

NPL CHEMICALS LIMITED

NOTICE

Registered Office:

Neville House, J. N. Heredia Marg, Ballard Estate, Mumbai - 400 001.

Head Office:

C-1, Wadia International Centre,
Pandurang Budhkar Marg, Worli, Mumbai - 400 025.

(CIN: U24290MH2020PLC342890)

Email: secretarial@naperol.com

Phone: 022-66620000

NOTICE is hereby given that the First Annual General Meeting of the Members of **NPL CHEMICALS LIMITED** will be held at the Head Office of the Company at C-1, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, on Wednesday, August 25, 2021 at 11:00 a.m. to transact the following business:


Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the period ended 31st March, 2021 and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Jairaj Bham (DIN: 02806038) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
3. To appoint 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 read with 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 (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 until the conclusion of the 6th Annual General Meeting to be held in the Financial Year 2025-26, at a

remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them.”

By Order of the Board of Directors
For NPL CHEMICALS LIMITED


(RAJESH BĀTRA)
CHAIRMAN
(DIN: 00020764)

Mumbai, May 28, 2021

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXIES NEED NOT BE MEMBER(S). IN ORDER TO BE VALID, PROXY FORMS DULY COMPLETE IN ALL RESPECTS, SHOULD BE LODGED WITH THE COMPANY AT ITS REGISTERED OFFICE NOT LATER THAN FORTY- EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

- b) Brief resume of the Director proposed to be re-appointed under Item No. 2 is annexed hereto as **'Annexure I'**.
- c) The proxy form, attendance slip and route map to reach the venue are enclosed.

ROUTE MAP FOR THE FIRST ANNUAL GENERAL MEETING OF THE MEMBERS OF NPL CHEMICALS LIMITED TO BE HELD AT C-1, WADIA INTERNATIONAL CENTRE, PANDURANG BUDHKAR MARG, WORLI, MUMBAI 400 025, ON **Wednesday, August 25, 2021 AT 11:00 A.M.**

Route Map to reach the Meeting Hall from Prabhadevi Railway Station.

Landmark:



Annexure A to the Notice

Brief Resume of Director proposed to be re-appointed:

Mr. J. C. Bham

Mr. J.C. Bham is an associate member of the Institute of Company Secretaries of India. He is also a Chartered Accountant. Mr. Bham has over Four decades of experience in various areas including conducting of Board /Committees of the Board/Shareholders Meeting, Fund raising, Joint Venture and acquisitions, meeting the compliance requirement of the listed company, property matters (Owned & Lease) General insurance and Indirect Taxation. Mr. Bham's previous assignments include experience with Tata Steel Limited and Otis Elevator Company India Limited, wherein he held the position of Company Secretary.

Date of appointment on the Board: July 29, 2020

Other Directorships: Oseaspre Consultants Limited, Technojet Consultants Limited, Nowrosjee Wadia & Sons Limited, Neville Wadia Private Limited, Heera Holdings and Leasing Private Limited, Go Investments & Trading Private Limited, Macrofil Investments Limited, Sea Wind Investment and Trading Company Limited, Sahara Investments Limited, Nitapo Holdings Private Limited, BDS Urban Infrastructures Private Limited, Wadia Reality Private Limited, Wadia Techno – Engineering Services Limited, Panella Foods and Beverages Private Limited and Fiora Online Limited.

Except Mr. J. C. Bham, being an appointee, none of the Directors and their immediate relatives are concerned or interested, financial or otherwise, in the resolution, as set out in Item No. 2.

NPL CHEMICALS LIMITED**DIRECTORS' REPORT TO THE MEMBERS**

The Directors take pleasure in presenting their First Annual Report on the business and operations of the Company and the Audited Financial Statements for the year ended 31st March, 2021.

1. FINANCIAL RESULTS:

(Amount in Rs.)	
Particulars	31/03/2021
Revenue from operations	-
Total Expenses	71,931
Loss before tax after exceptional items	(71,931)
Tax	-
Net Loss after Tax	(71,931)

Note: The financial results for the year ended 31st March, 2021, are in compliance with the Indian Accounting Standards (Ind AS).

2. DIVIDEND:

With a view to conserve resources of the Company, the Board does not recommend any dividend for the financial year ended 31st March, 2021.

3. FIXED DEPOSITS:

During the year under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and as such, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

4. TRANSFER TO RESERVES:

During the financial year 2020-21, no transfers were made to General Reserve.

5. STATE OF COMPANY'S AFFAIRS:

Your Company was incorporated on July 29, 2020 bearing Corporate Identification Number (CIN) U24290MH2020PLC342890 and your Company has not commence its business operations.

During the year, the Company's total revenue from operations was Nil against expenses of Rs. 71,931. The loss after tax was Rs. 71, 931.

6. COMPOSITE SCHEME OF ARRANGEMENT

The Board of Directors at its meeting held on March 9, 2021, has approved the draft Composite Scheme of Arrangement amongst National Peroxide Limited (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 Demerged Company (NPL) into the Resulting Company (NPCL) (as defined in the Scheme), on a going concern basis, and in consideration thereof, the Resulting Company shall issue its equity shares to equity shareholders of the Demerged Company in the same proportion as their holding and;
- ii. Amalgamation of the Transferor Company (NIL) with the Transferee Company (NPL).

Rationale of the Scheme:

- i. The Transferee / Demerged Company is engaged in business of manufacturing of and dealing in peroxygen chemicals and also owns certain strategic investments as well as engaged in the business of making long term investments and corporate lending directly and also through its wholly owned subsidiary viz., the Transferor Company.
- ii. The nature and competition involved in each of the aforementioned businesses is distinct and it is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders.
- iii. Further for growth and expansion of the said chemical business and the investment and corporate lending business, differentiated strategy is required to be aligned to the industry specific risks, market dynamics and growth trajectory.
- iv. With a view to reorganise the businesses of the Transferee / Demerged Company, it is proposed to bring the said chemical business of the Demerged / Transferee Company under the aegis of the Resulting Company and amalgamate the Transferor Company, engaged in the business of long term investment and corporate lending, with the Transferee Company.

This, *inter-alia*, would result in the following benefits:

- a. unlocking the value of each of the businesses for the shareholders of the Transferee / Demerged Company, attracting investors and providing better flexibility in accessing capital;
- b. segregating different businesses having different risk and return profiles, and providing investors with better flexibility to select investments which best suit their investment strategies and risk profile; and
- c. enabling focused growth strategy for each of the businesses for exploiting opportunities specific to each business.

Your Directors consider the Scheme to be in the best interests of the Shareholders, Employees and the Creditors of each of the parties thereon.

Consideration for the Scheme:

Amalgamation / Merger

The Transferor Company (NIL) is a wholly owned subsidiary of the Transferee Company (NPL) and therefore for the amalgamation of the Transferor Company with the Transferee Company there shall be no issue of shares by the Transferor Company.

Demerger

Upon the Scheme becoming effective, the Resulting Company (NPCL) shall issue and allot, to each shareholder of the Demerged Company (NPL) whose names appear in the Register of Members of the Demerged Company as on the Record Date, as under:

“1 (One) fully paid-up equity share of Rs. 10/- each (Rupees ten each) of the Resulting Company, for every 1 (One) equity share of Rs. 10/- each (Rupees ten each) held in the Demerged Company.”

Subject to necessary approvals, the equity shares allotted by the Resulting Company, pursuant to the Scheme, to Shareholders of the Demerged Company shall be listed on BSE Limited.

The Scheme, if approved, shall be effective from the Appointed Date and operative from the Effective Date (as defined in the Scheme) and the Scheme is subject to necessary statutory and regulatory approvals including approval of BSE Limited and Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench.

The Transferee Company (NPL) has filed the Scheme with BSE Limited, on 27th March, 2021, for obtaining its observation / no-objection letter required towards filing of the Scheme with the NCLT and the same is awaited.

7. MATERIAL CHANGES:

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 this report.

8. DETAILS OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company is a wholly owned subsidiary of National Peroxide Limited. During the year under review, the Company did not have any subsidiary, joint ventures or associate companies.

9. DETAILS OF BOARD MEETINGS:

During the period since incorporation, 5 (Five) meetings of the Board of Directors were held during the financial year 2020-21. They were held on 24th August, 2020; 24th September, 2020; 20th October, 2020; 27th January, 2021 and 9th March, 2021.

10. SHARE CAPITAL:

The Authorised Share Capital of the Company was Rs. 1.00 lakh as on 31st March, 2021. During the year under review, there was no change in the Share Capital of the Company.

The paid-up Share Capital of the Company was Rs. 1.00 lakh as on 31st March, 2021. During the year under review, there was no change in the Share Capital of the Company.

11. EXTRACT OF ANNUAL RETURN:

Pursuant to the provisions of Sections 134(3)(a) and 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, a copy of annual return is available for inspection at the registered office of the Company during the business hours on working days.

12. 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:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures.
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that were 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.
- iii. 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;
- iv. they have prepared the Annual Accounts on a 'going concern' basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- vi. 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.

13. STATUTORY AUDITORS

The Board of Directors of the Company at its meeting held on August 24, 2021 had appointed M/s. Saini Pati Shah & Co. LLP, Chartered Accountants (Firm Registration No. 137904W/W100622) as the Statutory Auditors of the Company to hold office until the conclusion of first Annual General Meeting (AGM) to be held in the Financial Year 2021-22 to audit the Books of Accounts of the Company with respect from the date of incorporation i.e., July 29, 2020 to March 31, 2021. Subsequently, M/s. Saini Pati Shah & Co. LLP, Chartered Accountants completed its term and thereafter, did not seek for re-appointment.

There are no qualifications, reservations or adverse remarks made in the Auditors' Report issued by M/s. Saini Pati Shah & Co. LLP, Chartered Accountants.

The Board of Directors at its meeting held on May 28, 2021 appointed M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No. 104607W/W100166) as Statutory Auditors for a period of 5 years, subject to the approval of the Shareholders at the ensuing AGM.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants are eligible for appointment as Statutory Auditors, under Section 141 of the Companies Act, 2013 and the rules framed thereunder. Members are requested to consider their appointment from the conclusion of the ensuing AGM upto the conclusion of the AGM to be held in the financial year 2025-26, at a remuneration to be decided by the Board of Directors in consultation with the Statutory Auditors plus applicable taxes and reimbursement of out-of-pocket expenses, as may be incurred by them during the course of the Audit.

14. COST RECORDS AND AUDIT

As per Companies (Cost Records and Audit) Rules, 2014, the Company is not required to maintain cost records.

15. RELATED PARTY TRANSACTIONS:

There were no related party transactions as per Section 188 of the Companies Act, 2013, during financial year 2020-21.

16. RISK MANAGEMENT:

Given the asset base and the portfolio of investments made by the Company, the Board is of the opinion that there are no major risks affecting the existence of the Company.

17. DIRECTORS:

Mr. Rajesh Batra (DIN: 00020764), Mr. Jairaj Bham (DIN: 02806038) and Mr. Girish Advani (DIN: 05264838) were appointed as First Directors of the Company with effect from date of incorporation of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Jairaj Bham (DIN: 02806038) retires by rotation and being eligible, offers himself for re-appointment.

The necessary resolutions for the re-appointment of Mr. Jairaj Bham have been included in the Notice convening the First Annual General Meeting. Requisite details have been provided in the Notice of the AGM.

The Directors commend their appointment for approval of the Members.

18. PARTICULARS OF EMPLOYEES:

The Company has no employees and hence there is no information to be furnished as required under Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the Company did not grant any loans or provide any guarantees as per the provisions of Section 186 of the Companies Act, 2013. Details of Investments are given in Note No. 3 to the Financial Statements.

20. DISCLOSURE RELATING TO SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has no employees and hence there is no information to be furnished under Sexual Harassment of Women and at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

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

There were no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company's operations in future.

22. 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 the Companies (Accounts) Rules, 2014, is not applicable as your Company is engaged only in investments.

23. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

24. INTERNAL FINANCIAL CONTROLS


The Company has laid down internal financial controls for ensuring proper maintenance, accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statement and such internal financial controls are adequate and ensure that financial

statement presents a true and fair view and is correct and in compliance with applicable laws.

25. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India on Board and General Meetings.

On behalf of the Board of Directors


(RAJESH BATRA)
CHAIRMAN
(DIN: 00020764)

Mumbai, May 28, 2021

NPL Chemicals Limited

Financial statements together with the
Independent Auditors' Report
for the period ended 31 March 2021

NPL Chemicals Limited

Financial statements together with the Independent Auditors' Report
for the period ended 31 March 2021

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SAINI PATI SHAH & CO LLP

(Formerly known as S G J & CO)
Chartered Accountants

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Independent Auditors' Report

To the Members of
NPL Chemicals Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of NPL Chemicals Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss, statement of changes in equity and the statement of cash flow for the period then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors' Responsibility for the Audit of the 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.



Independent Auditors' Report (*Continued*)

NPL Chemicals Limited

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act, with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.



Independent Auditors' Report (*Continued*)

NPL Chemicals Limited

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 system 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditors' Report (*Continued*)

NPL Chemicals Limited

Auditors' Responsibility for the Audit of the Financial Statements (*Continued*)

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit 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 income, statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Ind AS prescribed under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act; and



Independent Auditors' Report (*Continued*)

NPL Chemicals Limited

Report on Other Legal and Regulatory Requirements (*Continued*)

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(g) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current period.

(h) With respect to the other matters to be included in the Auditors' 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 does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the period ended 31 March 2021.

For **Saini Pati Shah & Co LLP**

Chartered Accountants

Firm's Registration No: 137904W/W100622



Manoj Kumar Pati

Partner

Membership No: 504536

Place: Mumbai

Date: *May 28, 2021*

NPL Chemicals Limited

Annexure A to the Independent Auditors' Report – 31 March 2021

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the period ended 31 March 2021, we report the following:

- (i) The Company does not hold any property, plant and equipment during the period and as at period end. Accordingly, paragraphs 3 (i) (a), (b) and (c) of the Order are not applicable to the Company.
- (ii) The Company does not hold any inventory during the period and as at period end. Accordingly, paragraphs 3 (ii) (a) and (b) of the Order are not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act'). Accordingly, paragraphs 3 (iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanation given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. According to the information and explanations given to us, the provisions of Section 186 of the Act in respect of the loans given, guarantees given, securities provided or investments made during the period are not applicable to the Company.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the business activities carried out by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income-tax, Goods and Services tax, Cess and other material statutory dues have been regularly deposited during the period with the appropriate authorities. As explained to us, the Company did not have any dues on account of wealth tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Goods and Services tax, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and Services tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute.



NPL Chemicals Limited

Annexure A to the Independent Auditors' Report – 31 March 2021 (Continued)

- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not have any outstanding dues to banks, financial institutions, government and debenture holders during the period.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the period. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) 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 by its officers or employees, noticed or reported during the period, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid / provided for any managerial remuneration during the period. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable Ind AS.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.



NPL Chemicals Limited

Annexure A to the Independent Auditors' Report – 31 March 2021 (Continued)

- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For **Saini Pati Shah & Co LLP**

Chartered Accountants

Firm's Registration No: 137904W/W100622



Manoj Kumar Pati

Partner

Membership No: 504536

Place: Mumbai

Date: *May 28, 2021*

NPL Chemicals Limited

Annexure B to the Independent Auditors' Report – 31 March 2021

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph (2)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of NPL Chemicals Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements 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 issued by the Institute of Chartered Accountants of India ("the Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with respect to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether such controls operated effectively in all material respects.



NPL Chemicals Limited

Annexure B to the Independent Auditors' Report – 31 March 2021 (Continued)

Auditors' Responsibility (Continued)

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial controls 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 controls with reference to financial statements include 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

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.

For **Saini Pati Shah & Co LLP**

Chartered Accountants

Firm's Registration No: 137904W/W100622



Manoj Kumar Pati

Partner

Membership No: 504536

Place: Mumbai

Date: *May 28, 2021*

NPL CHEMICALS LIMITED

Balance Sheet as at 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

Particulars	Note	As at 31 March 2021
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	3	1,00,000
Total current assets		1,00,000
Total assets		1,00,000
EQUITY AND LIABILITIES		
Equity		
Equity share capital	4	1,00,000
Other equity	5	(71,931)
Total equity		28,069
LIABILITIES		
Current liabilities		
Financial liabilities		
Trade payables	6	-
- Total outstanding dues of micro enterprise and small enterprises		-
- Total outstanding dues of creditors other than micro enterprise and small enterprises		31,931
Other financial liabilities	7	40,000
Total current liabilities		71,931
Total liabilities		71,931
Total equity and liabilities		1,00,000

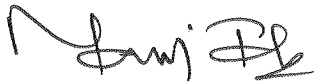
Summary of significant accounting policies 2
 The notes referred to above form an integral part of the financial statements. 1 - 16

As per our report of even date attached

For Saini Pati Shah & Co LLP

Chartered Accountants

Firm Registration No: 137904W/W100622

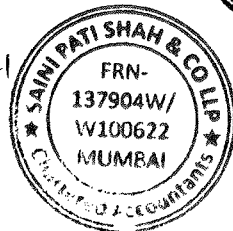


Manoj Kumar Pati
Partner

Membership Number: 504536

Place: Mumbai

Date: May 28, 2021



For and on behalf of the Board of Directors of
NPL CHEMICALS LIMITED



Jairaj Bham
Director
DIN: 02806038

Place: Mumbai

Date: May 28, 2021



Girish Advani
Director
DIN: 05264838

Place: Mumbai

Date: May 28, 2021

NPL CHEMICALS LIMITED

Statement of profit and loss for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

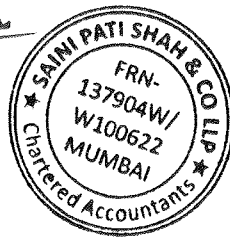
Particulars	Note	For the period from 29 July 2020 to 31 March 2021
Revenue		
Revenue from operations		-
Total income		-
Expenses		
Other expenses	8	71,931
Total expenses		71,931
Loss before tax		(71,931)
Income tax expense:		
Current tax		-
Deferred tax charge / (credit)		-
Loss for the period		(71,931)
Other comprehensive income		
Items that will not be reclassified to statement of profit or loss		
Re-measurement of defined benefit (assets) / liabilities		-
Income tax relating to items that will not be reclassified to statement of profit or loss		-
Total other comprehensive income for the period, net of income tax		-
Total comprehensive income for the period		(71,931)
Earnings per equity share (in rupees)	10	
Basic		(7.19)
Diluted		(7.19)
Summary of significant accounting policies	2	
The notes referred to above form an integral part of the financial statements.	1 - 16	

As per our report of even date attached

For Saini Pati Shah & Co LLP
Chartered Accountants
Firm Registration No: 137904W/W100622

Manoj Kumar Pati
Partner
Membership Number: 504536

Place: Mumbai
Date: May 28, 2021



For and on behalf of the Board of Directors of
NPL CHEMICALS LIMITED

Vijay Bham
Director
DIN: 02806038

Place: Mumbai
Date: May 28, 2021

Girish Advani
Director
DIN: 05264838

Place: Mumbai
Date: May 28, 2021

NPL CHEMICALS LIMITED

Statement of changes in equity for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

A. Equity share capital

Particulars	As at 31 March 2021
Outstanding as at the beginning of the period	-
Issued during the period	1,00,000
Outstanding as at the end of the period	1,00,000

B. Other equity

Particulars	Retained earnings
Balance as at beginning of the period	-
Profit / (loss) for the period	(71,931)
Other comprehensive income (net of tax)	-
Balance as at 31 March 2021	(71,931)

Summary of significant accounting policies

2

The notes referred to above form an integral part of the financial statements.

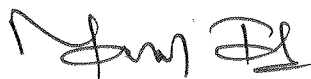
1 - 16

As per our report of even date attached

For Saini Pati Shah & Co LLP

Chartered Accountants

Firm Registration No: 137904W/W100622



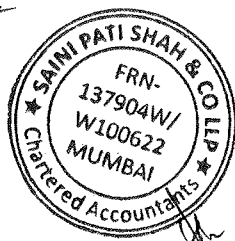
Manoj Kumar Pati

Partner

Membership Number: 504536


Place: Mumbai

Date: May 28, 2021



For and on behalf of the Board of Directors of

NPL CHEMICALS LIMITED



Jairaj Bham

Director

DIN: 02806038

Place: Mumbai

Date: May 28, 2021



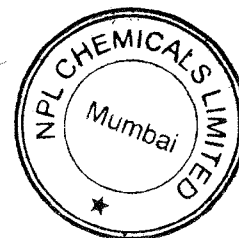
Girish Advani

Director

DIN: 05264838

Place: Mumbai

Date: May 28, 2021



NPL CHEMICALS LIMITED

Statement of cash flows for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

Particulars	For the period from 29 July 2020 to 31 March 2021
Cash flows from operating activities:	
Loss before tax for the period	(71,931)
Working capital movements:	
Increase in trade payable	31,931
Increase in other current financial liabilities	40,000
Cash generated from operations	-
Income taxes paid, net	-
Net cash flows used in operating activities (A)	-
Cash flows from financing activities	
Proceeds from issue of equity shares	1,00,000
Net cash flows used in financing activities (B)	1,00,000
Net decrease in cash and cash equivalents (A+B)	1,00,000
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	1,00,000
Component of cash and cash equivalents	
Balances with banks	
- In current accounts	1,00,000
Total cash and cash equivalents (Refer Note 3)	1,00,000

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 - "Statement of Cash Flows" notified under section 133 of Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 and the relevant provisions of the Act.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Saini Pati Shah & Co LLP
Chartered Accountants
Firm Registration No: 137904W/W100622


Manoj Kumar Pati
Partner

Membership Number: 504536

Place: Mumbai

Date: May 28, 2021



For and on behalf of the Board of Directors of
NPL CHEMICALS LIMITED



Jairaj Bham
Director
DIN: 02806038

Place: Mumbai

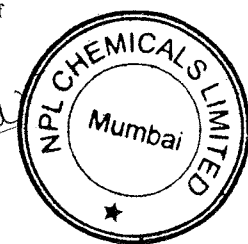
Date: May 28, 2021



Girish Advani
Director
DIN: 05264838

Place: Mumbai

Date: May 28, 2021



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

1) General information:

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

2) Significant accounting policies and critical estimates and judgements:

2.1 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) Current vis-à-vis non-current classification

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

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

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

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

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



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

(b) 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 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.

(c) Revenue recognition:

Revenue from sale of goods

Revenue is recognised 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 recognised at an amount that the Company expects to receive from customers that is net of trade discounts, rebates 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 recognised as revenue when the Company performs under the contract.

(d) 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

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 realised or the deferred income tax liability is settled.

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

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

Current and deferred tax is recognised in Profit or Loss, except to the extent that it relates to items recognised 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.

(e) Impairment of non-financial assets:

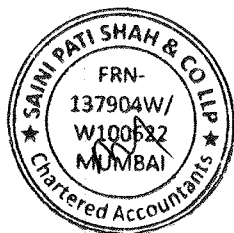
Assets are tested for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's 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.

(f) Cash and Cash Equivalents:

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.

(g) Trade Receivables:

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised 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.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

(h) 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 recognised 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 recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised 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 recognised 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.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

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

(iii) 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 recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

A financial asset is derecognised 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.

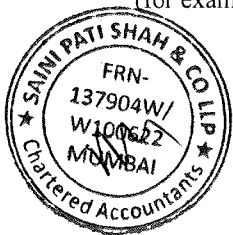
Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership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

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 derecognised 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 recognised to the extent of continuing involvement in the financial asset.

(i) Income recognition:

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example prepayment, extension, call and similar options) but does not consider the expected credit losses.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

(j) 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 recognised 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.

(k) 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.

(l) Provisions and Contingent Liabilities:

Provisions

Provisions are recognised 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 recognised 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.

(m) Contributed equity:

Equity shares are classified as equity.

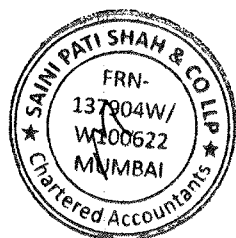
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

(w) 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.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, 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.

2.2 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.

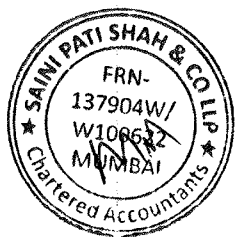
- **Impairment of trade receivables**

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.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

3 Cash and cash equivalents		As at
Particulars		31 March 2021
Balances with banks		
- in current accounts		1,00,000
		<u>1,00,000</u>

4 Equity share capital		As at
Particulars		31 March 2021
Authorised:		
10,000 equity shares of Rs 10 each		1,00,000
		<u>1,00,000</u>
Issued, subscribed and fully paid-up:		
10,000 equity shares of Rs 10 each, fully paid up		1,00,000
		<u>1,00,000</u>

Notes:

a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period:		
Particulars	As at 31 March 2021	
	No. of shares	Amount
Outstanding as at the beginning of the period	-	-
Issued during the period	10,000	1,00,000
Outstanding as at the end of the period	<u>10,000</u>	<u>1,00,000</u>

b) **Rights, preference and restrictions attached to the equity shares:**
 The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder are in proportion to its share of the paid-up equity capital of the Company. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company.

c) Shares held by Holding company:		
Particulars	As at 31 March 2021	
	No. of shares	Amount
Equity shares of Rs. 10 each fully paid-up		
National Peroxide Limited (including 6 shares held by individual nominee shareholders)	10,000	1,00,000

d) Shareholders holding more than 5% shares of a class of shares		
Particulars	As at 31 March 2021	
	No. of shares	% holding
Equity shares of Rs. 10 each fully paid-up		
National Peroxide Limited (including 6 shares held by individual nominee shareholders)	10,000	100.00%

5 Other equity		As at
Particulars		31 March 2021
Retained earnings		(71,931)
		<u>(71,931)</u>
Retained earnings:		
Balance at the beginning of the period		-
Loss for the period		(71,931)
Balance at the end of the period		<u>(71,931)</u>

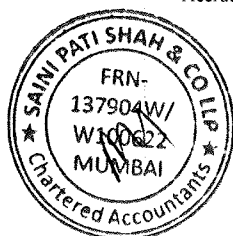
Notes:

Retained earnings represents accumulated earnings of the Company available for distribution to shareholders as per the provisions of the Companies Act, 2013.

6 Trade payables		As at
Particulars		31 March 2021
Total outstanding dues of micro enterprise and small enterprises		-
Total outstanding dues of creditors other than micro enterprise and small enterprises *		31,931
		<u>31,931</u>

* for payables to related party refer note 12.

7 Other current financial liabilities		As at
Particulars		31 March 2021
Accrued expenses		40,000
		<u>40,000</u>



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

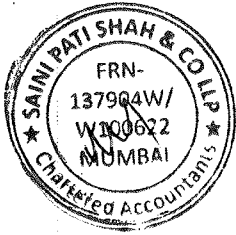
8 Other expenses

Particulars	For the period from 29 July 2020 to 31 March 2021
Payment to auditors (Refer note below)	40,000
Rates and taxes	2,431
Legal and professional fees	29,500
	71,931

Note:

Payment to auditors comprise:

Particulars	For the period from 29 July 2020 to 31 March 2021
To statutory auditors:	
- For audit	40,000
	40,000



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021
(All amount are in Indian Rupees, unless otherwise stated)

9 Income tax

The major components of income tax expense for the period ended 31 March 2021 are:

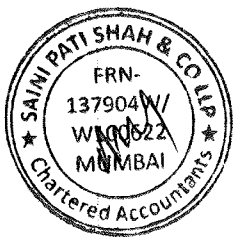
Statement of profit and loss section

Particulars	For the period from 29 July 2020 to 31 March 2021
Current income tax:	
Current income tax charge	-
Deferred tax:	
Relating to origination and reversal of temporary differences	-
Income tax expense reported in the statement of profit or loss	-

Reconciliation of tax expense and the accounting profit

Particulars	For the period from 29 July 2020 to 31 March 2021
Accounting profit / (loss) before tax	(71,931)
Computed tax expense:	
At India's statutory income tax rate of 25.168%	(18,104)
Adjustments for:	
Current period losses on which no deferred tax is created	18,104
At the effective income tax rate	-
Income tax expense reported in the statement of profit and loss	-

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

10 Earnings per share

The following table sets forth the computation of basic and dilutive earnings per share:

Particulars	For the period from 29 July 2020 to 31 March 2021
Net profit / (loss) for the period attributable to equity shareholders	(71,931)
Weighted average number of shares	10,000
Earnings per share, basic and diluted (Rupees)	(7.19)

Note: Basic and diluted earnings per share during the current period are same as the Company has no potentially dilutive equity shares outstanding as at the period end.

Reconciliation of shares used in computing earnings per share

Particulars	For the period from 29 July 2020 to 31 March 2021
No. of equity shares at the beginning of the period	-
Add: Shares issued during the period	10,000
No. of equity shares at the end of the period	10,000
Weighted average number of equity shares of Rs 10 each used for calculation of basic and diluted earnings per share	10,000

11 Contingent liabilities and commitments

Contingent liabilities:

Claims against the Company not acknowledged as debts: Nil

Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for: Nil

12 Related party disclosures

(a) Names of related parties

(i) Holding company

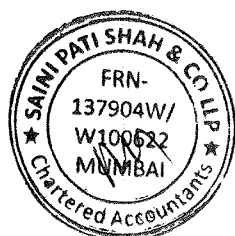
National Peroxide Limited

(b) Transactions during the period

Particulars	For the period from 29 July 2020 to 31 March 2021
Issuance of equity shares:	
National Peroxide Limited (including 6 shares held by individual nominee shareholders)	1,00,000
Expense payments made on behalf of the Company:	
National Peroxide Limited	5,000

(c) Outstanding balances

Particulars	As at 31 March 2021
Equity share capital:	
National Peroxide Limited (including 6 shares held by individual nominee shareholders)	1,00,000
Trade payable:	
National Peroxide Limited	5,000



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

13 Financial instruments - fair value measurement

Accounting classifications and fair values Particulars	As at	
	31 March 2021	
	Amortised cost	Fair value
Financial assets:		
Current:		
Cash and cash equivalents	1,00,000	
Total	1,00,000	-
Financial liabilities:		
Current:		
Trade payables	31,931	
Other current financial liabilities	40,000	
Total	71,931	-

The following methods and assumptions were used to estimate the fair values:

- 1 Fair value of cash and cash equivalents, trade payables and other financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
- 2 **Significant estimates**
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.
- 3 **Fair value hierarchy**
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial instruments - risk management

The Company has exposure to the following risks arising from financial instruments: credit risk (refer note (b) below); liquidity risk (refer note (c) below); market risk (refer note (d) below).

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(b) Credit risk

Credit risk on cash and cash equivalent is not significant as it majorly includes deposits with banks with high credit ratings assigned by credit rating agencies.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or meet its obligations on time.

Maturities of financial liabilities

Particulars	Carrying amount	0-12 months	1-2 years	3-5 years
As at 31 March 2021				
Trade payables	31,931	31,931	-	-
Other financial liabilities	40,000	40,000	-	-
	71,931	71,931	-	-

(d) Market risk

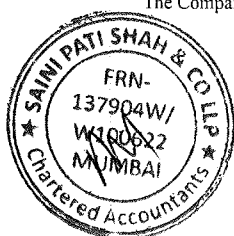
Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i) Currency risk

The transactions entered into by the Company are denominated in Indian Rupees. Accordingly, the Company does not have any currency risk.

ii) Interest rate risk

The Company's does not have any interest bearing borrowings and accordingly does not have any interest rate risk.



NPL CHEMICALS LIMITED

Notes to the financial statements for the period ended 31 March 2021

(All amount are in Indian Rupees, unless otherwise stated)

14 Capital management

The Company's objectives when managing capital is to safeguard their ability to continue as a going concern, so that it can continue to provide adequate returns to the shareholders.

The adjusted net debt to adjusted equity ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2021
Total borrowings	-
Less: Cash and cash equivalent	1,00,000
Adjusted net debt	(1,00,000)
Equity share capital	1,00,000
Retained earnings	(71,931)
Total equity	28,069
Adjusted net debt to total equity ratio	(3.56)

15 The Board of Directors of the National Peroxide Limited ("NPL", "Holding Company") at their meeting held on March 09, 2021, have, 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 there under. The Scheme, inter alia, provides for demerger, transfer and vesting of the Demerged Undertaking (as defined under the scheme) from NPL into NCL, a wholly owned subsidiary (w.e.f. October 01, 2020) of NPL, on a going concern basis, and in consideration thereof, the NCL shall issue equity shares to the equity shareholders of NPL in the same proportion of their holding. Further, Naperol Investments Limited (presently wholly owned subsidiary of NPL) will be amalgamated into NPL and the entire share capital of NCL held by NPL will be reduced.

Furthermore, subject to necessary approvals, the equity shares allotted by the NCL, pursuant to the Scheme, to shareholders of the NPL shall be listed on BSE Limited. On March 27, 2021 NPL filed the Board approved Scheme with Bombay Stock Exchange. The Scheme as aforesaid is subject to necessary approvals by the stock exchanges, Securities and Exchange Board of India, shareholders, creditors, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

16 Previous year's figures

This is the first year of operations of the Company and therefore previous year comparative figures are not applicable and accordingly not mentioned.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For Saini Pati Shah & Co LLP
Chartered Accountants
Firm Registration No: 137904W/W100622

(Signature)

Manoj Kumar Pati
Partner
Membership Number: 504536

Place: Mumbai
Date: May 28, 2021



For and on behalf of the Board of Directors of
NPL CHEMICALS LIMITED

(Signature) *(Signature)*

Jairaj Bham
Director
DIN: 02806038

Girish Advani
Director
DIN: 05264838

Place: Mumbai
Date: May 28, 2021

Place: Mumbai
Date: May 28, 2021

