

AO/A-13

March 10, 2021

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

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

Dear Sir/Madam,

Subject: Outcome of Board Meeting held on March 9, 2021

Re: Composite Scheme of Arrangement amongst National Peroxide Limited, Naperol Investments Limited and NPL Chemicals Limited and their respective Shareholders and Creditors

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”), read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform the Exchange that the Board of Directors of National Peroxide Limited (“the Company”) at its meeting held on March 9, 2021 have, inter alia, considered and approved the Composite Scheme of Arrangement amongst National Peroxide Limited (“the Transferee Company / Demerged Company / Company”) and Naperol Investments Limited (“the Transferor Company”) and NPL Chemicals Limited (“the Resulting Company”) and their respective Shareholders and Creditors under Sections 230-232 of the Companies Act, 2013 (“the Scheme”). The Scheme, inter alia, includes:-

- i. demerger, transfer and vesting of the Demerged Undertaking (as defined in the Scheme) from the Demerged Company into the Resulting Company, 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;
- ii. amalgamation of the Transferor Company with the Transferee Company; and
- iii. reduction of entire share capital of the Resulting Company held by the Demerged Company.

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





National Peroxide Limited

The Proposed Scheme was reviewed and recommended to the Board of Directors of the Company for approval by the Audit Committee and Committee of Independent Directors of the Company at their respective meetings held on March 9, 2021.

The Scheme, if approved, shall be effective from the Appointed Date (as defined in the Scheme) 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, Mumbai Bench.

The additional information required to be disclosed pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are enclosed as 'Annexure I' and 'Annexure II'.

Thanking you,

Yours faithfully,
For National Peroxide Limited

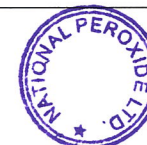
A handwritten signature in blue ink, appearing to read 'Chandukumar Parmar'.

Chandukumar Parmar
Company Secretary



Annexure I – Amalgamation / Merger

Sr. No.	Particulars	Details												
a)	Name of the entity(ies) forming part of the amalgamation/ merger, details in brief such as size, turnover etc.	<p>The details of National Peroxide Limited (“Transferee Company / NPL”) and Naperol Investments Limited (“Transferor Company / NIL”), is as under:</p> <p align="right">As on December 31, 2020 (Rs. in Lakhs)</p> <table border="1" data-bbox="954 475 2018 619"> <thead> <tr> <th data-bbox="954 475 1491 544">Name of the Entity</th> <th data-bbox="1491 475 1675 544">Total Assets</th> <th data-bbox="1675 475 1850 544">Net worth*</th> <th data-bbox="1850 475 2018 544">Turnover</th> </tr> </thead> <tbody> <tr> <td data-bbox="954 544 1491 580">National Peroxide Limited</td> <td data-bbox="1491 544 1675 580">84,997.65</td> <td data-bbox="1675 544 1850 580">63,984.81</td> <td data-bbox="1850 544 2018 580">15,033.08</td> </tr> <tr> <td data-bbox="954 580 1491 619">Naperol Investments Limited</td> <td data-bbox="1491 580 1675 619">55,991.73</td> <td data-bbox="1675 580 1850 619">55,947.44</td> <td data-bbox="1850 580 2018 619">52.55</td> </tr> </tbody> </table> <p>*Includes Other Comprehensive Income</p>	Name of the Entity	Total Assets	Net worth*	Turnover	National Peroxide Limited	84,997.65	63,984.81	15,033.08	Naperol Investments Limited	55,991.73	55,947.44	52.55
Name of the Entity	Total Assets	Net worth*	Turnover											
National Peroxide Limited	84,997.65	63,984.81	15,033.08											
Naperol Investments Limited	55,991.73	55,947.44	52.55											
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms’ length”	The Transferor Company is wholly owned subsidiary of the Transferee Company. Upon the amalgamation of the Transferor Company with the Transferee Company, the entire investment held by the Transferee Company in the shares of the Transferor Company shall be cancelled and no shares shall be issued, pursuant to the Scheme. Hence, question of the transaction being done at “arm’s length” does not arise.												
c)	Area of business of the entity(ies)	<p>NPL is a public company incorporated under the provisions of the Companies Act, 1913. The Company is engaged in manufacturing, distribution and dealing of peroxygen chemicals and is also engaged in the business of making long term investments and corporate lending through its wholly owned subsidiary viz., the Transferor Company.</p> <p>NIL is a public company incorporated under the provisions of the Companies Act, 1956. The Transferor Company is registered with the Reserve Bank of India as a Non-Banking Financial Company as provided under section 45 – IA of the Reserve Bank of India Act, 1934. The Transferor Company is engaged in the business of long-term investment and corporate lending.</p>												

d)	Rationale for amalgamation / merger	<p>(i) The Transferee/ Demerged Company is engaged in business of manufacturing of and dealing in peroxygen chemicals and is one of the largest manufacturer of hydrogen peroxide in India, with an installed capacity of 150 KTPA on 50% w/w basis. The Transferee/ Demerged Company also owns certain strategic investments and is also engaged in the business of making long term investments and corporate lending directly and also through its wholly owned subsidiary viz., the Transferor Company.</p> <p>(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.</p> <p>(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.</p> <p>(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, <i>inter alia</i>, result in the following benefits:</p> <ol style="list-style-type: none"> 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. <p>The Scheme is in the best interests of the shareholders, employees and the creditors of each of the parties thereto.</p>
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>Since, the Transferor Company is a wholly owned Subsidiary of the Transferee Company and therefore there shall be no consideration, in the form of shares or cash, for the amalgamation of the Transferor Company with the Transferee Company.</p>



f) Brief details of change in shareholding pattern (if any) of listed entity i.e. National Peroxide Limited

Particulars	Pre-amalgamation		Post-amalgamation	
	No of shares	%	No of shares	%
Promoters	40,66,659	70.76	40,66,659	70.76
Public	16,80,341	29.24	16,80,341	29.24
Others	-	-	-	-
Total	57,47,000	100%	57,47,000	100%



Annexure II – Demerger

Sr. No.	Particulars	Details
a)	Brief details of the division to be demerged	The chemical business of National Peroxide Limited (the ‘Demerged Company’ / ‘Company’) means entire business of the Demerged Company of manufacturing, distributing and selling of peroxygen chemicals. (“Chemical Business” or “Demerged Division”).
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	<p>Turnover of the Chemical Business as on March 31, 2020 was Rs. 19,057.54 lakhs.</p> <p>The turnover of the Chemical Business is 100% to the total turnover of the Company in the financial year ending March 31, 2020.</p>
c)	Rationale for demerger	<p>(i) The Transferee/ Demerged Company is engaged in business of manufacturing of and dealing in peroxygen chemicals and is one of the largest manufacturers of hydrogen peroxide in India, with an installed capacity of 150 KTPA on 50% w/w basis. The Transferee/ Demerged Company also owns certain strategic investments and is also engaged in the business of making long term investments and corporate lending directly and also through its wholly owned subsidiary viz., the Transferor Company.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>



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

The Scheme is in the best interests of the shareholders, employees and the creditors of each of the parties thereto.

d) Brief details of change in shareholding pattern (if any) of all entities

Brief Details of change in shareholding pattern of all entities involves in composite Scheme of Arrangement is as under:

(i) National Peroxide Limited ('Demerged Company' / 'Transferee Company')

Particulars	Pre-Scheme		Post-Scheme	
	No of shares	%	No of shares	%
Promoters	40,66,659	70.76	40,66,659	70.76
Public	16,80,341	29.24	16,80,341	29.24
Others	-	-	-	-
Total	57,47,000	100%	57,47,000	100%

(ii) Naperol Investments Limited ('Transferor Company')

Particulars	Pre-Scheme		Post-Scheme	
	No of shares	%	No of shares	%
Promoters	25,500	100	NA	NA
Public	-	-	NA	NA
Others	-	-	NA	NA
Total	25,500	100	NA	NA

Post Scheme, Naperol Investments Limited shall be dissolved without being wound up.



		<p>(iii) NPL Chemicals Limited ('Resulting Company')</p> <table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Pre-Scheme</th> <th colspan="2">Post-Scheme</th> </tr> <tr> <th>No of shares</th> <th>%</th> <th>No of shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Promoters</td> <td>10,000</td> <td>100</td> <td>40,66,659</td> <td>70.76</td> </tr> <tr> <td>Public</td> <td>-</td> <td>-</td> <td>16,80,341</td> <td>29.24</td> </tr> <tr> <td>Others</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Total</td> <td>10,000</td> <td>100</td> <td>57,47,000</td> <td>100%</td> </tr> </tbody> </table>	Particulars	Pre-Scheme		Post-Scheme		No of shares	%	No of shares	%	Promoters	10,000	100	40,66,659	70.76	Public	-	-	16,80,341	29.24	Others	-	-	-	-	Total	10,000	100	57,47,000	100%
Particulars	Pre-Scheme			Post-Scheme																											
	No of shares	%	No of shares	%																											
Promoters	10,000	100	40,66,659	70.76																											
Public	-	-	16,80,341	29.24																											
Others	-	-	-	-																											
Total	10,000	100	57,47,000	100%																											
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>The composite Scheme of Arrangement does not involve payment of any cash consideration.</p> <p>In terms of the Share Entitlement Ratio enshrined in the Scheme, in consideration for the demerger of the Chemical Business of Demerged Company to the Resulting Company, the Resulting Company shall issue and allot to each shareholder of the Demerged Company, whose name is recorded in the register of members on the Record Date (<i>as defined in the Scheme</i>) in the following ratio:</p> <p>1 (One) fully paid up equity share of INR 10/- (Indian Rupees ten) each of the Resulting Company, credited as fully paid up, for every 1 (One) equity share of INR 10/- (Indian Rupees ten) each of the Demerged Company.</p>																													
f)	Whether listing would be sought for the resulting entity	Yes. The equity shares to be issued by the Resulting Company shall be listed on BSE Limited.																													