These are used to maximise operational flexibility in terms of managing the assets of the group. All the extension and termination options held are exercisable both by the group and the respective lessor.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

5. Intangible assets

Particulars	Computer Software	Total
Gross block		
Balance as at April 1, 2020	***104.96***	***104.96***
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	***104.96***	***104.96***
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	**104.96**	**104.96**
Accumulated amortization		
Balance as at April 1, 2020	***19.94***	***19.94***
Charge for the year	*19.94*	*19.94*
Disposals	-	-
Balance as at March 31, 2021	***39.88***	***39.88***
Charge for the year	19.94	19.94
Disposals	-	-
Balance as at March 31, 2022	**59.82**	**59.82**
Net carrying amount as on March 31, 2021	***65.08***	***65.08***
Net carrying amount as on March 31, 2022	**45.14**	**45.14**

6. Non-current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid up)		
Quoted Investment		
Other Investments at FVOCI		
1,895,900 (March 31, 2021: 1,895,900) equity shares of The Bombay Dyeing & Manufacturing Company Limited of ₹ 2 each	1,866.51	1,330.92
6,585,117 (March 31, 2021: 6,585,117) equity shares of The Bombay Burmah Trading Corporation Limited of ₹ 2 each	56,684.69	73,121.14
600 (March 31, 2021: 600) equity shares of Housing Development Finance Corporation Limited of ₹ 2 each	14.34	14.99
5,000 (March 31, 2021: 5,000) equity shares of HDFC Bank Limited of ₹ 1 each	73.52	74.68
Nil (March 31, 2021: 18) equity shares of Larsen Toubro Limited of ₹ 2 each	-	0.26
3,000 (March 31, 2021: 3,000) equity shares of Technojet Consultants Limited of ₹10 each	1.60	1.60
Nil (March 31, 2021: 60) equity shares of ABB Limited of ₹ 2 each	-	0.85
Nil (March 31, 2021: 12) equity shares ABBPower Products and Systems India Limited (Demerged-ABB) ₹ 2 each	-	0.16
56 (March 31, 2021: 56) equity shares of Tata Chemicals Limited of ₹ 10 each	0.55	0.42
63 (March 31, 2021: 63) equity shares Tata Consumer Products Ltd. of ₹ 1 each	0.49	0.40
50 (March 31, 2021: 50) equity shares of Finolex Cables Limited of ₹ 2 each	0.19	0.19
Nil (March 31, 2021: 300) equity shares of ACC Limited of ₹ 10 each	-	5.71
Nil (March 31, 2021: 132) equity shares of Colgate Palmolive India Limited of ₹ 1 each	-	2.06
Nil (March 31, 2021: 233) equity shares of Jaykay Enterprises Limited of ₹ 1 each	-	0.09

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Nil (March 31, 2021: 46) equity shares of J.K.Cement Limited of ₹ 10 each	-	1.33
Nil (March 31, 2021:7) equity shares of ORG Informatics Limited of ₹ 10 each*	-	-
Nil (March 31, 2021:5,131) equity shares of ICICI Bank limited of ₹ 2 each	-	29.87
Nil (March 31, 2021: 12) equity shares of GE Power India Limited of ₹ 10 each (formerly known as Alstom Projects India Ultratech Cement Limited)	-	0.03
Nil (March 31, 2021: 1) equity shares of UltraTech Cement Limited of ₹ 10 each	-	0.07
Unquoted Investment - FVOCI		
1,000 (March 31, 2021: 1,000) equity shares of B. R. T. Limited of ₹ 100 each	18.77	16.95
	58,660.66	**74,601.72**
Aggregate amount of quoted investments and market value thereof	58,641.89	74,584.77
Aggregate amount of unquoted investments	18.77	16.95
Aggregate amount of of impairment in value of investments	-	-
	58,660.66	**74,601.72**

*Represents amount of shares which is below the rounding off norms adopted by the Group, hence shown as Nil in the above note.

7. Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Derivatives designated as hedges		
Cross currency interest rate swap (CCIRS)	271.79	-
Security deposits	45.76	43.16
	317.55	**43.16**

8. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance taxes [Net of provision for taxation ₹ 17,937.48 lakhs (March 31, 2021: ₹ 17,921.70 lakhs)]	911.02	606.43
	911.02	**606.43**

9. Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Prepayments	30.06	30.05
Capital advances	58.35	21.32
Balances with government authorities*	220.86	143.24
Less : Provision for sales tax*	(64.25)	(64.25)
	245.02	**130.36**

*During the earlier years, the Group had provided ₹ 64.25 lakhs towards sales tax matters based on estimation for probable liabilities arising out of pending disputes / liabilities with indirect tax authorities.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

10. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw materials and packing materials	1,816.80	463.63
Finished goods	188.65	405.94
Traded goods	8.57	-
Stores and spares*	910.24	825.54
	2,924.26	**1,695.11**

*Write-down of inventories to net realisable value amounted to ₹ 3.15 lakhs (March 31, 2021 ₹ 0.33 lakhs). These were recognized as an expense during the year and included in 'Other expenses - Consumption of stores and spares' in Statement of Profit and Loss.

11. Current investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in mutual funds (Unquoted Investments - FVTPL)		
2,375,809.37 units (March 31, 2021: Nil) of ICICI Prudential Overnight Fund Direct Plan Growth of ₹ 10 each	2,722.86	-
57,415.40 units (March 31, 2021: Nil) of HDFC Overnight Fund - Direct Plan - Growth Option of ₹ 10 each	1,812.86	21.41
204,132.92 units (March 31, 2021: Nil) of IDFC Overnight Fund Direct Plan - Growth of ₹ 10 each	2,314.42	-
	6,850.14	**21.41**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	6,850.14	21.41
Aggregate amount of of impairment in value of investments	-	-
	6,850.14	**21.41**

12. Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from contract with customers	1,976.36	2,452.64
Less: Loss allowance	(88.72)	(68.30)
	1,887.64	2,384.34
Breakup of security details		
Secured, considered good	-	-
Unsecured, considered good	1,887.64	2,384.34
Significant increase in credit risk	-	-
Credit impaired	88.72	68.30
	1,976.36	**2,452.64**
Loss allowance	(88.72)	(68.30)
Total trade receivables	**1,887.64**	**2,384.34**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Aging of trade receivables:

As at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following period from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	1,841.73	43.66	-	1.29	-	-	1,886.68
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	20.42	3.03	65.27	88.72
(iv) Disputed Trade receivables - considered good	-	-	0.96	-	-	-	-	0.96
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**1,841.73**	**44.62**	**-**	**21.71**	**3.03**	**65.27**	**1,976.36**

As at March 31, 2021

Particulars	Unbilled	Not Due	Outstanding for following period from due date of payment					
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables - considered good	-	2,355.66	8.26	20.42	-	-	-	2,384.34
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables - credit impaired	-	-	-	-	3.03	65.27	-	68.30
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**2,355.66**	**8.26**	**20.42**	**3.03**	**65.27**	**-**	**2,452.64**

13. Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Cash in hand	1.49	1.38
Cheques on hand	-	49.38
Balances with banks in current accounts	49.87	577.70
Deposits with maturity of less than three months	52.91	51.60
	104.27	**680.06**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

14. Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Unclaimed dividend accounts	64.49	69.10
	64.49	**69.10**

15. Current financial assets - Loans

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Inter corporate deposit to related parties (refer note 42)	-	1,000.00
Inter corporate deposit to other companies	-	10,000.00
Less: Loss allowance	-	-
	-	**11,000.00**

The Group has, during the year, given Intercorporate Deposits (ICDs) to certain parties covered under section 189 of the Companies Act, 2013, viz. Bombay Burmah Trading Corporation Limited ₹ 2,500 lakhs (Previous Year ₹ Nil lakhs) at interest rate of 9.25% p.a. (Previous Year Nil), Bombay Dyeing and Manufacturing Company Limited ₹ Nil lakhs (Previous Year ₹ 5,000 lakhs) at interest rate of 11.50% p.a. (Previous Year 11.50%). These ICDs are for general business purpose and have a tenure of less than a year.

During the year, the Intercorporate Deposits (ICDs) have been repaid, Bombay Dyeing and Manufacturing Company Limited ₹ 10,000 lakhs (Previous Year ₹ 5,000 lakhs), Wadia Techno Engineering Sevice Limited ₹ 1,000 lakhs (Previous year ₹ Nil lakhs) and Bombay Burmah Trading Corporation Limited ₹ 2,500 lakhs (Previous Year ₹ Nil lakhs).

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amount outstanding	% to the total loans and advances in the nature of loans	Amount outstanding	% to the total loans and advances in the nature of loans
a) Amounts repayable on demand				
- Promoters	-	-	10,000	91%
- Directors	-	-	-	-
- Key managerial personnel	-	-	-	-
- Other related parties	-	-	500	5%
b) Without specifying any terms or period of repayment				
- Promoters	-	-	-	-
- Directors	-	-	-	-
- Key managerial personnel	-	-	-	-
- Other related parties	-	-	-	-
Total	**-**	**-**	**10,500**	**95%**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

16. Other financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Security deposits	13.78	26.85
	13.78	**26.85**

17. Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good)		
Advances to suppliers	33.42	36.45
Advances for expenses	23.54	18.46
Prepayments	479.42	34.64
Receivable towards unspent corporate social responsibility expenses	66.36	-
Balances with government authorities	4.83	293.03
	607.57	**382.58**

18. Asset held for sale

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work in progress (refer note 50)	15.56	201.51
	15.56	**201.51**

19. Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised capital		
25,000,000 (March 31, 2021: 25,000,000) equity shares of ₹ 10 each	2,500.00	2,500.00
	2,500.00	**2,500.00**
Issued, subscribed and fully paid-up		
5,747,000 (March 31, 2021: 5,747,000) equity shares of ₹ 10 each	574.70	574.70
	574.70	**574.70**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Notes:

a) 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
As at April 1, 2020		
Balance at the beginning of the year	57,47,000	574.70
Movement during the year	-	-
Balance as at March 31, 2021	**57,47,000**	**574.70**
Movement during the year	-	-
Balance as at March 31, 2022	**57,47,000**	**574.70**

b) Shares held by the holding company, subsidiary and associate of the holding company and subsidiary of the ultimate holding company:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
Nowrosjee Wadia and Sons Limited, holding company	17,69,125	30.78%	17,69,125	30.78%
Macrofil Investments Limited, subsidiary of holding company	19,14,609	33.31%	19,14,609	33.31%
The Bombay Burmah Trading Corporation Limited, associate of holding company	2,24,000	3.90%	2,24,000	3.90%
Ben Nevis Investments Limited, British Virgin Island, subsidiary of ultimate holding company	51,500	0.90%	51,500	0.90%

c) Shareholders holding more than 5% of equity shares of the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	%	Number of shares	%
Equity shares				
Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	17,69,125	30.78%
Macrofil Investments Limited	19,14,609	33.31%	19,14,609	33.31%

d) Rights, preferences and restrictions attached to equity shares:

The Group 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 Group, the equity shareholders are eligible to receive the remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholdings.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

e) Shareholding of promoters:

Shares held by promoters as at March 31, 2022

Sr.	Promoter	Number of shares	% of total number of shares	% of change during the year
1	Ness Nusli Wadia	4,600	0.08%	-
2	Nusli Neville Wadia	16,325	0.28%	-
3	Varnilam Investments & Trading Company Limited	16,750	0.29%	-
4	The Bombay Dyeing and Manufacturing Company Limited	61,000	1.06%	-
5	The Bombay Burmah Trading Corporation Limited	2,24,000	3.90%	-
6	Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	-
7	Macrofil Investments Limited	19,14,609	33.31%	-
8	Dina Neville Wadia	5,250	0.09%	-
9	Baymanco Investments Limited	3,500	0.06%	-
10	Ben Nevis Investments Limited	51,500	0.90%	-
	Total	**40,66,659**	**70.75%**	**-**

Shares held by promoters as at March 31, 2021

Sr.	Promoter	Number of shares	% of total number of shares	% of change during the year
1	Ness Nusli Wadia	4,600	0.08%	-
2	Nusli Neville Wadia	16,325	0.28%	-
3	Varnilam Investments & Trading Company Limited	16,750	0.29%	-
4	The Bombay Dyeing and Manufacturing Company Limited	61,000	1.06%	(3.90%)
5	The Bombay Burmah Trading Corporation Limited	2,24,000	3.90%	3.90%
6	Nowrosjee Wadia and Sons Limited	17,69,125	30.78%	-
7	Macrofil Investments Limited	19,14,609	33.31%	(0.06%)
8	Dina Neville Wadia	5,250	0.09%	-
9	Baymanco Investments Limited	3,500	0.06%	0.06%
10	Ben Nevis Investments Limited	51,500	0.90%	-
	Total	**40,66,659**	**70.75%**	**-**

20. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve	3,402.45	3,397.32
Retained earnings	38,659.69	38,762.31
Capital redemption reserve	0.02	0.02
Special Under section 45IC of RBI Act, 1934	214.60	204.33
FVOCI - Equity instruments	48,239.60	63,913.11
FVOCI - Cash flow hedging reserves	(30.86)	(175.17)
	90,485.50	**1,06,101.92**

Nature and purpose of other reserves:

General reserve

The Group has transferred a portion of the net profit of the Group before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Capital redemption reserve

As per the provisions of Companies Act, Capital redemption reserve is created out of the general reserve for the amount of share capital reduction/ buyback in earlier years.

Special reserve under section 45IC of RBI Act, 1934

Under section 45 (IC) of Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum based on the provisions of the said Act.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Retained earnings

Retained earnings are the profits that the Group 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.

FVOCI - Equity instrument

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserves within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognized.

FVOCI - Cash flow hedging reserve

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

21. Non-current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan from bank:		
Foreign currency loan (USD) (refer note below)	7,942.05	11,546.87
Rupee loan (refer note below)	1,465.32	-
	9,407.37	**11,546.87**
Less: Current maturities of long term debt (refer note 24) (included in Current borrowings)	(8,020.20)	(11,536.06)
Less: Interest accrued (refer note 24) (included in Current borrowings)	(10.09)	(10.81)
	1,377.08	**-**

A) I) Term of repayment

a. The loan is repayable in 16 equal quarterly instalments of US $ 1,312,500 beginning from June 6, 2020 and the last quarterly installment being payable on February 27, 2024. This loan has a variable interest rate of 3 months USD-LIBOR-BBA plus 1.25% per annum payable on quarterly basis. The loan has a put and call option at the end of second year from the date of drawdown (i.e. March 6, 2019) and annually therafter.

b. Rupee term loan from bank ₹ 1,500.00 lakhs (March 31, 2021 ₹ Nil). This facility carries an interest rate of 8.70%. The loan is repayable in 17 equal quarterly installments commencing from the end of 12th month from date of first drawdown (i.e. January 7, 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 Group located in Kalyan, Maharashtra.

B) Net debt reconciliation

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalent	104.27	680.06
Non-current borrowings (including current maturities of long term borrowings and interest accrued on borrowings)	(9,407.37)	(11,546.87)
Current borrowings	-	(941.83)
Lease liabilities	-	(3.83)
Total	**(9,303.10)**	**(11,812.47)**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

	Cash and cash equivalent	Non-current borrowings	Current borrowings	Lease liabilities	Net debt
Net debt as at April 1, 2020	**222.13**	**(15,681.55)**	**(467.93)**	**(12.12)**	**(15,939.47)**
Cash flow	457.93	3,395.26	(465.40)	8.98	3,396.77
Interest expenses	-	(1,172.36)	(92.57)	(0.69)	(1,265.62)
Interest paid	-	1,172.27	84.07	-	1,256.34
Exchange gain	-	739.51	-	-	739.51
Net debt as at March 31, 2021	**680.06**	**(11,546.87)**	**(941.83)**	**(3.83)**	**(11,812.47)**
Net debt as at April 1, 2021	**680.06**	**(11,546.87)**	**(941.83)**	**(3.83)**	**(11,812.47)**
Cash flow	(575.79)	2,341.13	933.33	3.89	2,702.56
Interest expenses	-	(795.96)	(87.34)	(0.06)	(883.36)
Interest paid	-	810.74	95.84	-	906.58
Exchange loss	-	(216.41)	-	-	(216.41)
Net debt as at March 31, 2022	**104.27**	**(9,407.37)**	**-**	**-**	**(9,303.10)**

22. Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives designated as hedges		
Cross currency interest rate swap (CCIRS)	-	137.47
	-	**137.47**

23. Non-current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits (refer note 43)		
Leave encashment and compensated absence	255.19	272.98
Pension	68.28	71.90
	323.47	**344.88**

24. Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Secured		
Term loan:		
From bank		
Current maturities of long term borrowings*	8,030.29	11,546.87
From other parties		
Working capital term loan (refer note below)*	-	941.83
	8,030.29	**12,488.70**

*includes interest accrued on borrowings

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Terms of repayment

Working capital term loan from Standard Chartered Investments and Loans (India) Limited (SCIIL), an NBFC, ₹ Nil (March 31, 2021 ₹ 933.33 lakhs). This facility carries interest rate of 10.90%. The loan is repayable in 9 monthly installments of ₹ 133.33 lakhs starting from February 15, 2021.

Nature of security

Working capital term loan from SCIIL is secured by first pari passu charge on current assets.

25. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME)	63.83	304.37
Total outstanding dues to creditors other than micro and small enterprises	1,319.75	1,699.52
	1,383.58	**2,003.89**

Aging of trade payables:

As at March 31, 2022

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	0.75	19.94	43.14	-	-	-	**63.83**
(ii)Undisputed dues - Others	426.93	545.74	267.66	-	-	-	**1,240.33**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	79.42	-	-	**79.42**
Total	**427.68**	**565.68**	**310.80**	**79.42**	**-**	**-**	**1,383.58**

As at March 31, 2021

Particulars	Unbilled	Not due	Outstanding for following period from the due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed dues - MSME	-	188.12	116.17	0.08	-	-	**304.37**
(ii) Undisputed dues - Others	288.05	872.05	453.87	0.20	2.00	3.93	**1,620.10**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	79.42	-	-	-	**79.42**
Total	**288.05**	**1,060.17**	**649.46**	**0.28**	**2.00**	**3.93**	**2,003.89**

26. Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Derivatives not designated as hedges:		
-Foreign exchange forward contracts	-	0.46
Deposit received from customers	3.30	7.05
Capital creditors*	151.00	411.96
Unpaid dividend	64.49	69.10
Payable to employees	459.08	467.49
	677.87	**956.06**

*Including dues to micro and small enterprises for ₹ 9.02 lakhs (March 31, 2021 - ₹ 2.09 lakhs).

27. Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues (including provident fund, tax deducted at source and others)	184.51	296.53
Liability towards corporate social responsibility	65.64	-
	250.15	**296.53**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

28. Current provisions

Particulars	As at March 31, 2022	As at March 31, 2021
For employee benefits (refer note 43)		
Leave encashment and compensated absence	86.00	103.84
Pension	9.66	10.53
	95.66	**114.37**

29. Income tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax [Net of advance tax ₹ Nil (March 31, 2021: ₹ Nil)]	-	0.27
	-	**0.27**

30. Revenue from operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
Manufactured goods	21,970.40	21,418.35
Traded goods	426.14	-
Revenue from investing operations		
Dividend Income from investment measured at FVOCI	51.56	52.25
Fair value gain on investments (including gain on sale of investments) measured at FVOCI	1.77	1.21
Other operating income	144.20	29.00
	22,594.07	**21,500.81**

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

(A) Revenue streams

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sales of goods/ Income from operations	22,396.54	21,418.35
Revenue from investing operations	53.33	53.46
Other operating revenues	144.20	29.00
Sale of goods/ Income from operations	**22,594.07**	**21,500.81**

(B) There are no material unsatisfied performance obligations for the year ended March 31, 2022 and March 31, 2021. 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.

(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, 2022	For the year ended March 31, 2021
Domestic	20,676.08	20,684.13
Exports	1,720.46	734.22
Sale of goods / income from operations	**22,396.54**	**21,418.35**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(D) Movement in expected credit loss during the year:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance for loss allowance	68.30	68.30
Add : Loss allowance assessed for the year	20.42	-
Closing balance for loss allowance	**88.72**	**68.30**

(E) Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contract price	23,116.94	22,408.31
Less: Refund Liabilities - Sales Returns / Credits / Reversals	137.79	127.46
Less: Discounts	582.61	862.50
	22,396.54	**21,418.35**

(F) The entire amount of contract liability as of March 31, 2021 of ₹ 106.08 lakhs (March 31, 2020 of ₹ 46.91 lakhs) has been recognized as revenue during the current year.

(G) There are no significant changes in contract liabilities during the year ended March 31, 2022.

31. Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on financial assets at amortized cost		
On Inter corporate deposit	515.82	1,106.45
On fixed deposits	1.43	1.47
Other interest income	10.30	8.03
Dividend income from equity investments designated at FVOCI (refer note below)	28.14	30.78
Other non-operating income		
Fair value gain on investments (including gain on sale of investments) measured at FVTPL	120.52	35.00
Profit on sale of assets held for sale	61.96	-
Net foreign exchange gain	50.67	3.36
Miscellaneous income	232.42	92.87
	1,021.26	**1,277.96**

All dividends from equity investments designated at FVOCI relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognized during the reporting period.

32. Cost of raw materials and packing materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance of raw materials and packing materials	463.63	1,083.65
Add: Purchases made during the year	11,670.39	6,958.34
Less: Closing balance of raw materials and packing materials	1,816.80	463.63
	10,317.22	**7,578.36**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

33. Changes in inventories of stock-in-trade and finished goods

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	405.94	577.22
Closing balance	(197.22)	(405.94)
	208.72	**171.28**

34. Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,240.34	2,097.45
Contribution to provident fund and other funds (refer note 43)	121.94	138.21
Provident fund benefits (refer note 43)	2.81	4.51
Gratuity (refer note 43)	44.85	56.42
Pension benefits (refer note 43)	6.51	7.62
Workmen and staff welfare expenses	281.94	254.24
	2,698.39	**2,558.45**

35. Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss	279.47	362.69
Fair value changes on cross currency interest rate swap designated as cash flow hedges - transferred from other comprehensive income	602.35	887.26
Other interest expense	1.54	15.67
	883.36	**1,265.62**

36. Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 4)	1,722.34	1,721.74
Depreciation on right of use assets (refer note 4)	1.37	8.28
Amortization of intangible assets (refer note 5)	19.94	19.94
	1,743.65	**1,749.96**

37. Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	530.21	263.84
Legal and professional fees	544.68	599.51
Payment to auditors	53.62	60.55
Rates and taxes	28.67	32.81
Repairs and maintenance		
-plant and machinery	839.33	573.66
-building	7.57	3.68
Freight charges	160.55	408.57

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Insurance charges	184.26	212.47
Director sitting fees (refer note 42)	48.80	52.50
Corporate social responsibility expense	194.28	280.00
Director commission (refer note 42)	10.08	24.20
Rental charges	55.30	61.14
Loss allowance	20.42	-
Clearing and forwarding expenses	638.35	113.51
Miscellaneous expenses	615.98	594.71
	3,932.10	**3,281.15**

Note: During the year, the Group has paid commission of ₹ 27.30 lakhs (March 31, 2021 ₹ 29.00 lakhs) to non-executive directors against the provision of ₹ 27.30 lakhs in March 31, 2021 (March 31, 2020 ₹ 32.10 lakhs) and excess provision of ₹ Nil (March 31, 2021 ₹ 3.10 lakhs) is written back..

38. Exceptional income / (expenses)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Loss on account of decommissioning of assets (refer note 49)	-	(790.65)
Loss on account of reassessment of fair value of assets (CWIP) held for sale (refer note 18 and note 50)	-	(173.86)
Loss on account of breakdown of machinery and insurance claim received thereon (refer note 51)	250.00	(584.79)
Compensation for right of way on the Parent Company's property (refer note 52)	450.00	-
	700.00	**(1,549.30)**

39. Income tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense		
(i) Current tax expense	15.78	134.94
Total current tax expense	15.78	134.94
(ii) Deferred tax (benefit)/ expense		
Decrease (increase) in deferred tax assets	(197.60)	669.83
(Decrease) increase in deferred tax liabilities	433.67	(1,693.26)
Total deferred tax (benefit)/ expense	236.07	(1,023.43)
Total Income tax (benefit)/ expense	**251.85**	**(888.49)**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(b) Income tax recognized in other comprehensive income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Income tax expense		
(i) Current tax benefit/ (expense)		
Remeasurement of defined benefit obligation	-	(8.33)
Total current tax benefit/ (expense)	-	(8.33)
(ii) Deferred tax benefit/ (expense)		
Remeasurement of defined benefit obligation	(11.44)	(6.04)
Financial asset measured at FVOCI	218.36	(264.37)
Total deferred tax benefit/ (expense)	206.92	(270.41)
Total Income tax benefit/ (expense)	**206.92**	**(278.74)**

(c) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit before tax	794.83	1,229.16
Tax at the Indian applicable tax rate 25.17%	200.04	309.35
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Expenses which are not deductible/ (taxable) in calculating taxable income		
Corporate social responsibility expenditure	48.90	70.47
Other amounts which are not deductible/ (taxable) in calculating taxable income	(0.22)	37.46
Income taxable at different rate	2.80	-
Change in income tax rates	-	(1,306.04)
Adjustments for current tax of previous years	0.11	0.08
Others	0.22	0.19
Income tax expense	**251.85**	**(888.49)**

(d) Tax assets

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	606.16	131.21
Add: Taxes paid	320.64	618.22
Less: Current tax payable for the year	15.78	143.27
Closing balance	**911.02**	**606.16**
Current tax assets	**911.02**	**606.43**
Current tax liabilities	**-**	**0.27**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022
(All amounts are in Indian Rupees lakhs, unless otherwise stated)

(e) Movement in deferred tax liabilities

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Deferred tax liabilities	3,554.53	3,387.76
Less: deferred tax assets	345.51	207.89
Deferred tax liability (net)	**3,209.02**	**3,179.87**

39. Income tax

Movement of deferred tax balances

For the year ended March 31, 2022:

Particulars	As at March 31, 2021	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2022
Property, plant and equipment	3,116.09	421.03	-	3,537.12
Financial asset measured at FVTPL	0.07	0.34	-	0.41
Financial asset measured at FVOCI	271.60	12.30	(266.90)	17.00
Total deferred tax liabilities	**3,387.76**	**433.67**	**(266.90)**	**3,554.53**
Provision for post retirement benefits and other employee benefits	115.62	1.80	(11.44)	105.98
Loss allowance	17.19	5.14	-	22.33
Provision for sales tax	16.17	-	-	16.17
Loss on cash flow hedging reserve	58.91	-	(48.54)	10.37
Business loss	-	190.66	-	190.66
Total deferred tax assets	**207.89**	**197.60**	**(59.98)**	**345.51**
Deferred tax liability (net)	**3,179.87**	**236.07**	**(206.92)**	**3,209.02**

For the year ended March 31, 2021:

Particulars	As at March 31, 2020	Recognised in Profit and Loss	Recognised in OCI	As at March 31, 2021
Property, plant and equipment	4,809.42	(1,693.33)	-	3,116.09
Financial asset measured at FVTPL	-	0.07	-	0.07
Financial asset measured at FVOCI	4.43	-	267.17	271.60
Total deferred tax liabilities	**4,813.85**	**(1,693.26)**	**267.17**	**3,387.76**
Provision for post retirement benefits and other employee benefits	139.71	(18.05)	(6.04)	115.62
Loss allowance	23.02	(5.83)	-	17.19
Provision for sales tax	22.45	(6.28)	-	16.17
Loss on cash flow hedging reserve	56.11	-	2.80	58.91
Business loss	122.21	(122.21)	-	-
MAT credit entitlement	517.46	(517.46)	-	-
Total deferred tax assets	**880.96**	**(669.83)**	**(3.24)**	**207.89**
Deferred tax liability (net)	**3,932.89**	**(1,023.43)**	**270.41**	**3,179.87**

Deferred tax asset of ₹ 54.48 lakhs (Previous Year: ₹ Nil) on unused tax losses of ₹ 467.72 lakhs (Previous Year: ₹ Nil) in relation to fair valuation of equity shares has not been created as currently, the Group is uncertain to generate sufficient taxable capital gain in forseeable future.

The Group has not recognized any deferred tax liabilities for taxes that would be payable on the Group's share in unremitted earnings of its subsidiaries because the Group controls when the liability will be incurred. The amount of unremitted earnings of the Group was ₹ 644.09 lakhs as at March 31, 2022 and ₹ 565.01 as at March 31, 2021.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

40. Earning per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic and diluted earnings per share		
Profit for the year (₹ in lakhs)	542.98	2,117.65
Weighted average number of shares	57,47,000	57,47,000
Basic and diluted earnings per share (₹)	9.45	36.85
Face value per share (₹)	10.00	10.00

41. Segment information

The CEO and Director reviews the Group's performance. Presently, the Group 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'.

Information about geographical areas*

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Within India	20,820.28	20,713.13
Outside India	1,720.46	734.22
Total Revenue	**22,540.74**	**21,447.35**

There are no non-current assets other than financial instruments outside India.

*relates to revenue from contract with customers

Information about major customers

Customers include private distribution entities. No single customer of the Group accounts for 10% or more of total revenue.

42. Related party disclosures

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

(i) Enterprises exercising control:

Ultimate holding entity - Bucharn Holdings Limited

Parent entity - Nowrosjee Wadia and Sons Limited (refer note 19)

(ii) Enterprises where control exists:

Subsidiary company- Naperol Investments Limited

Subsidiary company - NPL Chemicals Limited (w.e.f. July 29, 2020)

(iii) Key Managerial Personnel

Mr. Rajiv Arora, Chief Executive Officer & Director (w.e.f. June 4, 2020)

Mr. Suresh Khurana, Chief Executive Officer and Director (upto June 4, 2020)

Non-executive directors

Mr. Ness N. Wadia - Chairman

Dr (Mrs.) Minnie Bodhanwala

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Independent directors

Mr. Rajesh Batra

Mr. S. Ragothaman

Mr. Viraf Mehta

Mrs. Harshbeena Zaveri

(iv) Enterprises controlled by the parent entity and with whom transactions were carried out during the year

Wadia Techno-Engineering Services Limited

B.R.T. Limited

(v) Enterprise which is associate of parent entity and with whom transactions were carried out during the year

The Bombay Burmah Trading Corporation Limited

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

National Peroxide Limited Employees' Provident Fund

National Peroxide Limited Employees' Gratuity Fund

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

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, 2022	For the year ended March 31, 2021
Inter-corporate deposit given		
Wadia Techno-Engineering Services Limited	-	500.00
The Bombay Burmah Trading Corporation Limited	2,500.00	-
Repayment of Inter-corporate deposit given		
Wadia Techno-Engineering Services Limited	1,000.00	500.00
The Bombay Burmah Trading Corporation Limited	2,500.00	-
Interest income on inter-corporate deposit		
Wadia Techno-Engineering Services Limited	46.69	107.26
The Bombay Burmah Trading Corporation Limited	114.04	-
Dividend income		
The Bombay Burmah Trading Corporation Limited	79.02	79.02
Miscellaneous income		
The Bombay Burmah Trading Corporation Limited	70.35	22.00
Miscellaneous expenses		
Nowrosjee Wadia and Sons Limited	80.33	75.12
Reimbursement of expenses		
Nowrosjee Wadia and Sons Limited	13.27	5.82
Compensation to key managerial personnel		
Mr. Rajiv Arora		
Short term employee benefits	229.14	170.22
Post employment benefits**	11.94	9.41
Mr. Suresh Khurana		
Short term employee benefits	-	46.45
Post employment benefits**	-	3.10
Total	**241.08**	**229.18**
** As the liabilities for defined benefit plans are provided on actuarial basis for the Group, the amounts pertaining to Key Managerial Personnel are not included.		
Commission to Non-executive Directors#	10.08	27.30
#During the year, the Group has paid commission of ₹ 27.30 lakhs (March 31, 2021 ₹ 29.00 lakhs) to non-executive directors against the provision of ₹ 27.30 lakhs in March 31, 2021 (March 31, 2020 ₹ 32.10 lakhs) and excess provision of ₹ Nil (March 31, 2021 ₹ 3.10 lakhs) is written back.		
Director sitting fees to Non-executive Directors	48.80	52.50
Contribution to employee benefit plans		
National Peroxide Limited Employees' Provident Fund	2.81	4.51
National Peroxide Limited Employees' Gratuity Fund	-	73.66

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Balances outstanding as at the year end:

Particulars	As at March 31, 2022	As at March 31, 2021
Inter-corporate deposits given		
Wadia Techno-Engineering Services Limited	-	1,000.00
Investments		
The Bombay Burmah Trading Corporation Limited	56,684.69	73,121.14
B.R.T. Limited	18.77	16.95
Other Current Assets		
The Bombay Burmah Trading Corporation Limited	15.22	25.96
Contributions Made		
National Peroxide Limited Employees' Provident Fund	588.55	629.91
National Peroxide Limited Employees' Gratuity Fund	1,036.67	1,216.03
Payable to Key managerial personnel		
Mr. Rajiv Arora	27.50	45.15
Mr. Suresh Khurana	-	28.15

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

43. Employee benefit obligations

The Group has classified various employee benefits as under:

(a) Leave Obligations

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

Provision for leave encashment	As at March 31, 2022	As at March 31, 2021
Current	86.00	103.84
Non-current	255.19	272.98
(b) Defined Contribution Plan		
(i) Provident fund		
(ii) Superannuation fund		
The Group has recognized the following amounts in the Statement of Profit and Loss for the year:		
(i) Contribution to provident fund	103.81	112.30
(ii) Contribution to superannuation fund	18.13	25.91

(c) Post employment obligations

Gratuity

The Group 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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(i) Significant estimates: actuarial assumptions

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

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.95%	6.35%
Salary escalation rate		
-For management employees	8.00%	8.00%
-For other employees	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult table	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
As at April 1, 2021	**1,216.02**	**(1,216.02)**	**-**
Current service cost	50.18	-	50.18
Interest expense / (income)	57.47	(62.80)	(5.33)
Total amount recognized in profit and loss	**107.65**	**(62.80)**	**44.85**
Remeasurements			
Return on plan assets, excluding amount included in interest expense/ (income)	-	(24.11)	(24.11)
(Gain)/ loss from change in financial assumptions	(20.34)	-	(20.34)
(Gain)/ loss from change in demographic assumptions	-	-	-
Experience (gains)/ losses	(0.40)	-	(0.40)
Total amount recognized in other comprehensive income	**(20.74)**	**(24.11)**	**(44.85)**
Employer contributions	-	-	-
Benefits payments	(304.26)	304.26	-
Assets acquired/ (settled) on account of business combination or intergroup transfer	38.00	(38.00)	-
As at March 31, 2022	**1,036.67**	**(1,036.67)**	**-**

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	**1,280.13**	**(1,229.80)**	**50.33**
Current service cost	56.40	-	56.40
Interest expense / (income)	57.66	(57.64)	0.02
Total amount recognized in profit and loss	**114.06**	**(57.64)**	**56.42**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(13.73)	(13.73)
(Gain)/ loss from change in financial assumptions	(10.24)	-	(10.24)
(Gain)/ loss from change in demographic assumptions	-	-	-
Experience (gains) / losses	(9.12)	-	(9.12)
Total amount recognized in other comprehensive income	**(19.36)**	**(13.73)**	**(33.09)**
Employer contributions	-	(73.66)	(73.66)
Benefits payments	(158.81)	158.81	-
As at March 31, 2021	**1,216.02**	**(1,216.02)**	**-**

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	1,036.67	1,216.02
Fair value of plan assets	(1,036.67)	(1,216.02)
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:

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-1.71%	-1.66%	1.81%	1.76%
Salary escalation rate	0.50%	0.50%	1.76%	1.68%	-1.69%	-1.60%

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, 2022 and March 31, 2021.

(v) Defined benefit liability and employer contributions

The Group 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 4.71 years (March 31, 2021 – 4.26 years).

(vi) Risk exposure

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

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Particulars	Present value of obligation
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 govenment 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.
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

	As at March 31, 2022		As at March 31, 2021	
	Amount	**in %**	**Amount**	**in %**
Government debt instruments	412.69	40%	420.00	35%
Other debt instruments	524.87	51%	621.88	51%
Entity's own equity instruments	-	-	-	-
Insurer managed funds	-	-	-	-
Others	99.11	10%	174.14	14%
Total	**1,036.67**	**100%**	**1,216.02**	**100%**

(viii) Projected cash flow

	As at March 31, 2022	As at March 31, 2021
Less than a year	418.22	553.92
Between 1-2 years	135.83	84.32
Between 2-5 years	275.26	329.69
Between 5-9 years	133.85	245.94
10 years and above	347.77	366.93

The Company expects to contribute ₹ 100.00 lakhs to the plan during the financial year 2022-23.

Pension

The Group 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 Group. The Group 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)	6.95%	6.35%
Salary escalation rate	8.00%	8.00%
Pension increase rate	-	-

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(ii) Pension Plan

	Present value of obligation
As at April 1, 2021	**82.43**
Current service cost	1.61
Interest expense/ (income)	4.90
Total amount recognized in profit and loss	**6.51**
Remeasurements	
(Gain)/ loss from change in financial assumptions	(2.34)
(Gain)/ loss from change in demographic assumptions	-
Experience (gains)/ losses	1.69
Total amount recognized in other comprehensive income	**(0.65)**
Benefits payment	(10.35)
As at March 31, 2022	**77.94**

	Present value of obligation
As at April 1, 2020	**84.27**
Current service cost	2.74
Interest expense / (income)	4.88
Total amount recognized in profit and loss	**7.62**
Remeasurements	
(Gain)/ loss from change in financial assumptions	(1.06)
(Gain)/ loss from change in demographic assumptions	-
Experience (gains) / losses	0.09
Total amount recognized in other comprehensive income	(0.97)
Benefits payment	**(8.48)**
As at March 31, 2021	**82.43**

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	77.94	82.43
Deficit of pension plan	77.94	82.43
Current portion	9.66	10.53
Non-current portion	68.28	71.90

(iii) Sensitivity analysis

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

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-2.39%	-2.48%	2.52%	2.62%

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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

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 Group to acturial 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 govenment 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.

(v) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4.91 years (March 31, 2020 – 5.10 years).

(vi) Projected cash flow

	As at March 31, 2022	As at March 31, 2021
Less than a year	9.66	10.53
Between 1-2 years	8.24	8.81
Between 2-5 years	30.66	29.29
Between 5-9 years	33.74	35.44
10 years and above	36.68	38.25

The Group expects to contribute ₹ Nil to the plan during the financial year 2022-23

Provident Fund

In respect of certain employees, provident fund contributions are made to a trust administered by the Group. 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 Group. The liability in respect of the shortfall of interest earnings of the Fund is determined on the basis of an actuarial valuation. Group 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

	As at March 31, 2022	As at March 31, 2021
Discount rate (per annum)	6.95%	6.35%

(ii) Provident fund plan

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2021	**629.91**	**(629.91)**	**-**
Current service cost	2.81	-	2.81
Interest expense / (income)	36.94	(36.94)	-
Interest on net defined benefit liability / assets	**39.75**	**(36.94)**	**2.81**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(17.95)	(17.95)
(Gain)/ loss from change in financial assumptions	3.51	-	3.51

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

	Present value of obligation	Fair value of plan assets	Net amount
(Gain)/ loss from change in demographic assumptions	-	-	-
Experience (gains)/ losses	14.44	-	14.44
Total amount recognized in other comprehensive income	**17.95**	**(17.95)**	**-**
Employer's contributions	-	(2.81)	(2.81)
Employee's contributions	3.04	(3.04)	-
Benefits payment	(102.10)	102.10	-
As at March 31, 2022	**588.55**	**(588.55)**	**-**

	Present value of obligation	Fair value of plan assets	Net amount
As at April 1, 2020	**628.04**	**(605.04)**	**23.00**
Current service cost	4.51	-	4.51
Interest expense / (income)	37.22	(37.22)	-
Interest on net defined benefit liability / assets	**41.73**	**(37.22)**	**4.51**
Remeasurements			
Return on plan assets, excluding amount included in interest expense / (income)	-	(22.87)	(22.87)
(Gain)/ loss from change in financial assumptions	(9.01)	-	(9.01)
(Gain)/ loss from change in demographic assumptions	-	-	-
Experience (gains)/ losses	8.88	-	8.88
Total amount recognized in other comprehensive income	**(0.13)**	**(22.87)**	**(23.00)**
Employer's contributions	-	(4.51)	(4.51)
Employee's contributions	4.96	(4.96)	-
Benefits payment	(44.69)	44.69	-
As at March 31, 2021	**629.91**	**(629.91)**	**-**

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	588.55	629.91
Fair value of plan assets	(588.55)	(629.91)
Deficit of provident fund plan	-	-
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

	Impact on defined benefit obligation					
	Change in assumptions		Increase in assumptions		Decrease in assumptions	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	0.50%	0.50%	-0.61%	-0.87%	1.19%	NIL

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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(iv) The above defined benefit plan was administrated 100% by a trust as at March 31, 2022 and March 31, 2021.

(v) Defined benefit liability and employer contributions

The Group will pay demand raised by the trust towards provident fund on time to time basis to eliminate the deficit in defined benefit plan. The weighted average duration to payment is 9.85 years (March 31, 2020 – 8.92 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

	As at March 31, 2022		As at March 31, 2021	
	Amount	in %	Amount	in %
Government debt instruments	234.42	40%	205.56	33%
Other debt instruments	274.94	47%	284.64	45%
Entity's own equity instruments	-	-	-	-
Insurer managed funds	-	-	-	-
Others	79.19	13%	139.72	22%
Total	**588.55**	**100%**	**629.92**	**100%**

(viii) The Group expects to contribute ₹ 2.25 lakhs to the plan during the financial year 2022-23.

44. Fair value measurements

(a) Financial instruments by category

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investment						
-Mutual Funds	6,850.14	-	-	21.41	-	-
-Equity instruments#	-	58,660.66	-	-	74,601.72	-
Trade receivables	-	-	1,887.64	-	-	2,384.34
Cash and cash equivalents	-	-	104.27	-	-	680.06
Bank balances other than cash and cash equivalents	-	-	64.49	-	-	69.10
Security deposits	-	-	59.54	-	-	70.01
Inter corporate deposits	-	-	-	-	-	11,000.00
Derivative designated as hedge - CCIRS	-	271.79	-	-	-	-
Total financial assets	**6,850.14**	**58,932.45**	**2,115.94**	**21.41**	**74,601.72**	**14,203.51**
Financial liabilities						
Borrowings (includes current maturities of borrowings and accrued interest)	-	-	9,407.37	-	-	12,488.70
Trade payable	-	-	1,383.58	-	-	2,003.89
Other financial liabilities	-	-	677.87	0.46	-	959.43
Derivative designated as hedge - CCIRS	-	-	-	-	137.47	-
Total financial liabilities	**-**	**-**	**11,468.82**	**0.46**	**137.47**	**15,452.02**

These are investment in equity securities which are not held for trading and for which the Group 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 Group considered this to be more relevant.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(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 amortized cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group 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, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in equity instruments (at FVOCI)	58,641.89	-	18.77	58,660.66
Derivative designated as hedge - CCIRS (at FVOCI)	-	271.79	-	271.79
Total financial assets	**58,641.89**	**271.79**	**18.77**	**58,932.45**
Total financial liabilities	-	-	-	-

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	45.76	45.76
Total financial assets	**-**	**-**	**45.76**	**45.76**
Financial liabilities				
Borrowings (including accrued interest)	-	-	1,377.08	1,377.08
Total financial liabilities	**-**	**-**	**1,377.08**	**1,377.08**

Financial assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2021				
Financial assets				
Investment in equity instruments (at FVOCI)	74,584.77	-	16.95	74,601.72
Total financial assets	**74,584.77**	**-**	**16.95**	**74,601.72**
Financial liabilities				
Derivative designated as hedge - CCIRS (at FVOCI)	-	137.47	-	137.47
Total financial liabilities	**-**	**137.47**	**-**	**137.47**

Assets and liabilities which are measured at amortized cost for which fair values are disclosed as at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Security deposits	-	-	43.16	43.16
Total financial assets	**-**	**-**	**43.16**	**43.16**
Financial liabilities	-	-	-	-
Total financial liabilities	**-**	**-**	**-**	**-**

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.

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

The Group 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 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 amortized cost

	As at March 31, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Security deposits	45.76	45.76	43.16	43.16
Total financial assets	**45.76**	**45.76**	**43.16**	**43.16**
Financial Liabilities				
Borrowings (including acrrued interest)	1,377.08	1,377.08	-	-
Total financial liabilities	**1,377.08**	**1,377.08**	**-**	**-**

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

45. Financial risk management

The Group'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 Group, 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 amortized cost.	Ageing analysis	Credit limits, timely review, diversification of deposits
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of commited credit lines and borrowing facilities
Market risk – foreign exchange	Recognised financial liabilities not denominated in Indian rupee (INR)	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 equity instruments and mutual funds	Sensitivity analysis	Strategic investment, diversification of portfolio

The Group has adopted a Risk Management Policy wherein all material risks faced by the Group are identified and assessed. The Risk Management framework defines the risk management approach of the Group and includes collective identification of risks impacting the Group'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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(a) Credit risk

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

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 Group's credit risk arises from accounts receivable balances. The Group 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 Group has adopted a policy of only dealing with creditworthy counterparties. Intercorporate deposits given are for not more than 12 months. The Group periodically assess the recoverability of intercorporate deposits.

The Group 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 scenerio 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 Group recognises expected credit loss on specified receivables as determined by the management.

Reconciliation of loss allowance on trade receivables	**Amount**
Loss allowance on April 1, 2020	**68.30**
Changes in loss allowance	-
Loss allowance on March 31, 2021	**68.30**
Changes in loss allowance	20.42
Loss allowance on March 31, 2022	**88.72**

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

(b) Liquidity risk

Liquidity risk is the risk that the Group will fail in meeting its obligations to pay its financial liabilities. The Group'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 Group funds its activities primarily through cash generated in operations and working capital borrowings.

Management monitors the Group'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 Group is invested in marketable liquid funds.

Based on recent trends observed, profitability, cash generation, cash surpluses held by the Group and the borrowing lines available, the Group 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 liablilities 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.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

March 31, 2022	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities				
Borrowings (includes current maturities of borrowings and accrued interest)#	8,030.29	1,675.12	-	9,705.41
Trade payables	1,383.58	-	-	1,383.58
Other financial liabilities	677.87	-	-	677.87
Total non derivative financial liabilities	**10,091.74**	**1,675.12**	**-**	**11,766.86**
Total derivative liabilities	-	-	-	-

#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 6, 2019) and annually therafter. The Group has accordingly classified its borrowings of US $10.50 millions as current maturities of long term borrowing.

March 31, 2021	Less than 1 year	Between 1 year and 5 years	More than 5 years	Total
Non derivative financial liabilities				
Borrowings (includes current maturities of borrowings and accrued interest)#	12,488.70	-	-	12,488.70
Trade payables	2,003.89	-	-	2,003.89
Other financial liabilities	956.06	-	-	956.06
Amount payable towards lease liabilities (refer note 4)	3.83	-		3.83
Total non derivative financial liabilities	**15,452.48**	**-**	**-**	**15,452.48**
Derivative (net settled)				
Cross currency interest rates swap	-	137.47	-	137.47
Total derivative liabilities	**-**	**137.47**	**-**	**137.47**

#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 6, 2019) and annually therafter. The Company has accordingly classified its borrowings of US $15.75 millions as current maturities of long term borrowing.

(ii) Undrawn borrowing facilities

The Group has following undrawn facilities:	As at March 31, 2022	As at March 31, 2021
Bank Overdraft	1,376.19	1,301.13

(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 Group. The Group 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"). Group'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 Group does not require to hedge through derivatives. However, for foreign currency variable interest rate denominated borrowings the Group's risk management policy is to hedge 100% of the exposure using cross currency interest rate swaps. Under the Group's policy, the critical term of the cross currency interest rate swaps must align the hedged item.

The Group's unhedged foreign currency exposure at the end of the reporting period expressed in ₹, are as follows:

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Financial assets	**As at March 31, 2022**	**As at March 31, 2021**
Trade receivables (USD 1.23 lakhs ; as at March 31, 2021 USD 0.98 lakhs)	92.98	70.12
Net exposure to foreign currency risk (assets)	**92.98**	**70.12**
Contract liabilities		
Advance from Customer - (USD 3.79 lakhs ; as at March 31, 2021 USD 0.38 lakhs)	286.45	27.43
Net exposure to foreign currency risk (liabilities)	**286.45**	**27.43**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from unhedged foreign currency denominated financial instruments.

	Impact on profit before tax	
	For the year ended March 31, 2022	**For the year ended March 31, 2021**
Assets		
FX rate – increase by 5% on closing rate on reporting date*	4.65	3.51
FX rate– decrease by 5% on closing rate on reporting date*	(4.65)	(3.51)
Liabilities		
FX rate – increase by 5% on closing rate on reporting date*	(14.32)	(1.37)
FX rate– decrease by 5% on closing rate on reporting date*	14.32	1.37

*Holding all other variables constant

The above amounts have been disclosed based on the accounting policy for exchange differences.

(ii) Interest rate risks

The Group's interest risk arises from long term borrowings with variable rates, which exposes the Group to cash flow interest rate risk . The Group's policy is to maintain most of its borrowings at fixed rates, where the Group enters into long term borrowings at floating rates, it swaps into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. As at March 31, 2022, the Group's borrowing at variable rate is denominated in USD.

(a) Interest rate risk exposures

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2022	**As at March 31, 2021**
Fixed rate borrowings (including accrued interest)#	7,942.05	11,546.87
Fixed rate borrowings (including accrued interest)	1,465.32	941.83
Total	**9,407.37**	**12,488.70**

#This borrowing has been converted to fixed rate borrowings through cross currency interest rate swaps.

(b) Sensitivity

There are no floating rate borrowings, accordingly, there is no impact of change in variable interest rates on the Group.

(iii) Foreign currency and interest rate risks

The Group 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 ₹, are as follows:

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Particulars	Currency	As at March 31, 2022		As at March 31, 2021	
Derivative liability designated as hedge - net settled		**Amount in foreign currency (In lakhs)**	**Fair value (gain) / loss (₹ in lakhs)**	**Amount in foreign currency (In lakhs)**	**Fair value (gain) / loss (₹ in lakhs)**
Cross currency interest rate swap	USD	105.00	(271.79)	157.50	137.47

Sensitivity

The sensitivity of other comprehensive income before tax due to foreign currency movement and interest rate movements is as below.

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
FX rate - increase by 5% on closing rate of reporting date*		369.36		565.93
FX rate - decrease by 5% on closing rate of reporting date*	(408.17)		(626.73)	
Interest rates - increase by 50 bps on closing rate on reporting date*		30.83		81.05
Interest rates - decrease by 50 bps on closing rate on reporting date*	(30.83)		(81.05)	

*Holding all other variable constant

(iv) Other price risks

The Group is exposed to equity price risks arising from equity investments and mutual funds. Further, equity investments are subject to changes in the market price of securities. Equity investments are held for strategic purpose rather than for trading purposes. The Group does not actively trade in these investments.

Sensitivity

If equity prices had been 10% higher / lower, other comprehensive income before tax for the year ended March 31, 2022 would increase / decrease by ₹ 5,866 lakhs (Year ended March 31, 2021: increase / decrease by ₹ 7,460 lakhs) as a result of the changes in fair value of shares measured at FVOCI.

(a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2022

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio*	Weighted average strike price/rate	Changes in fair value of hedging instrument gain	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Derivative assets designated as cash flow hedge							
Foreign exchange risk and interest rate risk							
Cross currency interest rate swap	7,931.96	271.79	March 8, 2021 to February 27, 2024	1:1	$1= ₹ 72.45 7.70%	271.79	(271.79)

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

As at March 31, 2021

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Maturity date	Hedge ratio*	Weighted average strike price/ rate	Changes in fair value of hedging instrument gain	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Derivative liabilities designated as cash flow hedge							
Foreign exchange risk and interest rate risk							
Cross currency interest rate swap	11,536.06	137.47	March 8, 2021 to February 27, 2024	1:1	$1= ₹ 72.45 7.70%	(137.47)	137.47

The Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. Therefore, the hedge ratio is 1:1.

(b) Disclosure of effects of hedge accounting on financial performance

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
Cash flow hedge				
Cross currency interest rate swap	409.26	-	(216.41)	Net foreign exchange gain under Other income of ₹ 216.41 lakhs

As at March 31, 2021

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised 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
Cash flow hedge				
Cross currency interest rate swap	(813.01)	-	739.51	Net foreign exchange gain under Other income of ₹ 739.51 lakhs.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

Movements in cash flow hedging reserve

Risk category

Derivative instruments	Cross currency interest rate swap	
Cash flow hedging reserve	2021-22	2020-21
Opening Balance	**175.17**	**104.47**
Add/ (Less): Changes in fair value of CCIRS	(409.26)	813.01
Add/ (Less): Amounts reclassified through profit or loss	216.41	(739.51)
Add/ (Less): Deferred tax relating to above (net)	48.54	(2.80)
Closing Balance	**30.86**	**175.17**

Hedge ineffectiveness

The Group'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 Group 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 Group uses the hypothetical derivative method to assess effectiveness.

The Group 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, 2022.

The Group is exposed to USD LIBOR within a fair value hedge accounting relationship, which is subject to interest rate benchmark reform. The Group has identifed 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 Millions	Floating rate external commercial borrowing (ECB) of the same maturity and foreign currency risk of borrowings

The Group will continue to apply the amendments to Ind AS 109 until the uncertainty arising from the interest rate benchmark reforms that the Group is exposed to ends. The Group has assumed that this uncertainty will not end until the Group's contracts that reference LIBORs are amended to specify the date on which the interest rate benchmark will be replaced, the alternative benchmark rate and the relevant spread adjustment. This will, in part, be dependent on the introduction of fallback clauses which have yet to be added to the Group's contracts and the negotiation with lenders.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

46. Capital Management

(a) Risk Management

The Group's objectives when managing capital are to safeguard the Group'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 Group 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 Group 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 bank balances) divided by total 'equity'.

Particulars	As at March 31, 2022	As at March 31, 2021
Total debt (refer note 21 and note 24)	9,407.37	12,492.53
Less: Cash and cash equivalents (refer note 13)	(104.27)	(680.06)
Net debt	**9,303.10**	**11,812.47**
Total equity	91,060.20	1,06,676.62
Net debt to equity ratio	**10.22%**	**11.07%**
Loan covenants		
The Group's ECB agreement is subjected to covenant clauses, whereby the Group is required to meet certain key financial ratios. During the current year and previous year, the Group 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; While the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of US $ 10.50 Million, the bank had not requested early repayment of the loan as of the date when these financial statements were approved.		

(b) Dividends

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Equity shares		
Final dividend for the year ended March 31, 2021 of ₹ 12.50 (March 31, 2020 - ₹ 12.50) per fully paid share	718.38	718.38
(ii) Dividends not recognized at the end of the reporting period	287.35	718.38
For the year ended March 31, 2022, the directors have recommended a final dividend of ₹ 5 per fully paid equity share (March 31, 2021 - ₹ 12.50). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

47. Contingent liability

Claims against the Group not acknowledged as debt

	As at March 31, 2022	As at March 31, 2021
(i) Sales tax demand	38.90	38.90
(ii) Income tax demand	1,079.47	1,079.47

In respect of the Assessment Year 2018-19, the Group has received a demand of income tax on March 17, 2021 amounting to ₹ 1079.47 lakhs on account of disallowances in respect of embezzlement of funds, disallowances under section 14A, section 43B and interest thereon.The Group has filed an appeal with the Commissioner of Income Tax (Appeals) on April 14, 2021.

(iii) 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 Group has paid provident fund to employees as applicable with effect from March 2019. The Group will continue to assess any further developments in this matter for their implications on financial statements, if any.

48. 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 ₹ 319.40 lakhs (March 31, 2021: ₹ 237.73 lakhs)

(ii) Other commitment:

The Group 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 Group 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 the discretion to waive off the Take or Pay charges. A request for supply of Make Up gas can be made by the Group corresponding to Take or Pay deficiencies which are outstanding and for which the Group would pay to GAIL at the time of annual program.

(iii) For lease commitment, refer note 4.

49. Assets decommissioned during the previous year

The Group commissioned its 150KTPA plant in February 2020. In the previous year, as the plant got fully operational and stabilized, management undertook a review of all its older assets which may have become redundant and no longer usable in the production process and had to be decommissioned. As a result of this, assets with written down value amounting to ₹ 876.97 lakhs were dismantled and disposed off at a loss of ₹ 653.93 lakhs; assets with written down value amounting to ₹ 218.32 lakhs were further written down to an estimated 5% of its gross block value resulting in a loss of ₹ 136.72 lakhs. The aggregate loss of ₹ 790.65 lakhs on account of decommissioning has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021.

50. Write down of Assets held for sale to reassessed realisable value

There were items (Pipes, Pipe fittings, Valves, Cables and other spares) in Capital Work in Progress (CWIP) which were no longer required and classified as 'Asset held for sale' in the earlier years. The Group took necessary steps to sell the assets despite lower demand due to COVID scenario. Accordingly, the Group continues to classify the assets as held for sale. The Group has made enquiries and has received quotations from various parties, basis which, the fair value has been reassessed and a write down of ₹ 173.86 lakhs has been accounted, which has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021. The Company has made continuous efforts to sell the assets held for sale and assets held for sale of ₹ 15.56 lakhs (March 31, 2021: ₹ 201.51 lakhs) are yet to be sold.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

51. Insurance claim on account of breakdown of machinery:

During the previous year, Group's plant located at Kalyan, Maharashtra, was temporarily shut down from March 27, 2021 due to machinery breakdown and resumed operations from May 30, 2021 in a phased manner. The Group had incurred loss of various chemicals (i.e. catalyst and working solution), fixed assets (primary, secondary and tertiary filters) and inventory (hydrogen peroxide) of an aggregate amount of ₹ 584.79 lakhs which has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended March 31, 2021. The Group has made continuous efforts to sell the assets held for sale and assets held for sale of ₹ 15.56 lakhs (March 31, 2021: ₹ 201.51 lakhs) are yet to be sold.

During the current year, the Group received an interim payment of insurance claim on account of the said loss.

52. Compensation for right of way on the Company's property:

In the year 2017, a 100 KV DC transmission line project was approved by the competent authority, and two towers were to pass from the Parent Company's land, the said project was objected by the Parent Company and the matter was sub-judice in High court. During the current year, out-of-court settlement was agreed between the Parent Company and Century Rayon Limited and the consent terms were executed on February 14, 2022. The Parent Company has received 50% compensation (i.e. ₹ 450.00 lakhs) for giving the right of way for laying of 100 KV Extra High Voltage (EHV) transmission line and EHV towers on the land of the Parent Company. The balance 50% compensation (i.e. ₹ 450.00 lakhs) is receivable after erection of the two EHV towers on the Parent Company's property and connecting the towers with electrical wiring/stringing.

53. The Group's plant located at Kalyan, Maharashtra, was temporarily shut down from January 30, 2022 to March 20, 2022 due to repair and maintenance activity taken up to fix machine breakdown along with preventive maintenance activities and some modifications to improve machine efficiency in the plant.

54. The Board of Directors of the Parent Company at their meeting held on March 9, 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.

The Scheme, inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined under the scheme) from the Parent Company into NPL Chemicals Limited, a wholly owned subsidiary of the Parent Company, on a going concern basis (w.e.f. October 1, 2020), and in consideration thereof, NPL Chemicals Limited shall issue it's equity shares to the equity shareholders of the Parent Company in the same proportion of their existing holding in the Parent Company and the existing share capital of NPL Chemicals Limited held by the Parent Company will be reduced.

Further, Naperol Investments Limited (a wholly owned subsidiary of NPL) will be merged into Parent Company.

Furthermore, subject to necessary approvals, the equity shares allotted by the NPL Chemicals Limited, pursuant to the Scheme, to shareholders of the Company shall be listed on BSE Limited. On March 27, 2021 the Company filed the Board approved Scheme with Bombay Stock Exchange.

Also, the Parent Company has received a favourable response from BSE, SEBI, RBI; and the Jurisdictional Bench of NCLT has passed an order dated April 7, 2022 to take the necessary approvals to take necessary approvals from shareholders and such other statutory and regulatory approvals as may be required.

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

55. Additional information required by Schedule III to the Companies Act, 2013

55A Additional regulatory information required by Schedule III to the Companies Act, 2013

(i)

	Net assets (total assets minus total liabilities)		Share of profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	**As % of consolidated net assets**	**Amount (₹ in lakhs)**	**As % of consolidated profit or loss**	**Amount (₹ in lakhs)**	**As % of consolidated other comprehensive income**	**Amount (₹ in lakhs)**	**As % of consolidated total comprehensive income**	**Amount (₹ in lakhs)**
Parent **National Peroxide Limited**								
March 31, 2022	59.00%	53,724.32	93.67%	508.61	31.78%	(4,907.57)	29.53%	(4,398.96)
March 31, 2021	55.16%	58,841.66	98.27%	2,081.08	35.24%	8,833.55	40.15%	10,914.63
Subsidiaries								
Naperol Investments Limited								
March 31, 2022	41.00%	37,337.44	6.48%	35.21	68.22%	(10,533.45)	70.47%	(10,498.24)
March 31, 2021	44.84%	47,835.68	1.76%	37.29	64.76%	16,233.53	59.85%	16,270.82
NPL Chemicals Limited								
March 31, 2022	0.00%	(1.56)	(0.15%)	(0.84)	0.00%	-	0.00%	(0.84)
March 31, 2021	0.00%	(0.72)	(0.03%)	(0.72)	0.00%	-	0.00%	(0.72)
March 31, 2022 (Total)	100.00%	91,060.20	100.00%	542.98	100.00%	(15,441.02)	100.00%	(14,898.04)
March 31, 2021 (Total)	100.00%	1,06,676.62	100.00%	2,117.65	100.00%	25,067.08	100.00%	27,184.73

(ii) Details of benami property held

No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(iii) Borrowing secured against current assets

The Group has borrowings from financial institutions on the basis of security of current assets. The quarterly statements of current assets filed by the Group with financial institutions is in agreement with the books of accounts.

(iv) Wilful defaulter

The Group has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(v) Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(vi) Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

(vii) Compliance with approved scheme(s) of arrangements

The Group has not entered into any approved scheme of arrangement which has an accounting impact in current or previous financial year.

(viii) Utilisation of borrowed funds and share premium

I The Group 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 Group (Ultimate Beneficiaries) or

Notes to the Consolidated Financial Statements as of and for the year ended March 31, 2022

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

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

II The Group 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 Group 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

(ix) 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.

(x) Details of crypto currency or virtual currency

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

(xi) Valuation of Property, plant and equipment, Intangible asset and Investment property

The Group 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 Group does not have investment property.

55B Other regulatory information

(i) Title deeds of immovable properties not held in name of the Group

The title deeds of all the immovable properties, as disclosed in note 4 to the financial statements, are held in the name of the Group.

(ii) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(iii) Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken

56. The financial statements were authorised for issue by the Board of Directors on May 12, 2022.

57. The figures for the previous year have been reclassified /regrouped wherever necessary for better understanding and comparability.

As per our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm registration number: 012754N/N500016

Asha Ramanathan
Partner
Membership No 202660

Place: Pune
Date: May 12, 2022

For and on behalf of the Board of Directors of
National Peroxide Limited

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Chairman
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 00003948

Place: Mumbai
Date: May 12, 2022

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

Sr. No.	Name of the Subsidiary	The date since when subsidiary was acquired	Reporting Currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (Loss) before taxation	Provision for taxation	Profit / (Loss) after taxation	Proposed Dividend	Extent of Shareholding
				(₹ in Lakhs)										(in %)
1	Naperol Investments Limited	May 6, 1980	INR	25.50	37,337.44	37,366.93	3.99	37,364.54	53.33	51.33	16.12	35.21	-	100.00
2	NPL Chemicals Limited	July 29, 2020		1.00	(1.56)	(0.21)	(0.77)	-	-	(0.84)	-	(0.84)	-	100.00

Notes:

1. NPL Chemicals Limited has not commenced business operations.
2. There is no subsidiary which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures : Not Applicable

For and on behalf of the Board of **National Peroxide Limited**

Rajiv Arora
Chief Executive Officer & Director
DIN: 08730235

Ness N. Wadia
Director
DIN: 00036049

Rajesh Batra
Director
DIN: 00020764

Conrad Fernandes
Chief Financial Officer

S. Ragothaman
Director
DIN: 00042395

Viraf Mehta
Director
DIN: 00352598

Heena Shah
Company Secretary

Minnie Bodhanwala
Director
DIN: 00422067

Harshbeena Zaveri
Director
DIN: 0003948

Place: Mumbai
Date: May 12, 2022

NOTICE

CIN: L24299MH1954PLC009254
Registered Office: Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai-400001.
Head Office: C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400025.
Email: secretarial@naperol.com; Website: www.naperol.com; Phone: 022-66620000

NOTICE is hereby given that the Sixty-Eighth Annual General Meeting ('AGM') of the Members of **NATIONAL PEROXIDE LIMITED** will be held on **Tuesday, September 13, 2022 at 4:00 p.m. (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-400001:

Ordinary Business:

1. To receive, consider and adopt:
   a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended March 31, 2022.
3. To appoint a Director in place of Dr. (Mrs.) Minnie Bodhanwala (DIN: 00422067), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the Seventy-Third AGM to be held in the financial year 2027-28, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

   "RESOLVED FURTHER THAT any one of the Director, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorized to do all necessary acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution."

Special Business:

5. **Ratification of the remuneration payable to Cost Auditors for the financial year ending March 31, 2023**

   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. Diwanji & Co., Cost Accountants (Firm Registration No. 000339), Cost 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, 2023, be paid remuneration of ₹ 5,00,000/- plus applicable taxes and reimbursement of travelling 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 Director, Chief Financial Officer and Company Secretary of the Company, be and are hereby severally authorized to do all necessary acts, deeds, matters and things as may be considered necessary and desirable to give effect to this Resolution."

By Order of the Board of Directors
For **National Peroxide Limited**

CS Heena Shah
Company Secretary
ACS: 17872

Mumbai, August 9, 2022

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts concerning the special business under Item No. 5 of the accompanying Notice, is annexed hereto. Further, the relevant details concerning Item No. 3 and 4 according to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of the Director seeking re-appointment at this AGM and appointment of Statutory Auditors is provided / annexed hereunder.
2. The Ministry of Corporate Affairs ('MCA') vide its Circular No. 20/2020 dated May 5, 2020 read with Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and Circular No. 02/2022 dated May 5, 2022 (collectively referred to as 'MCA Circulars') and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (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.
3. 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 Companies Act, 2013. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. 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., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution / Authorization should be e-mailed to the Company at secretarial@naperol.com and to Link Intime India Private Limited, Registrar and Share Transfer Agent, at rnt.helpdesk@linkintime.co.in with a copy marked to evoting@nsdl.co.in. 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.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, September 7, 2022 to Tuesday, September 13, 2022 (both days inclusive) for the purpose of determining eligibility of Members entitled to the dividend for the financial year 2021-22.
6. The dividend of ₹ 5/- per equity share having face value of ₹ 10/- each (i.e., 50%), as recommended by the Board of Directors, if approved by the Members at this AGM, shall be paid on or after Monday, September 19, 2022, 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.
7. 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.
8. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of Shareholders w.e.f. April 1, 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 Company or its Registrar and Share Transfer Agent (in case of shares held in physical mode) and Depositories (in case of shares held in demat mode).
9. Members are requested to notify immediately any change of address:
   i. to their Depository Participants in respect of their demat accounts; and
   ii. to the Company's Registrar and Share Transfer Agent at C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 (email id: rnt.helpdesk@linkintime.co.in; Tel: 022 49186270) in respect of their physical share folios, if any, quoting their folio numbers.
10. 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:

1. In compliance with the Circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report for financial year 2021-22 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 financial year 2021-22 is available on the Company's website at www.naperol.com, website of Stock Exchange i.e., BSE Limited at www.bseindia.com and on the website of National Securities Depository Limited (NSDL) at 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.
2. Members holding shares in physical mode can register / update their email address by sending a duly signed request letter including their name and folio no. to the Company's Registrar and Share Transfer Agent at details mentioned in clause 9(ii). 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 secretarial@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 (121001) 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.co.in / 1800 1020 990 / 1800 224 430 or contact Mr. Amit Vishal, Assistant Vice President NSDL or Mrs. Pallavi Mhatre, Senior Manager, NSDL, at evoting@nsdl.co.in.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

8. As the AGM is being conducted through VC / OAVM, Members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id / Folio No., e-mail Id, Mobile Number to secretarial@naperol.com to enable smooth conduct of proceedings at the AGM. Questions / queries / registration requests received by the Company on or before Tuesday, September 6, 2022 on the aforementioned e-mail id shall be considered and responded during the AGM.
9. Those Members who have registered themselves as Speakers will only be allowed to express their views / ask questions during the AGM.
10. 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.

PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING AGM:

11. In compliance with provisions of Section 108 of the Companies Act, 2013 read with the 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 and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to 'e-Voting Facility provided

by Listed Entities' and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, 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 National Securities Depository Limited (NSDL) for facilitating remote e-Voting and e-Voting at the AGM.

12. 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., Tuesday, September 6, 2022 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.
13. 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.
14. 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.
15. Any person holding shares 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 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. 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. 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. 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 or call on toll free no. 1800 1020 990 and 1800 22 44 30. 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 "Access to NSDL e-Voting system".
16. In case of any queries relating to e-Voting, you may refer to the FAQs for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 /1800 224 430 or send a request to Mr. Amit Vishal, Assistant Vice President, NSDL or Ms. Pallavi Mhatre, Senior Manager, NSDL, at evoting@nsdl.co.in.
17. The remote e-Voting period commences on Thursday, September 8, 2022 (9:00 a.m. IST) and ends on Monday, September 12, 2022 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or 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. 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.
18. The details of the process and manner for remote e-Voting / e-Voting and joining the AGM are explained herein below:

    Step 1: Access to NSDL e-Voting system

    Step 2: Cast your vote electronically and join the AGM on NSDL e-Voting system.

    Details on Step 1 are mentioned below:

    I. Login method for e-Voting and joining the AGM for individual Shareholders holding securities in demat mode

    In terms of SEBI Circular dated December 9, 2020, on e-Voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat accounts maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail address in their demat accounts in order to access the e-Voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL: https://eservices.nsdl.com/. Once the home page of e-services is launched, click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section. Please enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. under value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against the Company's name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-voting period or joining the AGM and voting during the Meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com/. Select 'Register Online for 'IDeAS' on the Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the URL: https://www.evoting.nsdl.com /. 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 16 digit demat account number held 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 options available against the Company's name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the AGM and voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL.	a. Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and then click on New System Myeasi. b. After successful login of Easi / Easiest, the user will also be able to see the e-Voting Menu. The menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. c. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration d. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link at www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered mobile no. & e-mail address as recorded in the demat account. After successful authentication, user will be provided links for the respective e-Voting service provider i.e. NSDL where the e-Voting is in progress.
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. Once you login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against the Company's name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining the AGM and 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 224 430.
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk. evoting@cdslindia.com or contact at 022-23058738 or 022-23058542 / 43.

II. Login method for e-Voting and joining the AGM for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding in physical mode.

How to Log-in to NSDL e-Voting website?

a. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/.

b. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/Member' section.

c. 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.

d. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
i) 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******.
ii) 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**************
iii) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example: if EVEN is 101456 and Folio number is 001***, then user ID is 101456001***

e. Your password details are given below:

i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

ii) 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 by NSDL. Once you retrieve your 'initial password', you need to enter the same and the system will force you to change your password.

iii) How to retrieve your 'initial password'?

- If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. Trace the email sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e., a .pdf file. The password to open the .pdf file is your eight digit Client ID for NSDL account, last eight digits of Client ID for CDSL account or Folio No. for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- In case you have not registered your e-mail address with the Company / Depository, please follow instructions mentioned under the section 'Dispatch of Annual Report through e-mail and Registration of e-mail IDs' in this Notice.

f. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

- 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.
- 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / Folio No., your PAN, your name and your registered address.
- Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

g. After entering your password, click on agree to 'Terms and Condition' by selecting on the check box.

h. Now, you will have to click on 'Login' button.

i. After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

a. After successful login at Step 1, you will be able to see 'EVEN' of all the Companies in which you are holding shares and whose voting cycle and General Meeting is in active status.

b. Select 'EVEN' of Company i.e. 121001 for which you wish to cast your vote during remote e-Voting period and during the AGM. For joining the AGM, you need to click on 'VC/OAVM' link placed under 'Join General Meeting'.

c. Now you are ready for e-Voting as the voting page opens.

d. 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.

e. Upon confirmation, the message 'Vote cast successfully' will be displayed.

f. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

g. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

PROCEDURE FOR E-VOTING ON THE DAY OF THE AGM:

i. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions by remote e-Voting prior to the AGM shall be entitled to cast their vote through the e-Voting system at the AGM.

ii. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-Voting.

GENERAL INFORMATION FOR MEMBERS

19. All the documents referred to in the accompanying Notice shall be available for inspection through electronic mode, basis the request being sent on secretarial@naperol.com.

20. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act shall be available for inspection electronically upon login at NSDL e-voting system at https://www.evoting.nsdl.com/.

21. Mr. Nilesh Shah (Membership No. F-4554) and failing him Mr. Mahesh Darji (Membership No. F-7175) and failing him Mrs. Hetal Shah (Membership No. F-8063) of M/s. Nilesh Shah & Associates, Practicing Company Secretaries, have been appointed as Scrutinizer to scrutinize the remote e-Voting process and e-Voting during the AGM in a fair and transparent manner.

22. The Scrutinizer 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 48 hours 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 Scrutinizer's Report shall be placed on the Company's website and on NSDL's website at https://www.evoting.nsdl.com. The Company shall also submit the results to BSE Limited and the same be placed on its website at www.bseindia.com.

24. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to have been passed on the date of the AGM i.e., on Tuesday, September 13, 2022.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION:

25. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended March 31, 2015 and onwards, which remains unpaid or unclaimed for a period of seven (7) years from the respective date of transfer to the unpaid dividend account of the Company are due for transfer to the Investor Education and Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Due Date for Transfer to IEPF*
2014-15	11.08.2015	13.09.2022
2015-16	11.08.2016	11.09.2023
2016-17	09.08.2017	11.09.2024
2017-18	02.08.2018	02.09.2025
2018-19	06.08.2019	06.09.2026
2019-20	25.08.2020	25.09.2027
2020-21	25.08.2021	25.09.2028

* Indicative dates; actual dates may vary.

The members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the Company's Registrar and Transfer Agent at the address given in note no. 9(ii), quoting their Folio No. / DP Id and Client Id.

During financial year 2021-22, the Company has transferred unclaimed dividend of ₹ 7,39,710/- to IEPF Authority in accordance with the provisions of Section 125 of the Companies Act, 2013, read with IEPF Rules as amended. The details of unclaimed amounts lying with the Company as on March 31, 2022 is available on the website of the Company.

Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 read with IEPF Rules as amended, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company to the Demat Account of the IEPF Authority.

In compliance with the said IEPF Rules, the Company has communicated to the concerned Shareholders whose shares are liable to be transferred / credited to the Demat Account of the IEPF Authority. The Company has also uploaded on its website under Investor Relations, the details of such Shareholders whose shares are to be transferred / credited to the Demat Account of the IEPF Authority.

The Company has transferred 1,800 equity shares held by 15 Shareholders as on March 31, 2014, whose dividends were remaining unclaimed for 7 consecutive years i.e., from financial year 2013-14 to IEPF Authority. Shareholders may note that the unclaimed dividend transferred to IEPF Authority, and the shares transferred to the Demat Account of the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority by making an online application in Form IEPF-5 (available on IEPF website at www.iepf.gov.in) along with the fee prescribed to the IEPF Authority with a copy to the Company.

OTHER INFORMATION:

26. 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.
27. 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. Members holding shares in physical form can submit their self-attested copy of PAN card to the Registrar and Share Transfer Agent.
28. Members holding shares in physical form may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. The prescribed form can be obtained from the Company's Registrar and Share Transfer Agent.
29. The Company has sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021. The aforesaid communication is also intimated to Stock Exchange and available on the website of the Company.
30. Shareholders may please note that any service request shall be entertained by Registrar and Share Transfer Agent only upon registration of the PAN, Bank details and Nomination. Further, in absence of the above information on or after April 1, 2023, the folios shall be frozen by the Registrar and Share Transfer Agent in compliance with SEBI Circular. Any request on the said folio will be undertaken only after submission of the aforementioned information. If the folios continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by Registrar and Share Transfer Agent / Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or Prevention of Money Laundering Act, 2002.
31. Members holding shares in dematerialized form may please note that, while opening account with DPs they may have given their bank account details, which will be printed on their dividend warrants.

    However, if Members want to change / correct the bank account details, they should send the same immediately to the DPs concerned. Members are also requested to give the MICR code of their bank to their DPs. The Company will not entertain any direct request from Members for cancellation / change in the bank account details furnished by DPs to the Company.
32. All documents, transfers, dematerialization requests and other communications in relation thereto shall be addressed directly to the Company's Registrar and Share Transfer Agent.
33. Pursuant to the provisions of Listing Regulations, the Company is maintaining an email ID secretarial@naperol.com exclusively for quick redressal of Members' / Investors' grievances.
34. Pursuant to the provisions of Regulation 40 of Listing Regulations, securities can be transferred only in dematerialized form with effect from April 1, 2019. Members are requested to convert their physical holdings into demat form to avoid any possibility of loss, mutilation etc., of physical share certificate(s). Any Shareholder who is desirous of dematerializing their securities may write to Company Secretary at secretarial@naperol.com or to the Registrar and Share Transfer Agent.

By Order of the Board of Directors
For **National Peroxide Limited**

CS Heena Shah
Company Secretary
ACS No.: 17872

Mumbai, August 9, 2022

ANNEXURE I TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

M/s. Price Waterhouse, Chartered Accountants LLP (FRN: 012754N / N500016) were appointed as Statutory Auditors of the Company for a period of 5 (five) years, to hold office from the conclusion of Sixty-Third AGM held in the financial year 2017-18 till the conclusion of this AGM.

Considering the factors such as experience of audits of chemical manufacturing industry, competency of the audit team, efficiency in conduct of audit, independence, etc., and based on the recommendation of the Audit Committee, the Board of Directors of the Company has, at its meeting held on August 9, 2022, proposed the appointment of M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (FRN: 104607W/ W100166), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of Sixty-Eighth AGM to be held in the financial year 2022-23 till the conclusion of Seventy-Third AGM to be held in the financial year 2027-2028, at a remuneration to be decided by the Board of Directors in consultation with the Statutory Auditors plus applicable tax and reimbursement of travelling and out-of-pocket expenses incurred by them for the purpose of Audit.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants is a multi-service, multi-location, professional service organization established in the year 1928, with offices or associates in all major cities in India. With highly trained personnel and specialized service capabilities, they are the advisors and auditors for many large Indian and International Organizations. It has large clientele covering a wide spectrum of industries such as manufacturing, fast moving consumer goods, consumer durables, banking, financial services and insurance, shipping, automotive, engineering, information technology, oil and gas, real estate, airlines, healthcare and medium service sectors, etc.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel(s) of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

ITEM NO. 5

The Board of Directors, on the recommendation of the Audit Committee, approved the appointment of M/s Diwanji & Co., Cost Accountants (FRN: 000339), as Cost Auditors to conduct the audit of the cost records of the Company at a remuneration of ₹ 5,00,000/- (Rupees Five Lakhs only) plus applicable taxes and reimbursement of travelling and out-of-pocket expenses incurred by them for the financial year ending March 31, 2023.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit Rules), 2014, the remuneration payable to the Cost Auditor, as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

M/s Diwanji & Co., Cost Accountants, 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.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors or Key Managerial Personnel(s) of the Company or their relatives are concerned or interested, financially or otherwise, in the aforesaid resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 5 of the accompanying Notice for approval of the Members.

By Order of the Board of Directors
For **National Peroxide Limited**

CS Heena Shah
Company Secretary
ACS: 17872

Mumbai, August 9, 2022

ANNEXURE II TO THE NOTICE

PROFILE OF DIRECTOR SEEKING RE-APPOINTMENT

[Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards]

1. Dr. (Mrs.) Minnie Bodhanwala

Dr. (Mrs.) Minnie Bodhanwala (59) is presently working as Chief Executive Officer at Nowrosjee Wadia Maternity Hospital and Bai Jerbai Wadia Hospital for Children, Parel, Mumbai.

Under her mantle, the Wadia Hospitals have won over 50 prestigious awards for excellence in patient care, safety and quality of services. Dr. Bodhanwala is honoured with more than 70 awards and accolades, 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 Global, Mumbai; Life Time Achievement Award in Healthcare by National Excellence Awards 2015. She is also featured in India Forbes March 2019 as a "Globally Recognized Indian Business Leaders" and is rated amongst the top 25 Living legends of Healthcare in the country. Recently she has also achieved a Certificate for Women on Boards by Harvard T. H. Chan School of Public Health.

Dr. Bodhanwala is highly motivated, pro-active passionate individual holding a rich enormous experience of over 37 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 is also a Six Sigma Black Belt Expert.

Dr. Bodhanwala holds the following qualifications:

BDS, MBA, MHA, LLB, FCR, PG in QM & AHO, DPE (USA), DBA (USA), Masters in Public Health MAHA IRCA for ISO 9001, 14001, Master Black Belt Six Sigma, FISQUA.

Dr. Bodhanwala's vast experience in management and administration would be of immense benefit to the Company.

Dr. Bodhanwala is not related to any of the other Directors and is not debarred or disqualified from being appointed or continuing as Director of companies by SEBI / Ministry of Corporate Affairs or any such statutory authority. She does not hold any shares of the Company.

Date of first appointment on the Board: October 1, 2015.

Dr. Bodhanwala is proposed to be re-appointed as Non-Executive Director liable to retire by rotation.

For details on last drawn remuneration, refer Corporate Governance Report as Annexure I forming part of Directors' Report.

For details on proposed remuneration, as a Non-Executive Director, Dr. Bodhanwala is entitled to commission in addition to sitting fees for attending the Meetings.

Number of Board Meetings attended during the year: 6

Other Directorships: The Bombay Dyeing and Mfg. Co. Limited; The Bombay Burmah Trading Corporation Limited; Axel Polymers Limited.

Other Committee Membership:

Audit Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee of The Bombay Dyeing and Mfg. Co. Limited;

Audit Committee, Stakeholders' Relationship Committee of The Bombay Burmah Trading Corporation, Limited and

Nomination Remuneration Committee of Axel Polymers Limited.

By Order of the Board of Directors
For **National Peroxide Limited**

CS Heena Shah
Company Secretary
ACS: 17872

Registered Office:
Neville House,
J. N. Heredia Marg, Ballard Estate,
Mumbai-400001.

Head Office:
C-1, Wadia International Centre,
Pandurang Budhkar Marg,
Worli, Mumbai-400025.
CIN: L24299MH1954PLC009254
Phone: 022-66620000

Email: secretarial@naperol.com
Website: www.naperol.com

Mumbai, August 9, 2022

INFORMATION AT A GLANCE

Particulars	Details
Date of AGM	Tuesday, September 13, 2022
Time of AGM	4:00 p.m. (IST)
Venue	Video Conference ('VC') / Other Audio-Visual Means ('OAVM')
Weblink for Members to participate in the AGM through Video Conference	https://www.evoting.nsdl.com
Service Provider for VC / OAVM Platform and remote e-Voting / e-Voting during the AGM	National Securities Depository Limited
EVEN	121001
Final Dividend	₹ 5 per equity share having face value of ₹ 10 each (i.e., 50%) subject to approval of Members at this AGM
Record Date for Final Dividend	Tuesday, September 6, 2022
Remote e-Voting start time and date	Thursday, September 8, 2022 at 9:00 a.m. (IST)
Remote e-Voting end time and date	Monday, September 12, 2022 at 5:00 p.m. (IST)
Cut-off date for e-Voting	Tuesday, September 6, 2022
Weblink for Members to initiate remote e-Voting	https://www.evoting.nsdl.com/
Name, address and contact details of Service Provider	**National Securities Depository Limited** 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013. **Mr. Amit Vishal** Assistant Vice President **Ms. Pallavi Mhatre** Senior Manager Email ID: evoting@nsdl.co.in Contact Nos.: 1800 1020 990 /1800 224 430
Name, address and contact details of Registrar and Transfer Agents	**Link Intime India Private Limited** C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083 Email ID: rnt.helpdesk@linkintime.co.in Contact No.: 022-49186270 Website: https://linkintime.co.in/
Name, address and contact details of Company Secretary	**CS Heena Shah** **National Peroxide Limited** C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai-400025. Email ID: secretarial@naperol.com Contact No.: 022-66620000

Notes

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, symbolizes 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

National Peroxide Limited

Registered Office:

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Ballard Estate, Mumbai-400001.

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