



National Peroxide Limited



Creating Value.

Specialising in a commodity space

Annual Report 2021-22

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Disclaimer:

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

Creating Value.

Specialising in a commodity space

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

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

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

₹ 22,541 Lakhs

Revenue

₹ 3,371 Lakhs

EBIDTA

₹ 509 Lakhs

PAT

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



> Vision

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



The Wadia Group

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

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

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



Mission

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



Values

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

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

The Wadia Group Companies



Bombay Burmah



National Peroxide at a Glance

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

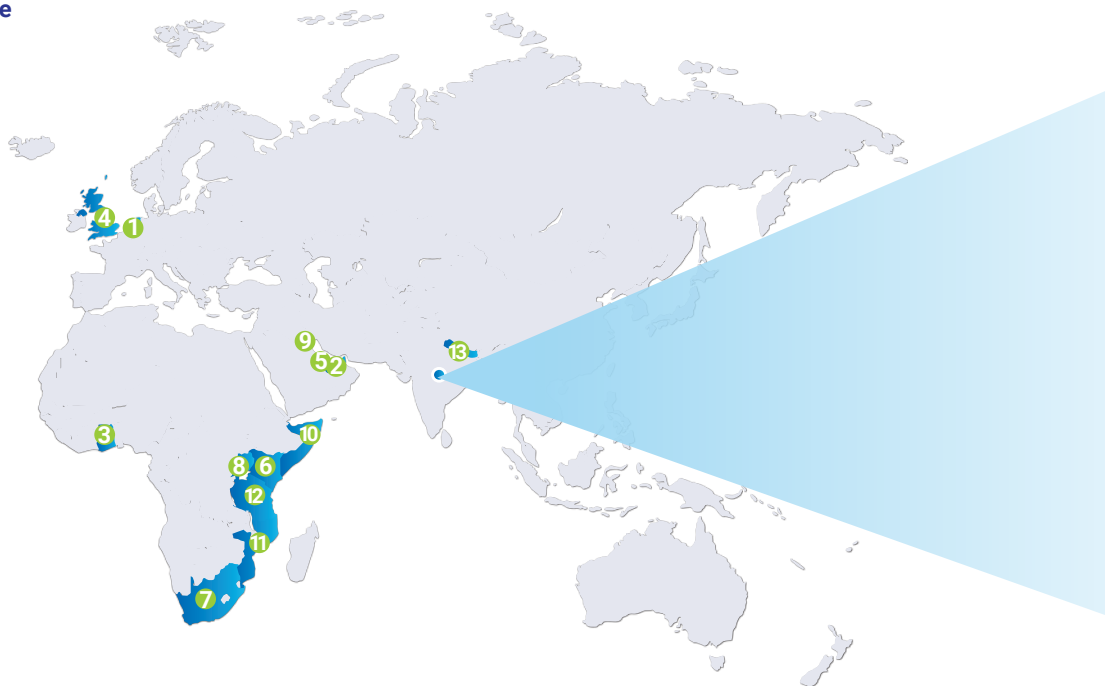
Furthermore, in order to unlock the value of each of the businesses for the shareholders of the Company, attracting investors and providing better flexibility in accessing capital greater value to our stakeholders, the Company is going through composite scheme of arrangement by demerging the Company's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

Our Geographical Reach

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

Export of Hydrogen Peroxide to the following countries:

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



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



Hydrogen Peroxide

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



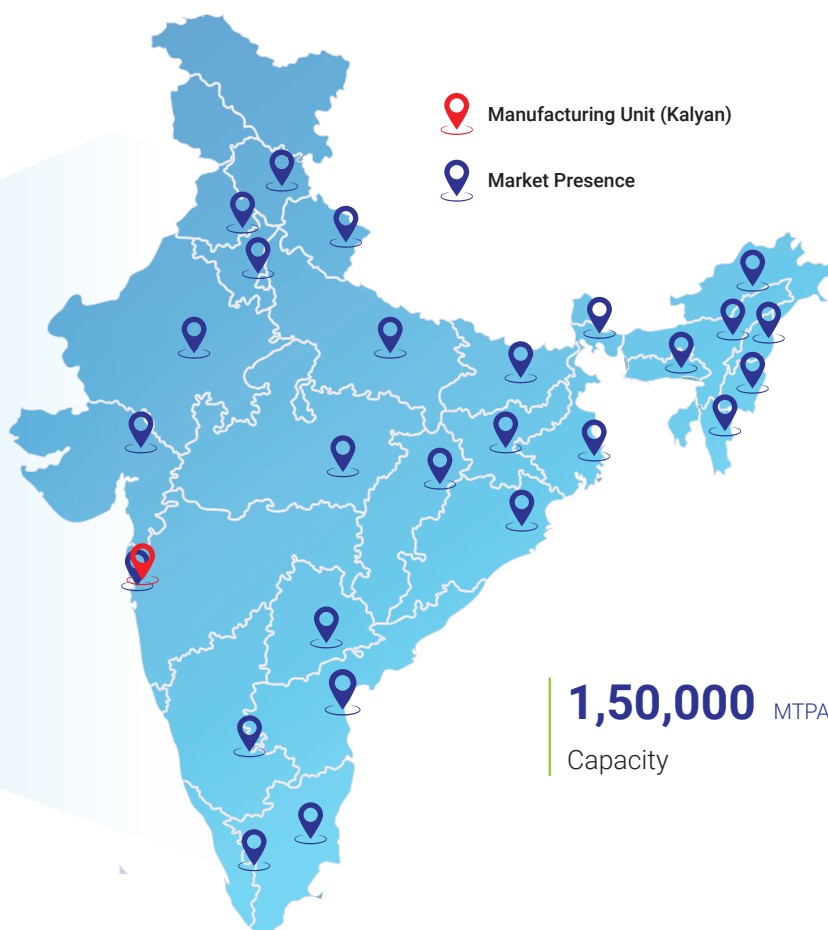
Peracetic Acid

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



Compressed Hydrogen Gas

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



Downstream Industry Applications


Paper & Pulp


Sugar


Metallurgy


Chemical Synthesis


Cosmetics


Pharmaceuticals


Textile


Water & Effluent Treatment

Creating Value Over the Years

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

Inception and beyond

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

Decade of collaboration and capacity expansion

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

Starting our journey as a listed entity

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

1954
–
1970

1971
–
1980

1981
–
1990

Capacity enhancement and consolidation

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

1991
–
2000

Growth through self-sustenance

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

2001
–
2010

Capacity expansion to propel growth

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

2011
–
2022

Message from CEO



“

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

”

Dear Shareholders,

Financial year 2021-22 will go down in history as the one when the world started to slowly and gradually overcome the challenges posed by the pandemic. NPL's performance remained steady throughout the year despite the pandemic as the economy recovered. In the current market, where Indian suppliers are in higher demand as global partners, we have been able to capitalize on our dominant position as the country's largest manufacturer of Hydrogen Peroxide (H_2O_2). We built on our core strengths and finetuned our strategy while adjusting to the new normal.

As we are aware, H_2O_2 comprises the value chain of chemistry, including Hydrogen Peroxide, Peracetic Acid and Compressed Hydrogen Gas. We assist huge businesses operating across several downstream sectors by creating a specialized market for the goods which were earlier imported. Despite the pandemic's lingering effects, we kept up with our planned expenditures in our existing R&D facilities. These facilities keep delivering excellence and aid in our market expansion into new downstream industries through consistent product innovation. With immense pleasure, I would like to state that we are, currently, a leading exporter of H_2O_2 .

Performance Highlights

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

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

Expansion

We have expanded our domestic market reach as part of a strategic goal by collaborating closely with dealers and consumers. With increased reach and deeper penetration, we are consolidating our global footprint in the Middle East, Latin America, Asia, and African markets since we began exporting in 2020-21. We have implemented a strategic plan in order to take advantage of the growth potential present in both domestic and foreign markets. In both local and foreign